

Originally Processed With FOIA(s):

S

FOIA Number:

S

FOIA MARKER

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

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

OA/ID Number: 13539
Folder ID Number: 13539-009

Folder Title:
Address to Joint Session of Congress 9/11/90 [OA 5376] [2]

Stack:	Row:	Section:	Shelf:	Position:
G	26	16	4	3

9/11/90 Jt Session Draft/kj

Mr. President, Mr. Speaker, Members of the Congress,
distinguished guests, fellow Americans, thank you.

We gather here this evening while brave members of the armed
forces of the United States stand in harms way--side by side with
the armed forces of more than twenty other nations, in the
distant desert and on distant seas. They are there and we
meet here, in the aftermath of an outrage: Iraq's invasion,
then occupation, ^{plundering} of Kuwait. *as I speak*

Our response has been firm and clear, as it must be in times
like these. And times like these also remind us of far greater
risks and sacrifices than any we are called to make in Washington.
It is the men and women of our armed forces, all volunteers to
service, who leaves their posts and careers, their families
and loved ones, to meet this challenge halfway around the world.

On behalf of all Americans, I want to express our deepest thanks
to those who keep America safe and who make America great.

Let us also return a salute to the military leaders with us
tonight -- the first-class professionals of the Joint Chiefs of
Staff. General Powell, Chiefs, what a magnificent job you have
done.

★
Michael

The response of all the men and women of the United States Armed Forces over the past few weeks has been nothing short of heroic.

In the face of danger, they are brave. In trying circumstances, their morale is excellent. Helping to keep the world free from further aggression, they make us all proud. *let me put it this way.*

*Amie 40
Shaw* → I wish I could say their work is done. But we all know it isn't.

And, let me also thank you all -- Democrats, Republicans, and independents alike -- and all Americans -- for your unity of purpose, and for your support of our actions in the face of aggression.

My purpose tonight is to talk to you about what is at stake, what we are doing and why. I also want to point out what we must do to prevail -- not just abroad, but here at home as well. For foreign policy and domestic policy are not distinct. We are one people, with a broad set of interests to be served by our foreign and domestic policies.

Our objectives are clear, our goals defined and familiar:

- ° Iraq must withdraw from Kuwait completely, immediately, and without condition.
- ° Kuwait's legitimate government must be restored.

*Internat
Att*

- ° The security and stability of the Persian Gulf must be assured.
- ° And, American citizens and interests must be protected.



I want to say at the outset that these objectives are not ours alone. ^{most} Other countries share our concern for principle. ^{see how} Other countries have a stake in Persian Gulf stability. And ^{all} other countries share the heartfelt concern for their men, women, and children held hostage. It is not Iraq against the United States. It is Iraq against the world.

I come before you tonight having just returned from Helsinki, from ^a my very productive meetings with Soviet President Gorbachev. Our joint statement underscores our mutual commitment to counter this threat to peace.

This public declaration is truly an historic venture. Just imagine how different this crisis would be if, as in decades past, a dictator like Saddam has been able to count upon the Soviet Union and East-West confrontation to inhibit an international response to his aggression. Try to conceive of what we and our allies would now face if the machinery of the United Nations were still disrupted by the divisions of the Cold War.

But, ladies and gentlemen, the Cold War is over. And in this crisis -- as grave as it is -- we see the chance to craft the framework of a new world order. One in which the cooperative mutual interest of countries East and West -- North and South

*Lacked to
world leaders
mtg. sent
successful
signal -
some 6. more
credit*

-- can be realized. President Gorbachev understands that how we -- together with others -- manage this crisis will speak volumes about our ability to make the international system of the future different from those of the past. The test we face is great -- and so are the stakes -- for we seek a community of international responsibility. A new world: One in which the rule of law flourishes and in which no state can count on naked aggression for its own selfish unilateral gain. A new world in which nations recognize the responsibility we all share for freedom and justice. A lasting and effective partnership of nations where, as Woodrow Wilson said, "There must be not a balance of power, but a community of power; not organized rivalries, but organized peace." Those are the stakes, and that is the vision threatened by Saddam Hussein's brutal invasion.

What lies behind these objectives?

A vital issue of principle is at stake. We cannot allow the rule of law to be overwhelmed and replaced by the law of the jungle. Might cannot be allowed to make right. If we want the precedent of this first post-Cold War crisis to have meaning -- it must drive home that message.

Vital economic interests are at risk. Iraq itself controls some 10% of the world's proven oil reserves. Iraq plus Kuwait controls twice that. Moreover, an Iraq permitted to hold on to Kuwait would have the economic and military power as well as the

*Conservation
mention*

arrogance to intimidate and in the end coerce its neighbors who control the lion's share of the remaining oil reserves, in the world. We cannot permit a resource so vital to the entire world to be dominated by so ruthless and unprincipled a power.

What is also at issue is American credibility and reliability. It has become fashionable in some quarters to speak of American decline and the end of American leadership. But for any who subscribed to his notion, recent events have surely proven otherwise. As we have seen, there is no substitute for American leadership. And our willingness and capability to act is a bulwark against the forces of anarchy that could otherwise threaten the peace of the world.

Finally, what this is all about is nothing less than the shape of the world to come. This is truly the first crisis of the post-Cold War era. So it is essential that we hold true to certain principles if we wish to see them established as precedents in a new world order. Restraint, the rule of law, collective security -- we should not and cannot allow the reduced possibility of superpower conflict to be replaced by a new threat of conflict from power-hungry regional powers such as Iraq. With power comes obligation and responsibility. Saddam Hussein must learn this fundamental truth.

Our response has been clear from the very outset. Following on Iraq's August 2 invasion of Kuwait and acting hand in hand with others, we have sought to fashion the broadest possible international response to the Iraqi challenge. And we have succeeded.

7
1
Immediately following the invasion of Kuwait, American forces, and those of a host of nations, moved to the protection of Saudi Arabia. We are there at the request of King Fahd to deter an Iraqi attack and, if need be, to defend against one. Today soldiers from Damascus and Cairo, Marrakech and Bangladesh, Los Angeles and London stand shoulder-to-shoulder. What brings these Muslims and non-Muslims, Arabs and non-Arabs together is resolute opposition to Saddam's aggression and aims.

*list
all?*

In the United Nations, we can now point to five Security Council resolutions that condemn Iraq's aggression, call for immediate and unconditional Iraqi withdrawal from Kuwait, and call for the restoration of Kuwait's legitimate government. The United Nations has also specifically rejected Iraq's cynical and self-serving attempt to annex Kuwait. The United Nations has demanded too that Iraq release all the foreign nationals held hostage against their will and in contravention not only of international law but of human decency itself.

Just as important, the United Nations has backed up its words with action. The Security Council has imposed mandatory economic

Yesterday, I talked to three leaders in area
say sanctions working
effect

sanctions on Iraq, designed to force Iraq to disgorge the fruits of its aggression. The Security Council has also taken the decisive step of endorsing the use of all means as may be necessary to ensure that these sanctions are complied with. Together with our allies, ships of the United States Navy are today patrolling to see that they are. Voluntary compliance with sanctions is excellent. We continue to hope that Iraq's leaders will recalculate just what their aggression has on balance cost them. Because of the sanctions, they can sell none of their oil. And they can import but a tiny fraction of goods.

We continue to hope that these sanctions will work as intended.

Our policy also has a major economic dimension. I have just heard from Secretary of State Baker and from Secretary of the Treasury Brady. Each travelled the world at my request to underscore the necessity that the costs and burdens of this collective military effort be shared. It is also essential that countries complying with sanctions be compensated to prevent severe economic hardship. We are prepared to do our fair share; we are asking others to the same.

I am pleased to be able to report that the response of our friends and allies has been positive. From the leaders of Saudi Arabia, Kuwait and the United Arab Emirates we received pledges to provide American troops with all the food and fuel they need. Assistant will also be provided in large amounts to key front-line

get
DSC
10/29

Emirates have pledged to help
Stalwart

Japan?

states such as Turkey and Egypt.

There is also an energy-related cost to be borne as well. But we are hard at work with oil-producing nations to replace lost Iraqi and Kuwaiti output. More than half of what was lost has already been made up. If we continue steps to expand production, we can minimize any price increases. As I have pointed out before, reasonable conservation efforts and responsible oil company behavior are necessary complements to this effort. And we and several of our allies always have the option to extracting oil from our strategic petroleum reserves if conditions warrant.

Separate
new
measures!

The goal of all I have outlined is to convince Saddam Hussein to withdraw from Kuwait. I cannot predict just how long it will take us to prevail. Our policy is now in place, and sanctions may take time to have their intended effect. ^{Tougher, but as we said} ~~What I can tell you is~~ ^{in our joint declaration with S.A.} ~~that we will stick with the current policy so long as the evidence suggests it is working.~~ If the evidence begins to suggest otherwise, then we will look at the alternatives. Again, what is certain is that we will not let this aggression by Iraq stand.

However we do succeed, and we will, the challenge to our vital interest in the region will not have ended. I can foresee a lasting role for the United States in assisting the nations of the Persian Gulf, in deterring future aggression, in helping our friends in their own self-defense, and in curbing the proliferation of chemical, biological, missile and above all nuclear technologies. What we do specifically will be a matter

but
as soon as
possible
troops
home

~~What we do~~ ^{we} will have a long standing
long after troops come home

to be determined, depending upon the threat and what we and our friends agree to. But let me make clear that our stake in the Gulf is not passing. Both our interest and our involvement pre-dated Saddam Hussein's aggression, and both will survive it.

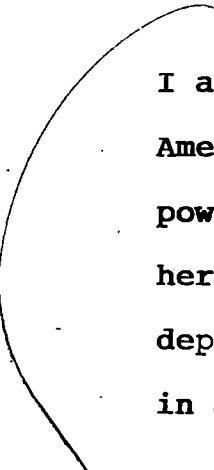
Let me also make clear that the United States has no quarrel with the Iraqi people. Our quarrel is with ^{Saddam Hussein's or} Iraq's behavior, ^{dictator} with its aggression, and with its leadership.

~~I want to make sure that everyone in Iraq understands this, and hope I have the opportunity to speak directly to the Iraqi people later this week over their television. My message is simple. Iraq must withdraw from Kuwait. Iraq will not be permitted to annex Kuwait. The use of force by Iraq to achieve its ambitions is unacceptable. No one in Iraq should doubt our determination, our resolve or our ability to translate these words into fact. This is not a threat or a boast, just the truth.~~

I also want to use this occasion to say some things to the American people. Our ability to function effectively as a great power abroad depends directly upon how we conduct ourselves here at home. Our economy, our armed forces, our energy dependence, and our cohesion will all determine whether we are in a position to help our friends and stand up to our foes.

*chronicize
It is US, not I.
O.N.
S.O.*

let me see message from



Not shape U.S. policy by hostage - the world will not be blackmailed

*What does your agent love me?
concern Thatcher,
Mitterand*

In order for America to lead, America must be strong and vital. Our world leadership and domestic strength are not separate domains -- they are mutual and reinforcing; they are a woven piece, as firmly bound as Old Glory.

We must get our economic house in order at home if we are to have the capacity to promote international order abroad. To provide that capacity we must address our budget deficit now -- not after election day, or next year, but in fact now. It is time we pull together -- and get the job done right.

We should act this very month -- before the next fiscal year begins -- to permanently cut the budget deficit. If anyone needs an additional reason for action, surely the Iraqi situation can help focus the mind. We are more vulnerable economically than we should be. Americans must never again enter any crisis -- economic or military -- with an excessive dependence on foreign oil and an excessive burden of Federal debt.

Let me tell you what that job is. It has five basic parts.

First: We should, this month, enact growth-oriented tax measures -- to help avoid recession in the short term; and to increase savings, investment, productivity, and competitiveness for the longer term. One such measure already has the support of bipartisan majorities in both the House and Senate: The capital gains rate cut. And it is time we put its investment

and job-creating power to work.

Second: We should, this month, enact a prudent five-year defense program -- one that reflects both the improvement in East-West relations, and the continuing risks of outlaw action and regional conflict, as represented most vividly now by Iraq. Even with Iraq, the defense budget can decline in real terms. But beyond a certain point, one crosses a line that threatens our nation's margin of safety. Given my Constitutional obligation as Commander-in-Chief, that is a line I cannot cross.

The world is still dangerous. Surely that is now clear. Stability is not secure. American interests are far-reaching. Interdependence has increased. The consequences of regional instability can be global. This is no time to reduce America's capacity to protect her vital interests.

Third: We should, this month, enact measures to increase domestic energy production and energy conservation -- in order to reduce dependence on foreign oil. These measures should include my proposals to increase incentives for domestic oil and gas exploration, and to accelerate the development of Alaskan energy resources. In addition, new measures, including tax measures (if any), to be incorporated here

Since the oil embargo of the early 1970's our reliance on foreign oil has not decreased -- it has grown. We have moved in the wrong direction. Now we must act to correct that trend -- so that our vulnerability does not increase again.

Fourth, we should, this month, enact a five-year program to reduce the projected deficits and debt by \$500 billion -- that is, by half-a-trillion dollars. If Congress presents me with a satisfactory program by the end of the month, that would be in time to avoid the clumsy axe of "sequester" -- deep across-the-board cuts that would otherwise threaten our military capacity and risk substantial domestic disruption.

I ask, further, that Congress present the comprehensive, five-year deficit reduction program to me as a single legislative package -- with associated measures to assure that it can be fully enforced. The American people are tired of phoney deficit reduction on the promise-now-save-later-plan. Enough is enough. It's time for a program that is credible and real.

Fifth, and finally: The combination of these legislative actions should allow the Federal Reserve to facilitate a substantial reduction in interest rates -- in a context of economic growth, without increased inflation. I have discussed my proposed program in detail with the Chairman of the Federal Reserve Board, Alan Greenspan. He assures me that if Congress acts promptly to enact the program I am recommending here tonight, he will then (... _____.)

In addition to discussing this program with the Chairman of the Federal Reserve, I have today provided it -- in detail -- to the members of the Budget Summit negotiating group.

My deficit reduction program has these basic characteristics -- as any acceptable program must:

- ° It includes the measures I've recommended to increase economic growth and reduce dependence on foreign oil.
- ° It is balanced. The burden of contributions is not excessive any one group of programs or people. About one-third of the savings come from defense, one-third from domestic spending programs, and one-third from revenue measures.
- ° It reaches beyond the visible parts of the budget and begins to control the government's expanding credit programs and hidden liabilities.
- ° It reforms the budget process to provide some of the tools that have allowed many governors to keep state budgets under control -- like "pay-as-you-go" requirements and line-item veto.
- ° It is enforceable.
- ° And, to the extent that it includes new revenue measures -- which it does -- it avoids any measure that might threaten economic growth or raise people's income tax rates. I know there are some who are anxious to raise income tax rates. But that is one path we should not head down again.

To the congressional members of the Budget Summit, I say:

I first called for negotiations many months ago. The negotiations have already dragged on too long. I have compromised, and compromised again. Some others have, as well. The plan I offer tonight is a further compromise that should, at last, bring us together. I hope to persuade you of its merit in this coming week.

My plan will not fully satisfy any of us. But it will do the job that needs to be done. And now: it is time to produce.

I hope the Summit leaders will agree on this plan. But with or without agreement. I ask both Houses of the Congress to allow a straight up-or-down vote on my comprehensive package -- not later than September 28th.

If the Congress fails to act, Americans will then have to face sequester: mandated spending reductions with all the national discomforts those entail. We would also be running real risks in terms of our national economy. If, on the other hand, the Congress responds to the challenge, we will, at last, have put ourselves on the right course here at home.

In the final analysis, our ability to meet our responsibilities abroad depends upon political will and consensus at home. This is never easy in democracies where we govern only with the consent of the government. And free people in a free society are bound to have their differences. But when the stakes have been as great as the stakes we now see, and when the principles are as clear as those we see today, Americans have traditionally come together. The sacrifices each of us in this chamber are called upon to make are political. These are not inconsequential sacrifices. But they are nothing compared to the sacrifices being made, as ^{we} ~~to~~ speak, by our men and women in uniform.

I am hopeful. Once again, Americans have stepped forward to do their duty. They have shared a tearful goodbye with their families before leaving for a strange and distant shore. At this very moment, they stand together with Arabs, Europeans, and others in defense of principle -- doing what is right. If they can come together under such adversity, surely we who are so fortunate as to be in this great chamber -- Democrats, Republicans, liberals, conservatives, moderates -- can come together to fulfill our responsibilities here.

Thank you, good night, and God bless America.

Whole.

country devours another unthreatening country. We will stand firm against the aggression now condemned around the world. // Our cause may not be easy -- but it will always be right. So we will do whatever it takes to help our men and women restore peace and, thus, complete their mission. //

We're doing this with the cooperation of the United Nations and ~~the~~ twenty-two countries involved in the Persian Gulf effort. We are united for stability and security. We will remain united.

In that spirit, I look forward to Sunday's meeting with President Gorbachev in Helsinki.) Together, we will talk of how all the great powers can act to shape a safer, freer world. // The *Person*

Conf mission ~~I speak of~~ will also require what Chairman of the Joint Chiefs of Staff Colin Powell called "the finest peacetime military in the history of America." As long as I am President, that military will remain purposeful and proud. // In his first Inaugural Address, George Washington said "To be prepared for war is one of the most effectual means of preserving the peace." Look to the Persian Gulf: Those words have rarely been truer than now. //

((Today, the finest soldiers, sailors, airmen, and Marines any Nation could have are showing how the best way to keep the peace is to keep America militarily strong. // Here are some examples -- all now on active duty in Saudi Arabia with the Air National Guard's 190th Air Refueling Group from Topeka's Forbes Field. // Sergeant Johnnie Keller is a graduate of Osage [O-sage] City High School, who last March joined the Guard. Today,

lay, and the coffeehouses along
engoff Road are filled at night.
This article is based in part on
service reports.

A Spanish worker in Barcelona gets to work on the round-the-clock
production of gas masks following massive orders from the Middle East.

AP

akes point; Thatcher doesn't blink



Reuters

Marines aboard the HMS Jupiter do the Sailors Hornpipe dance during patrols in the Persian Gulf yesterday.

to a Kuwaiti hotel, Foreign Sec-
y Douglas Hurd rushed back
vacation and reversed the ad-

We do not bargain over hos-
s," Mrs. Thatcher said once Mr.
ein's intentions became clear.
will not stoop to the level of
g human beings as bargaining
sters. Ever."

The British firmness has been
well appreciated by Mr. Bush, who at
one point said, "Thank God for allies
and friends like Margaret Thatcher
when the going gets tough."

Britain's Gulf partnership with
Washington, however, is not Mrs.
Thatcher alone.

A Gallup telephone poll found 80
percent of the people behind her de-

cision to deploy British forces. Even
her foe, Labor Party leader Neil Kin-
nock, wholeheartedly backs the
Thatcher line.

"The government is doing all that
can be done, given that Iraq is being
run by a dictator who is not a man of
his word," Mr. Kinnock said in one of
a series of TV and radio interviews
this week.

loaded in the
Aqaba contin-
toward Bagh-
lation of the
isolating Ira-
pation of Ku-

Officials
mostly penn-
massed yest-
border cross-
others wait-
Jordanian si-
parently 20,
for the borde-
Baghdad.

The king,
is not intere-
eign aid that
from the Eu-
Japan. He w-
— a deal tha-
out of the
unspecified

Saddam
jected all de-
troops from
area near
where they
of U.S. force

On arriva-
tal, King F-
cally of "the
in Arab hist-
period the
known."

His deci-
ated his We-
plauded by
half of who-

By align-
King Husse-
decision of
understood,
rector of t-
search Inst-

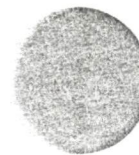
"This is
might lose €
ians may ris-
ring to the
which the
ious Palesti-
tions.

The Jord-
ing for time
Washington
Policy. "Hi-
serve Jorda-
uation, hea-
strong neig-

Chris Mark D.

7128

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506



September 10, 1990

INFORMATION

MEMORANDUM FOR BRENT SCOWCROFT

FROM: NICHOLAS ROSTOW *NL*.

SUBJECT: President's Speech to Congress

Boyden Gray, based on his conversations with the President, suggests that something along the following lines should be included in his speech to Congress tomorrow. Gray's starting point is the President's comments to congressional leaders on August 28, 1990, "Let no one at home doubt . . . my commitment to work with the Congress, and let no one abroad doubt our national unity or our staying power." Accordingly, I would suggest addition of the following at an appropriate place:

The American people, the Congress, and the President stand shoulder-to-shoulder with the rest of the world in condemning Iraq's aggression against Kuwait and insisting on Iraq's unconditional and complete withdrawal from Kuwait and restoration of Kuwait's legitimate government. No one should doubt our unity and resolve. And no one should doubt my resolve to work closely with the Congress in seeing this crisis through to a satisfactory resolution in accordance with the UN Security Council's Resolutions. Accordingly, I ask for prompt action on a joint resolution formalizing our national unity at this moment.

cc: C. Boyden Gray
Richard Haass
Condoleezza Rice

NATIONAL SECURITY COUNCIL

September 11, 1990

MEMORANDUM FOR JAMES CICCONI

FROM: WILLIAM F. SITTMANN *KJH for*

SUBJECT: Changes to President's
Address to Jt Session
of Congress

Attached is the edited version of
the speech - General Scowcroft feels
very strongly about his changes. Any
questions please call his office - X2255.

Boent

Davis
Title: Joint2
Draft: Three

90 SEP 11 A12:33

PRESIDENTIAL REMARKS: ADDRESS TO THE JOINT SESSION OF CONGRESS
9 p.m., SEPTEMBER 11, 1990

Mister President, Mister Speaker, Members of the Congress,
distinguished guests, fellow Americans, thank you.

We gather tonight, witness to events in the Persian Gulf as
terrible as they are tragic. Following negotiations and promises
by Iraq's dictator Saddam Hussein not to use force, a powerful
Iraqi Army invaded ^{and occupied} its trusting and much weaker neighbor, Kuwait,
in the early morning hours of August 2. Within three weeks, ^{had poured into} 120,000 Iraqi troops with 850 tanks ^{and} occupied the country. ^{threatened Saudi Arabia} [Then
Iraq annexed Kuwait, while moving ((hundreds)) of tanks south
toward Saudi Arabia.] All nations are appalled by ^{the} [widespread]
accounts of Iraqi soldiers looting Kuwaiti property and attacking
Kuwaiti citizens. All of this done to a country that is a member
of the United Nations and the Arab League, the same Kuwait that
Iraq recognized almost thirty years ago, the same Kuwait that
generously supported Iraq during its eight-year struggle with
Iran, ^{has now been annexed by Iraq}

As we meet, brave service men and women stand watch in this
distant desert and on distant seas, side by side with the forces
of what will soon be twenty-six other nations.

[The courage of these men and women from around the world is
testament to the world's response to an outrage.] Among them are



threatened Saudi Arabia

*

some of the finest men and women of the United States of America.\\

When we stop to think that these valiant Americans ^{were} [volunteered to be] ready at a moment's notice, to leave familiar posts and careers, their spouses, their children, to put themselves on the front-line half-way around the world, then we know who keeps America strong.\\ They do.\\

And isn't it a testament to who we are, ^{and what we stand for} that as some board ships and planes bound for the Persian Gulf, they may hear these departing words: Mom, we're proud of you.\\

In trying circumstances, the morale of our servicemen and women is excellent. In the face of danger, they are brave.

A soldier ((rank)) by the name of Wade Merritt of Knoxville, Tennessee, now stationed in ((Saudi Arabia)), wrote his parents of his worries, his love of family, and his hopes for peace. But Wade also ^{wrote} [writes]: "I am proud of my country and its firm stand against inhumane aggression. I am proud of my Army and its men . . . I am proud to serve my country."

Let me just say, Wade, America is proud of you.\\ America is grateful to every soldier, sailor, Marine and airman serving the cause of peace in the Persian Gulf.\\

Let us also return a salute to the military leaders with us tonight -- the first-class professionals of the Joint Chiefs of Staff. [On behalf of the American people,] General Powell, Chiefs, what a magnificent job you are doing.\\

I wish I could say their work is done. But we all know it isn't. *is NOT*

[So if ever there was a time to put country before self and patriotism before party, that time is now.\\\ Let me thank you all Americans -- Democrats, Republicans, and Independents alike - - for your support.

But that support will be even more important in the days to come.] So tonight, I want to talk to you about what is at stake, and what we must do together to defend civilized values around the world, and economic strength at home. For more than two hundred years, we have been one people, with a broad set of interests served by both our foreign and domestic policies. That remains unchanged. So tonight, let me begin with our international relations.

America and the world must defend common vital interests. And we will.\\\

America and the world must support the rule of law. And we will.\\\

America and the world must stand up to aggression. And we will.\\\

And one more thing -- we will never, ever give in to blackmail.\\\

Our objectives in the Persian Gulf are clear, our goals defined and familiar:

*** Iraq must withdraw from Kuwait completely, immediately, and without condition.\\\

Delete

*** Kuwait's legitimate government must be restored.\\\

*** The security and stability of the Persian Gulf must be assured.\\\

*** American citizens abroad must be protected.\\\

And tonight, let me add that we ^{may be} [are] in sight of a United Nations that plays the role envisioned by its founders. For this we owe much to Secretary-General Perez de Cuellar. And this, I believe, ^{could be} [is] the greatest goal of all, the establishment of a new world order.

These goals are not ours alone. ^{The UN Security Council is unanimous} [Many countries share our ~~concern~~ concern for principle. Many countries have a stake in the stability of the Persian Gulf. And all share a heartfelt concern for their men, women, and children held hostage. This is not, as Saddam Hussein would have it, the United States against Iraq. It is Iraq against the world.\\\

As you know, I've just returned from a very productive meeting with Soviet President Gorbachev. I am thankful that he has courageously departed from the past, so that we might work together to build a new relationship. In Helsinki, we issued a joint statement, an announcement to the world of our shared resolve to counter Iraq's threat to peace.

It's message could not be more clear: "We are united in the belief that Iraq's aggression must not be tolerated. No peaceful international order is possible if larger states can devour their neighbors."

Clearly, no longer can a dictator like Saddam Hussein count on East-West confrontation to stymie concerted action against aggression. [No longer will the machinery of the United Nations be sabotaged by the Cold War.\\ \\]

When the Soviet Union joined with us in the United Nations to condemn the aggression of a former ally, then I knew that at long last, we could put forty-five years of history behind us.
 At long last: \\ The Cold War is over. \\ \\

A new partnership of nations has begun.

We stand today at a unique and extraordinary moment. The crisis in the Persian Gulf, as grave as it is, also offers a rare opportunity to ^{move toward} [establish] ^{period?} an historic precedent of cooperation. Out of these troubled times, ^{perhaps our fifth objective,} a new world order can emerge -- ^{an} [making the post-Cold War] era freer from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace. One in which the nations of the world, East and West, North and South, can prosper and live in harmony.

A hundred generations have searched for this illusive path to peace, while a thousand wars raged across the span of human endeavor. But today a new world is struggling to be born. A world very different from the one we have known. A world where the rule of law supplants the rule of the jungle. A world in which nations recognize the shared responsibility for freedom and justice. A world where the strong respect the rights of the weak.

This is the vision I shared with President Gorbachev in Helsinki. He, and other ^{world} leaders, understand that how we manage this crisis today, will shape the future for generations to come.

The test we face is great -- and so are the stakes. [This is the first assault on the post-Cold War world, the first test of our mettle.] Had we not responded to this first provocation with clarity of purpose; if we do not continue to demonstrate our determination; it would be a signal to ^{actual and potential} [a half-dozen] despots around the world. Let us tell the world tonight: A green light to aggression is a signal we will never send.\\ \\ \\

Vital issues of principle are at stake. Saddam Hussein is literally trying to wipe a country off the face of the earth. I do not exaggerate.\\ \\

Nor do I exaggerate when I say: Saddam will fail.\\ \\

Vital economic interests are at risk as well. Iraq itself controls some ten percent of the world's proven oil reserves. Iraq plus Kuwait controls twice that. An Iraq [permitted to] swallow ^{ing} Kuwait would have the economic and military power, as well as the arrogance, to intimidate and coerce its neighbors -- neighbors who control the lion's share of the world's remaining oil reserves. We cannot permit a resource so vital to be dominated by so ruthless and unprincipled a power. And we won't.\\ \\

Recent events have surely proven that there is no substitute for American leadership. In the face of tyranny, let no one

doubt American credibility and reliability.\\\ We will stand by our friends.\\\

Like a receding tide, the ebbing of the Cold War has revealed a forgotten landscape, a landscape of ancient animosities and ambitions. We should not, we cannot, allow the reduced possibility of superpower conflict to be replaced by a new threat from local bullies and the terrorists they bankroll. With power must come obligation and responsibility.

One way or the other, Saddam Hussein must learn this fundamental truth.\\\

From the outset, acting hand-in-hand with others, we have sought to fashion the broadest possible international response to Iraq's aggression. The level of world cooperation and condemnation of Iraq is unprecedented.

American forces, and those of a host of nations, are there at the request of King Fahd of Saudi Arabia to deter and if need be, to defend against attack. Muslims and non-Muslims, Arabs and non-Arabs, soldiers from ((twenty-six)) nations, stand shoulder-to-shoulder, resolute against Saddam's territorial ambitions.

And in the arena of diplomacy, we can now point to five ((unanimous)) United Nations Security Council resolutions that condemn Iraq's aggression, call for Iraq's immediate and unconditional withdrawal, and the restoration of Kuwait's legitimate government. The United Nations has also emphatically rejected Iraq's cynical and self-serving attempt to annex Kuwait. Finally, the U.N. has demanded the release of all foreign

nationals held hostage against their will, in contravention not only of international ^{law}, but of human decency itself. Prime Minister Margaret Thatcher said it all: "We do not bargain over hostages. We will not stoop to the level of using human beings as bargaining (chips). Ever."\\\

Of course, our hearts ache for the hostages and their families. But our policy cannot change. America and the world will not be terrorized.\\\

The United Nations is backing up its words with action. The Security Council has imposed mandatory economic sanctions on Iraq, designed to force Iraq to relinquish the spoils of its illegal conquest. The Security Council has also taken the decisive step of authorizing the use of all means necessary to ensure compliance with these sanctions.

Together with our friends and allies, ships of the United States Navy are today patrolling to enforce the sanctions. Arab leaders I spoke with just yesterday have told me that these sanctions are working. Now it's Iraq's turn to feel the heat.\\\

We continue to hope that Iraq's leaders will recalculate just what their aggression has cost them. They are cut off from world trade. Unable to sell their oil. And only a tiny fraction of goods gets through.

But the cost of leadership can be steep as well. That's why Secretary of State Baker and Secretary of the Treasury Brady have met with many world leaders to underscore that ^{the} burden of this collective effort must be ^{collective} shared. In particular, it is essential

that countries complying with sanctions be compensated to prevent severe economic hardship. We are prepared to do our fair share; [we insist] ^{must} others do the same. \\

I am pleased to report that the response of our friends and allies has been good. The leaders of Saudi Arabia, Kuwait and the United Arab Emirates have pledged to provide those supplying troops with all the food and fuel they need, and to defray our military costs. Generous assistance will also be provided to stalwart front-line nations, such as Turkey and Egypt.

I am also heartened to report that this international response extends to the needs of ^{the tragic flood of} [many] refugees. For our part, we have contributed \$28 million for relief efforts. This is but a small portion of what is needed. I commend, in particular, Saudi Arabia, the Japanese and several European nations who have joined us in this humanitarian effort.

There is [also] an energy-related cost to be borne as well. We are ^{working} [hard at work] with oil-producing nations to replace lost Iraqi and Kuwaiti output. More than half of what was lost has already been made up. If producers, including the United States, continue steps to expand oil and gas production, we can stabilize prices. Additionally, we and several of our allies always have the option to extract oil from our strategic petroleum reserves, if conditions warrant. Finally, as I have pointed out before, [reasonable] conservation efforts are essential, and let no one even contemplate profiteering from this crisis. \\

I cannot predict just how long it will take to convince Saddam Hussein to withdraw from Kuwait. Although our policy is in place, sanctions may take time to have their intended effect. If events suggest the need, then we will look at additional options. What is certain is that we will not let this aggression by Iraq stand.\\\

Our interest, and our involvement, in the Gulf, is not transitory. Both our interest and our involvement pre-dated Saddam Hussein's aggression, and both will survive it. *while I do not want our troops to stay a day longer than necessary* Long after our troops come home, and I hope it's soon, I can foresee a lasting role for the United States in assisting the nations of the Persian Gulf; a role to deter future aggression, to help our friends in their own self-defense, and to curb the proliferation of chemical, biological, missile and above all, nuclear technologies.\\\

Let me also make clear that the United States has no quarrel with the Iraqi people. Our quarrel is with Iraq's dictator, and with his aggression. That is why I accepted an invitation to address the people of Iraq. The message will be simple, and it is a message conveyed by much of the world: Iraq must withdraw from Kuwait. Iraq will not be permitted to annex Kuwait. The use of force by Iraq to achieve its ambitions is unacceptable. No one in Iraq should doubt our determination, our resolve, or our ability to translate these words into fact. This is not a threat or a boast, just the truth.\\\

I also want to use this occasion to say some things to the American people. Our ability to function effectively as a great power abroad depends directly upon how we conduct ourselves here at home. Our economy, our armed forces, our energy dependence, and our cohesion will all determine whether we are in a position to help our friends and stand up to our foes.

In order for America to lead, America must be strong and vital. Our world leadership and domestic strength are not separate domains -- they are mutual and reinforcing; they are a woven piece, as strongly bound as Old Glory.

We must get our economic house in order at home if we are to have the capacity to promote international order abroad. To provide that capacity we must address our budget deficit now -- not after election day, or next year, but now. \\ It is time we pull together -- and get the job done right.

The effects of higher oil prices, slower growth and higher defense costs will only make our fiscal deficit problem worse. It was already worse than it should have been -- at a projected \$232 billion for the coming year. This, too, cannot stand. \\

We
The Congress should act this very month -- before the next fiscal year begins -- to get our economic affairs in order. If anyone needs an additional reason to act, the Iraqi situation can help focus the mind. We are more vulnerable economically than we ever should be. Americans must never again enter any crisis -- economic or military -- with an excessive dependence on foreign oil and an excessive burden of Federal debt. \\ \\ \\

Most Americans are sick and tired of endless battles between the Congress and the Administration over economic policy. It is time for us to pull together -- and get the job done right. It is up us to straighten this out. The job for the Congress has four basic parts.

First: The Congress should, this month, enact growth-oriented tax measures -- to help avoid recession in the short term; and to increase savings, investment, productivity and competitiveness for the longer term. Specifically, the Congress should extend incentives for research and experimentation; expand the use of IRAs for new homeowners; establish tax-deferred family savings accounts; create incentives for the creation of enterprise zones; and, yes, reduce the tax rate for capital gains.\\ \\ \\

I know a minority in the Congress likes to say that a capital-gains rate cut looks unfair on some tax expert's distribution table. But let me say what's unfair for most Americans: recession is unfair.\\ The loss of a job is unfair.\\ The loss of American competitiveness is unfair.\\ So, for those who care about fairness -- and I am one -- I say: Don't hold America back. Don't hold Americans back. Let this economy grow.\\ \\

Second: The Congress should, this month, enact a prudent multi-year defense program -- one that reflects both the improvement in East-West relations, and the continuing risks of outlaw action and regional conflict, as represented most vividly

now by Iraq. Even with Iraq, the defense budget can decline in real terms. I am prepared to accept that. But there is a point where cutting defense would threaten a vital margin of safety. Given my Constitutional obligation as Commander-in-Chief, that is something I can never accept.\\\

The world is still dangerous. Surely that is now clear. Stability is not secure. American interests are far-reaching. Inter-dependence has increased. The consequences of regional instability can be global. This is no time to trifle with America's capacity to protect her vital interests.

Third: The Congress should, this month, enact measures to increase domestic energy production and energy conservation -- in order to reduce dependence on foreign oil. This measures should include my proposals to increase incentives for domestic oil and gas exploration, and to accelerate the development of Alaskan energy resources, without damage to wildlife. ((INSERT TO COME FROM DARMAN: new measures, including tax measures.))

When the oil embargo was imposed in the early 1970's, the United States imported ((number)) million barrels of oil per day. This year, before the Iraqi invasion, U.S. imports had risen to ((number)) barrels per day. We had moved in the wrong direction. Now we must act to correct that trend -- so that our vulnerability does not increase again.

Fourth: The Congress should, this month, enact a five-year program to reduce the projected deficits and debt by \$500 billion -- that is, by half a trillion dollars.\\\ If Congress presents

*use of
not
members
because
corruption
this
gone up.*

me with a satisfactory program by the end of the month, that would be in time to avoid the clumsy axe of "sequester" -- deep across-the-board cuts that would [otherwise] threaten our military capacity and risk substantial domestic disruption.

But to be satisfactory, a deficit program must have these characteristics:

*** It must include the measures I've recommended to increase economic growth and reduce dependence on foreign oil.

** It must be balanced. All should contribute, but the burden of contributions should not be excessive to any one group of programs or people.

*** It should reach beyond the visible parts of the budget and begin to control the government's expanding credit programs and hidden liabilities.

*** It should reform the budget process, and further: The Congress should present the comprehensive five-year deficit reduction program to me as a single legislative package -- with measures to assure that it can be fully enforced. The American people are tired of phoney deficit reduction on the promise-now, save-later-plan. Enough is enough. It is a time for a program that is credible and real.\\\

*** Finally, to the extent that the deficit reduction program includes new revenue measures, it must avoid any measure that would threaten economic growth or turn us back toward higher income tax rates. That is one path we should not head down again.\\\

To the Congressional members of the Budget Summit, I say: I first called for negotiations many months ago. The negotiations have already dragged on too long. I have put several specific budget plans on the table. I have compromised, and compromised again. Some others have, as well, and I appreciate that.

But now it is time to produce.\\\

I hope the Congressional leaders will agree on a responsible plan. But with or without agreement, I ask both Houses of the Congress to allow a straight up-or-down vote on a \$500 billion deficit reduction package -- not later than September 28.

If the Congress fails to fulfill its responsibility, Americans will then have to face sequester, increased risk of recession, and perhaps increased military risks abroad. If, on the other hand, the Congress responds favorably, we will at last, have put ourselves on the right course here at home.

I am hopeful that, in this context, the Congress will do what it should.

In the final analysis, our ability to meet our responsibilities abroad depends upon political will and consensus at home. This is never easy in democracies where we govern only with the consent of the governed. And free people in a free society are bound to have their differences. Americans traditionally come together in times of adversity and challenge.

Once again, Americans have stepped forward to share a tearful goodbye with their families before leaving for a strange and distant shore. At this very moment, they serve together with

Arabs, Europeans, Asians and Africans in defense of principle and the dream of a new world order. That is why they sweat and toil in the sand and the heat and the sun.

If they can come together under such adversity; if old adversaries like the Soviet Union and the United States can work in common cause; then surely we who are so fortunate to be in this great chamber -- Democrats, Republicans, liberals, conservatives -- can come together to fulfill our responsibilities here.\\\

Thank you, good night, and God bless America.

#

#

#

8131
P.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

August 31, 1990

THE PRESIDENT HAS SEEN

John & Discuss
[Signature]

NOTE FOR THE PRESIDENT

SUBJECT: JOINT SESSION ADDRESS

Attached is a revised draft. It incorporates your changes and suggestions. I think this gets us close to the "90% there" mark -- with plenty of time for refinement.

I'm turning this over to John Sununu upon his return -- to coordinate its further development.

[Signature]

Richard G. Darman

Maybe personalize with reference to Turkey

cc: Brent Scowcroft
Nick Brady
John Sununu

OUTLINE: POTENTIAL JOINT SESSION ADDRESS
ON IRAQ AND THE ECONOMY

[Guidance for speechwriter: This speech should be about 25 minutes long excluding applause. It should be designed to produce at least 25 interruptions for applause -- i.e., an average of one applause line per minute. Potential applause lines are suggested here below.]

[I. INTRODUCTION]

Mr. President, Mr. Speaker, members of the Congress, distinguished guests, fellow Americans: We gather here while brave young members of the armed forces struggle in a distant desert and on distant seas to protect the rule of law. We gather as an Iraqi aggressor suppresses peaceful Arab neighbors whose country he has ruthlessly invaded -- an Iraqi President who, in violation of law and decency, holds innocent people from many nations hostage; an Iraqi dictator who, if left unchecked, would hold the global economy hostage to his expanding control of oil; and who, if not restrained, might extend his reign of terror with chemical weapons, as he has done before.

My purpose tonight is to clarify what is at stake -- and what we, together, must do to protect civilized interests in the world, and economic growth here at home.

Peace is at risk. Lives are at risk. The global economy is at risk. Indeed, the shape of a new world order is at risk.

We are all rightly concerned. But we cannot allow ourselves -- or the world -- to be terrorized. [Applause]

It is important that we stand firm, and that we stand together. [Applause]

There are times to put partisanship aside. This is surely such a time. [Applause]

So let me thank you all, Republicans and Democrats, for the bipartisan support you have shown in the face of terrorist aggression.

Let me also, on behalf of all Americans, express our deepest thanks to the young men and women of the military who are serving with honor in the Persian Gulf, and to the thousands of reservists whose lives have been disrupted, but who have responded to the call. [Applause] Our thanks, too, go out to the sons of Saudi Arabia, Egypt, Morocco, and Syria who stand with our fighting forces in the sands of Saudi Arabia.

And, not least, let us thank the leaders of the military who are here tonight -- the first-class professionals of the Joint Chiefs of Staff. General Powell, Chiefs, what a magnificent job you have done. [Applause]

In the past few weeks, the response of the United States armed forces has been nothing short of heroic.

[II. IRAQ]

Solnet

~~I have talked directly with some of our troops in the Gulf. They are brave. In trying circumstances, their morale is excellent. Helping to keep the world free from further aggression, they make us all proud. [Applause]~~

Unfortunately, their work is not yet done.

The community of civilized nations is united. But the man whose actions so offend the global community shows no respect for international norms. Saddam Hussein started out as a terrorist. He has not changed. He has misled his Arab brethren, and brutally invaded a peaceful neighbor. He continues to hold land and people in violation of law and decency.

It is a testament to his isolation that the United Nations Security Council has passed five resolutions opposing his actions, without a single dissenting vote -- and that his forces are now opposed by Arab nations from throughout the region, in addition to our own forces and those from nations as diverse as Norway and Bangladesh.

In the world community, the man is an outlaw. His naked aggression cannot be allowed to stand. [Applause]

Our objectives are clear:

- o Iraq must withdraw from Kuwait completely and unconditionally.

by Saddam H

A new world order under which
the world can no longer be dominated
by the use of chemical weapons, nuclear
weapons &
just plain
conventional
aggr.

- o The legitimate government of Kuwait must be restored.
- o The security and stability of Saudi Arabia must be assured.
- o The risk of future terrorist aggression must be reduced.
- o American citizens and American interests must be defended.

The situation we face is what some have termed the first crisis of the post-cold-war era. The way we -- and the community of nations -- manage this crisis may well determine the pattern of international affairs for decades to come.

It is therefore important that, in the pursuit of our objectives, we keep certain principles in view:

- o First, we should not allow the reduced threat of super-power conflict to be replaced by an increased threat of regional violence and lesser-power terrorism.
- o Second, in the context of reduced super-power tension, the responsibility of the United States to protect our cherished values is not in any way diminished. We are the world's number one economic and military power. Our responsibility is both evident and inescapable.
- o Third, our efforts to protect rules of law and decency must, where possible, be cooperative -- exercised in concert with other responsible nations in the international community. An effective system of cooperative action -- economic sanctions, enforcement, and financial burden-sharing -- can reduce the likelihood of unilateral aggression, and the need for unilateral corrective action.
- o Fourth, where aggression does still show its ugly face, the lesson learned at horrendous cost half-a-century ago must guide us: Rather than wait in naive hope for aggressors somehow to restrain themselves, it is far better for the defenders of civilized values to act early, quickly, concertedly, and decisively.

Burdu Sharriy

In the face of the Iraqi aggression, we have so acted. We have done so in concert with the world community and the Security Council of the United Nations.

That said, I know there are some who will question America's staying power. I do not know how long it may take for internationally mandated sanctions to do their intended job. And I cannot know whether Saddam Hussein will be so unwise as to increase his provocation. But I do know these things:

- o America must support the rule of law. And we will. [Applause]
- o America -- and the international community -- must defend innocent countries against aggression. And we will. [Applause]
- o America must protect her vital interests. And we will. [Applause]
- o America must never modify its policy in response to brutal blackmail. [Applause] ~~too~~ ^{ST's} ~~obsure~~

treatment

A innocent

civilians

has

focused

the world's attention

on his

own

misconstrued

I cannot say how long American troops may have to stay in the Gulf to achieve our objectives. That depends, in large measure, on our adversary.

Centrally in

the dust

will be

its police

one side

bit in

the face of

this

striking

posture

We do not intend to initiate conflict. The United States, the Gulf countries, ^{our} ^{Western} allies -- we have no argument with the people of Iraq. But we are now prepared and positioned to support the United Nations sanctions, and to defend our interests.

Having started down the correct path, America must stay the course. I know we will.

No one should doubt our resolve. [Applause]

Out of these troubled times, a new world order will emerge. With the course we have charted, we can not only reverse the Iraqi aggression. We can also establish a cooperative precedent -- making the post-Cold-War era freer from the threat of terror; and making the community of nations stronger in the pursuit of justice, and more secure in the quest for peace.



So as we may about to be held over held

against

[III. ECONOMIC ISSUES]

There will, of course, be costs. Precious lives have already been sacrificed. Additional lives will be lost if military conflict breaks out. Even if it does not, there will be economic costs.

But whatever they are, they will be less now than they would be later if we let Saddam Hussein's aggression against Kuwait stand. Unchallenged, Hussein could not only dictate the world price of oil. With increased oil revenues, he could support an expansive militarist ambition that seems to know no bounds.

Our challenge is to keep the costs of restraining aggression at a reasonable minimum -- without sacrificing our larger objectives.

The price of oil is already up. This will take its toll on the economy. But it need not throw us into deep recession.

We have worked with oil producing countries to replace lost Iraqi and Kuwaiti production. With increased production, with our collective defense of Saudi Arabian oil fields, and with use of the Strategic Reserve, as necessary, we can keep oil prices from rising to economically destructive levels. Indeed, oil prices should, in time, start coming down.

Iran:
From Venezuela to Nigeria etc to the Gulf they have responsibility

Our military deployment also involves economic costs. We have developed a plan to share this cost -- and the cost of other nations' economic burdens -- among those allies who have an ability to finance our collective action. This will help defray some expenses.

But still, the effects of higher oil prices, slower growth, and higher defense costs will only make our fiscal deficit problem worse. It was already worse than it should have been -- at a projected \$232 billion for the coming year. This, too, we cannot let stand.

The Congress should act this very month -- before the next fiscal year begins -- to get our economic affairs in order. If anyone needs an additional reason for action, surely the Iraqi situation can help focus the mind. We are more vulnerable economically than we should be. Americans must never again enter any crisis -- economic or military -- with an excessive dependence on foreign oil and an excessive burden of Federal debt. [Applause]

It is up to us to straighten this out -- NOW.
[Applause]

Most Americans are sick and tired of endless battles between the Congress and the Administration over economic policy -- battles that produce nothing. It is time for us to pull together -- and get the job done right.

Let me tell you what that job is. It has five basic parts.

First: The Congress should, this month, enact growth-oriented tax measures -- to help avoid recession in the short term; and to increase savings, investment, productivity, and competitiveness for the longer term. Specifically, the Congress should extend incentives for research and experimentation; expand the use of IRAs for new homeowners; establish tax-deferred Family Savings Accounts; create incentives for the development of Enterprize Zones; and, yes, reduce the tax rate for capital gains. [Partial Applause]

I know that a minority in the Congress likes to say that a capital gains rate cut looks unfair on some tax expert's distribution table. But let me say what's unfair for most Americans: Recession is unfair. The loss of a job is unfair. The loss of American competitiveness is unfair. So for those who care about fairness -- and I am one -- I say: Don't hold America back. Don't hold Americans back. Let this economy grow! [Applause]

Second: The Congress should, this month, enact a prudent five-year defense program -- one that reflects both the improvement in East-West relations, and the continuing risks of outlaw action and regional conflict, as represented most vividly now by Iraq. Even with Iraq, the defense budget can decline in real terms. Over five years, defense outlays can be reduced below the baseline by \$___ billion. But beyond that, one crosses a line that threatens a vital margin of safety. Given my Constitutional obligation as Commander-in-Chief, that is a line I cannot cross.

The world is still dangerous. Surely that is now clear. Stability is not secure. American interests are far-reaching. Interdependence has increased. The consequences of regional instability can be global. This is no time to trifle with America's capacity to protect her vital interests.

Third: The Congress should, this month, enact measures to increase domestic energy production and energy conservation -- in order to reduce dependence on foreign oil. These measures should include my proposals to increase incentives for domestic oil and gas exploration, and to accelerate the development of Alaskan energy resources. In addition, [INSERT: new measures, including tax measures (if any), to be incorporated here _____]

~ Call on Americans: _____].

When the oil embargo was imposed in the early 1970's, the U.S. imported _____ million barrels of oil per day. This year, before the Iraqi invasion, U.S. imports had risen to _____ million barrels a day. We had moved in the wrong direction. Now we must act to correct that trend -- so that our vulnerability does not increase again.

Fourth, the Congress should, this month, enact a five-year program to reduce the projected deficits and debt by \$500 billion -- that is, by half-a-trillion dollars. If Congress presents me with a satisfactory program by the end of the month, that would be in time to avoid the clumsy axe of "sequester" -- deep across-the-board cuts that would otherwise threaten our military capacity and risk substantial domestic disruption.

I ask, further, that Congress present the comprehensive, five-year deficit reduction program to me as a single legislative package -- with associated measures to assure that it can be fully enforced. The American people are tired of phony deficit reduction on the promise-now-save-later-plan. Enough is enough. It's time for a program that is credible and real. [Applause]

Fifth, and finally: The combination of these legislative actions should allow the Federal Reserve to facilitate a substantial reduction in interest rates -- in a context of economic growth, without increased inflation. I have discussed my proposed program in detail with the Chairman of the Federal Reserve Board, Alan Greenspan. He assures me that if Congress acts promptly to enact the program I am recommending here tonight, he will then [. . . .]

In addition to discussing this program with the Chairman of the Federal Reserve, I have today provided it -- in detail -- to the members of the Budget Summit negotiating group.

*my program should lead thru
ask Congress to do this*

My deficit reduction program has these basic characteristics -- as any acceptable program must:

- ✓ ○ It includes the measures I've recommended to increase economic growth and reduce dependence on foreign oil.
- ✓ ○ It is balanced. The burden of contributions is not excessive for any one group of programs or people. About one-third of the savings come from defense, one-third from domestic spending programs, and one-third from revenue measures.
- It reaches beyond the visible parts of the budget and begins to control the government's expanding credit programs and hidden liabilities.
- It reforms the budget process to provide some of the tools that have allowed many governors to keep state budgets under control -- like "pay-as-you-go" requirements and line-item veto.
- It is enforceable.
- And, to the extent that it includes new revenue measures -- which it does -- it avoids any measure that might threaten economic growth or raise people's income tax rates. I know there are some who are anxious to raise income tax rates. But that is one path we should not head down again.

[Applause] *I have compromised -- now it is time for Congress*

To the Congressional members of the Budget Summit, I say: I first called for negotiations many months ago. The negotiations have already dragged on too long. I have compromised, and compromised again. Some others have, as well. The plan I offer tonight is a further compromise that should, at last, bring us together. I hope to persuade you of its merit in this coming week.

My plan will not fully satisfy any of us. But it will do the job that needs to be done. And now: it is time to produce.

I hope the Summit leaders will agree to my plan. But with or without agreement, I ask both Houses of the Congress to allow a straight up-or-down vote on my comprehensive package -- not later than September 28th. *like it*

If the Congress fails to enact my compromise package, Americans will then have to face sequester, increased risks of recession, and perhaps increased military risks abroad. If, on the other hand, the Congress responds favorably, we will, at last, have put ourselves on the right course here at home.

[IV. CONCLUSION]

I am confident that, in this context, the Congress will do what it should. At this very moment, Arabs, Americans, Europeans, and Africans stand shoulder-to-shoulder in the distant desert sands -- doing what is right. If they can come together there, surely we who are so fortunate as to be in this great chamber -- Democrats and Republicans; left, right, and middle -- can come together to fulfill our responsibility here.

There are times to highlight differences, and times to find common ground; times to posture, and times to act. This is a time to come together, and to ACT. [Applause]

[Introduce poignant, illustrative anecdote or letter from Saudi Arabia -- and use to make concluding point.]

Thank you very much.

God bless our brave young men and women. God bless America.

What about
Saddam's own
words? Shouldn't
we use them?
Can we shorten
some of the
sentences?

Davis
Title: Joint2
Draft: Three

PRESIDENTIAL REMARKS: ADDRESS TO THE JOINT SESSION OF CONGRESS
9 p.m., SEPTEMBER 11, 1990

Mister President, Mister Speaker, Members of the Congress,
distinguished guests, fellow Americans, thank you.

We gather tonight, witness to events in the Persian Gulf as ^{significant} ~~terrible~~ as they are tragic. Following negotiations and promises by Iraq's dictator Saddam Hussein not to use force, a powerful Iraqi Army invaded its trusting and much weaker neighbor, Kuwait, in the early morning hours of August 2. Within three weeks, 120,000 Iraqi troops with 850 tanks occupied the country. ~~They~~ ^{then} Iraq annexed Kuwait, while ^{and moved into tank columns} ~~posting (hundreds)~~ ^{the world was} of tanks south toward Saudi Arabia. ~~All nations are~~ ^{all done to} appalled by widespread accounts of Iraqi soldiers looting Kuwaiti property and ^{following} attacking Kuwaiti citizens. All of this done to a country that is a member of the United Nations and the Arab League; the same Kuwait that Iraq recognized almost thirty years ago, ^{all done to} the same Kuwait that generously supported Iraq during its eight-year struggle with Iran.

^{at this moment,}
~~As we meet~~ brave service men and women stand watch in this distant desert and on distant seas, side by side with ~~the~~ forces of what will soon be ^{five} ~~twenty-five~~ other nations.

The courage of these men and women from around the world is testament to the world's response to an outrage. ^{Standing with them} ~~Among them~~ are

some of the finest men and women of the United States of America.\\

When we stop to think that these valiant Americans ^{their} volunteered to be ready at a moment's notice, to leave ~~familiar~~ ~~posts and careers~~ ^{jobs}, their spouses, their children, to ~~join~~ ^{join} the troops ~~themselves~~ on the front-line half-way around the world, then we know who keeps America strong.\\ They do.\\

And isn't it a testament to who we are, that as some board ships and planes bound for the Persian Gulf, they may hear these departing words: Mom, we're proud of you.\\

^{Even these} In trying circumstances, the morale of our servicemen and women is excellent. In the face of danger, they are brave. ~~and~~ ^{and dedicated} \\

A soldier ((rank)) by the name of Wade Merritt of Knoxville, Tennessee, now stationed in ((Saudi Arabia)), wrote his parents of his worries, his love of family, and his hopes for peace. But Wade also writes: "I am proud of my country and its firm stand against inhumane aggression. I am proud of my Army and its men . . . I am proud to serve my country."

Let me just say, Wade, America is proud of you.\\ America is grateful to every soldier, sailor, Marine and airman serving the cause of peace in the Persian Gulf.\\

Let us also return a salute to the military leaders with us tonight -- the first-class professionals of the Joint Chiefs of Staff. On behalf of the American people, General Powell, Chiefs, what a magnificent job you are doing.\\

does not work

I wish I could say their work is done. But we all know it isn't.

~~So~~ If ever there was a time to put country before self and patriotism before party, that time is now.\\\ Let me thank you all Americans -- Democrats, Republicans, and Independents alike - - for your support.

But that support will be even more important in the days to come. ^R So tonight, I want to talk to you about what is at stake, ~~and~~ what we must do together to defend civilized values around the world, and ^{maintain our} economic strength at home. For more than two hundred years, we have been one people, with a broad set of ^{principles} ~~interests~~ served by both our foreign and domestic policies. That remains unchanged. So tonight, let me begin with our international relations.

America and the world must defend common vital interests. And we will.\\\

America and the world must support the rule of law. And we will.\\\

America and the world must stand up to aggression. And we will.\\\

And one more thing -- we will never, ever give in to blackmail.\\\

Our objectives in the Persian Gulf are clear, our goals defined and familiar:

*** Iraq must withdraw from Kuwait completely, immediately, and without condition.\\\

*** Kuwait's legitimate government must be restored.\\\

*** The security and stability of the Persian Gulf must be assured.\\\

*** American citizens abroad must be protected.\\\

And tonight, let me add that we are in sight of a United Nations that plays the role envisioned by its founders. For this we owe much to Secretary-General Perez de Cuellar. And this, I believe, ^{can be the} ~~is the~~ ^{tool as we work to} greatest goal of all ^{an effective,} ~~the~~ ~~establishment~~ ~~and~~ a new world order.

These goals are not ours alone. ^{MOST} ~~Many~~ countries share our concern for principle. Many countries have a stake in the stability of the Persian Gulf. ~~And~~ ^{our} all share ~~a~~ heartfelt concern for their men, women, and children held hostage. This is not, as Saddam Hussein would have it, the United States against Iraq. It is Iraq against the world.\\\

As you know, I've just returned from a very productive meeting with Soviet President Gorbachev. I am thankful that he has courageously ^{moved forward} ~~departed~~ from the past, so that we might work together to build a new relationship. In Helsinki, we issued a joint statement, an announcement to the world of our shared resolve to counter Iraq's threat to peace.

It's message could not be more clear: "We are united in the belief that Iraq's aggression must not be tolerated. No peaceful international order is possible if larger states can devour their neighbors."

awkward

great, but extraordinarily predictive of U.S - Soviet relations. What if the Soviets ask us for \$ when we are in tough straits in Iraq and we say no. Are we sure we know all the conditions under which Soviet-US

Clearly, no longer can a dictator like Saddam Hussein count on East-West confrontation to stymie concerted action against aggression. No longer will the machinery of the United Nations be sabotaged by the Cold War.\\ \\

alliance will get shaky?

When the Soviet Union joined with us in the United Nations to condemn the aggression of a former ally, then I knew that at long last, we could put forty-five years of history behind us. At long last: \\ The Cold War is over. \\ \\

same point

bullet point

A new partnership of nations has begun. We must take advantage of this opportunity, challenge this opportunity to make the post We stand today at a unique and extraordinary moment. The crisis in the Persian Gulf, as grave as it is, also offers a rare opportunity to establish an historic precedent of cooperation. Out of these troubled times, a new world order can emerge -- making the post-Cold War era freer from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace. One in which the nations of the world, East and West, North and South, can prosper and live in harmony.

alliance will get shaky? We must take advantage of this opportunity, challenge this opportunity to make the post We stand today at a unique and extraordinary moment. The crisis in the Persian Gulf, as grave as it is, also offers a rare opportunity to establish an historic precedent of cooperation. Out of these troubled times, a new world order can emerge -- making the post-Cold War era freer from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace. One in which the nations of the world, East and West, North and South, can prosper and live in harmony.

~~A hundred generations have searched for this illusive path to peace, while a thousand wars raged across the span of human endeavor.~~ But, ^{that} today ^{quite} a new world is struggling to be born. A world ^{we} very different from the one we ^{have} known. A world where the rule of law supplants the rule of the jungle. A world in which nations recognize the shared responsibility for freedom and justice. A world where the strong respect the rights of the weak.

Should not this whole passage be stated as a goal rather than a prediction. Pretty forward leaning the way it is.

Good

This is the vision I shared with President Gorbachev in Helsinki. He, and other leaders, understand that how we manage this crisis **today**, will shape the future for generations to come.

The test we face is great -- and so are the stakes. This is the first assault on the post-Cold War world, the first test of our mettle. Had we not responded to this first provocation with clarity of purpose, if we do not continue to demonstrate our determination, it would be a signal to a half-dozen despots around the world. Let us tell the world tonight: **A green light to aggression is a signal we will never send.** \\\

This would will not let aggression

[Handwritten initials]

Vital issues of principle are at stake. Saddam Hussein is literally trying to wipe a country off the face of the earth.

We ~~do~~ do not exaggerate. \\\

Nor do I exaggerate when I say: Saddam will fail. \\\

Vital economic interests are at risk as well. Iraq itself controls some ten percent of the world's proven oil reserves.

figures correct?
Iraq plus Kuwait controls twice that. An Iraq permitted to swallow Kuwait would have the economic and military power.

It would have

expanded its
~~well as the~~ arrogance, to intimidate and coerce its neighbors --

~~neighbors who~~ *and* control the lion's share of the world's ~~resources~~ *oil* reserves. We cannot permit a resource so vital to be

dominated by so ruthless and unprincipled a power. **And we won't.** \\\

Recent events have surely proven that there is no substitute for American leadership. **In the face of tyranny, let no one**

doubt American credibility and reliability.\\\ We will stand by our friends.\\\

Like a receding tide, the ebbing of the Cold War has revealed a forgotten landscape, a landscape of ancient animosities and ambitions. We should not, we cannot, allow the reduced possibility of superpower conflict to be replaced by a new threat from local bullies and the terrorists they bankroll. With power must come obligation and responsibility.

Read this out loud?

One way or the other, Saddam Hussein must learn this fundamental truth.\\\ *principal?*

From the outset, acting hand-in-hand with others, we have sought to fashion the broadest possible international response to Iraq's aggression. The level of world cooperation and condemnation of Iraq is unprecedented.

American forces, and those of a host of nations, are there at the request of King Fahd of Saudi Arabia to deter and if need be, to defend against attack. Muslims and non-Muslims, Arabs and non-Arabs, soldiers from ((twenty-six)) nations, stand shoulder-to-shoulder, resolute against Saddam's territorial ambitions.

And in the arena of diplomacy, we can now point to five ((unanimous)) United Nations Security Council resolutions that condemn Iraq's aggression, call for Iraq's immediate and unconditional withdrawal, ~~and~~ *and rejected this cynical attempt to annex that land* the restoration of Kuwait's legitimate government. The United Nations has also emphatically *rejected* Iraq's cynical and self-serving attempt to annex Kuwait. Finally, the U.N. has demanded the release of all foreign

nationals held hostage against their will, in contravention not only of international but of human decency itself. Prime Minister Margaret Thatcher said it all: "We do not bargain over hostages. We will not stoop to the level of using human beings as bargaining (chips). Ever."\\\

Of course, our hearts ache *go out to* for the hostages and their families. But our policy cannot change. America and the world will not be terrorized.\\\

The United Nations is backing up its words with action. The Security Council has imposed mandatory economic sanctions on Iraq, designed to force Iraq to relinquish the spoils of its illegal conquest. The Security Council has also taken the decisive step of authorizing the use of all means necessary to ensure compliance with these sanctions.

*Face the strength
world opinion*
Together with our friends and allies, ships of the United States Navy are today patrolling to enforce the sanctions. Arab leaders I spoke with just yesterday have told me that these sanctions are working. ~~Now it's Iraq's turn to feel the heat.~~\\\

We continue to hope that Iraq's leaders will recalculate just what their aggression has cost them. They are cut off from world trade. Unable to sell their oil. And only a tiny fraction of goods gets through.

intentional
But the cost of leadership can be steep as well. That's why Secretary of State Baker and Secretary of the Treasury Brady have met with many world leaders to underscore that burden of this collective effort must be shared. In particular, it is essential

(Do we want to equate cost of leadership with money?)

that countries complying with sanctions be compensated to prevent severe economic hardship. We are prepared to ~~do our fair share~~ ^{help carry the load}; ^{we shall} we insist others do ~~the same~~. \\

~~I am pleased to report that~~ ^{most of} the response of our friends and allies has been good. The leaders of Saudi Arabia, Kuwait and the United Arab Emirates have pledged to provide those supplying troops with all the food and fuel they need, and to defray our military costs. Generous assistance will also be provided to stalwart front-line nations, such as Turkey and Egypt.

I am also heartened to report that this international response extends to the ^{greatest} ~~needs~~ ^{of victims of this conflict} of many refugees. For our part, we have contributed \$28 million for ^{refugee} relief efforts. This is but a ~~small~~ portion of what is needed. I commend, in particular, Saudi Arabia, the Japanese and several European nations who have joined us in this humanitarian effort.

There is also an energy-related cost to be borne as well. We are hard at work with oil-producing nations to replace lost Iraqi and Kuwaiti output. More than half of what was lost has already been made up. If producers, including the United States, continue steps to expand oil and gas production, we can stabilize prices. Additionally, we and several of our allies always have the option to extract oil from our strategic petroleum reserves, if conditions warrant. Finally, as I have pointed out before, reasonable conservation efforts are essential, and let no one even contemplate profiteering from this crisis. \\ \\

More on conservation.

I cannot predict just how long it will take to convince Saddam Hussein to withdraw from Kuwait. ~~Although our policy is in place,~~ ^{with} sanctions ~~will~~ take time to have their intended effect. ~~We will continue to review all options with our allies, but let it be clear~~ ^{We will continue to review all options with our allies, but let it be clear} ~~If events suggest the need, then we will look at additional options.~~ ~~What is certain is that we will not let this aggression by Iraq stand.\\~~

Our interest, and our involvement, in the Gulf, is not transitory. ~~Both our~~ ^{That} interest and ~~our~~ involvement pre-dated Saddam Hussein's aggression, and both will survive it. Long ~~after our troops come home, and I hope it's soon, I can foresee a~~ ^{--- we all --- there will be} lasting role for the United States in assisting the nations of the Persian Gulf, ^{that} a role to deter future aggression, to help our friends in their own self-defense, and to curb the proliferation of chemical, biological, missile and above all, nuclear technologies.\\

Let me also make clear that the United States has no quarrel with the Iraqi people. Our quarrel is with Iraq's dictator, and ~~with~~ ^{To send that message I have} his aggression. ~~That is why I accepted~~ ^{his} invitation to address the people of Iraq. The message ~~will be~~ ^{is} simple, and it is a message conveyed by ~~such~~ ^{most} of the world: Iraq must withdraw from Kuwait. Iraq will not be permitted to annex Kuwait. The use of force by Iraq to achieve its ambitions is unacceptable. No one in Iraq should doubt our determination, our resolve, or our ability to translate these words into fact. This is not a threat or a boast, just the truth.\\

way it's long to be.

~~I also want to use this occasion to say some things to the American people.~~ Our ability to function effectively as a great power abroad depends directly upon how we conduct ourselves here at home. Our economy, our armed forces, our energy dependence, and our cohesion will all determine whether we are in a position to help our friends and stand up to our foes.

~~In order for~~ ^{For} America to lead, America must be strong and vital. Our world leadership and domestic strength are not separate domains -- they are mutual and reinforcing; they are a woven piece, as strongly bound as Old Glory.

We must get our economic house in order at home if we are to have the capacity to promote international order abroad. To provide that capacity we must address our budget deficit now -- not after election day, or next year, but now.\\ It is time we pull together -- and get the job done right.

The effects of higher oil prices, slower growth and higher defense costs will only make our fiscal deficit problem worse. It was already worse than it should have been -- at a projected \$232 billion for the coming year. This, too, cannot stand.\\\

The Congress should act this very month -- before the next fiscal year begins -- to get our economic affairs in order. If anyone needs an additional reason to act, the Iraqi situation can help focus the mind. We are more vulnerable economically than we ever should be. Americans must never again enter any crisis -- economic or military -- with an excessive dependence on foreign oil and an excessive burden of Federal debt.\\\

Most Americans are sick and tired of endless battles between the Congress and the Administration over economic policy. It is time for us to pull together -- and get the job done right. It is up to us to straighten this out. The job for the Congress has four basic parts.

First: The Congress should, this month, enact growth-oriented tax measures -- to help avoid recession in the short term; and to increase savings, investment, productivity and competitiveness for the longer term. Specifically, the Congress should extend incentives for research and experimentation; expand the use of IRAs for new homeowners; establish tax-deferred family savings accounts; create incentives for the creation of enterprise zones; and, yes, reduce the tax rate for capital gains.\\\

I know a minority in the Congress likes to say that a capital-gains rate cut looks unfair on some tax expert's distribution table. But let me say what's unfair for most Americans: recession is unfair.\\ The loss of a job is unfair.\\ The loss of American competitiveness is unfair.\\ So, for those who care about fairness -- and I am one -- I say: Don't hold America back. Don't hold Americans back. Let this economy grow.\\\

Second: The Congress should, this month, enact a prudent multi-year defense program -- one that reflects both the improvement in East-West relations, and the continuing risks of outlaw action and regional conflict, as represented most vividly

Reduction
in

now by Iraq. Even with Iraq, the defense budget can decline in real terms. I am prepared to accept that. But there is a point where cutting defense would threaten a vital margin of safety. Given my Constitutional obligation as Commander-in-Chief, that is something I can never accept.\\\

The world is still dangerous. Surely that is now clear. Stability is not secure. American interests are far-reaching. Inter-dependence has increased. The consequences of regional instability can be global. This is no time to trifle with America's capacity to protect her vital interests.

Third: The Congress should, this month, enact measures to increase domestic energy production and energy conservation -- in order to reduce dependence on foreign oil. This measures should include my proposals to increase incentives for domestic oil and gas exploration, and to accelerate the development of Alaskan energy resources, without damage to wildlife. ((INSERT TO COME FROM DARMAN: new measures, including tax measures.))

? clean air
conservation

When the oil embargo was imposed in the early 1970's, the United States imported ((number)) million barrels of oil per day. This year, before the Iraqi invasion, U.S. imports had risen to ((number)) barrels per day. We had moved in the wrong direction. Now we must act to correct that trend -- so that our vulnerability does not increase again.

Fourth: The Congress should, this month, enact a five-year program to reduce the projected deficits and debt by \$500 billion -- that is, by half a trillion dollars.\\\ If Congress presents

me with a satisfactory program by the end of the month, that would be in time to avoid the clumsy axe of "sequester" -- deep across-the-board cuts that would otherwise threaten our military capacity and risk substantial domestic disruption.

But to be satisfactory, a deficit program must have these characteristics:

*** It must include the measures I've recommended to increase economic growth and reduce dependence on foreign oil.

** It must be balanced. All should contribute, but the burden of contributions should not be excessive to any one group of programs or people.

*** It should reach beyond the visible parts of the budget and begin to control the government's expanding credit programs and hidden liabilities.

*** It should reform the budget process, and further: The Congress should present the comprehensive five-year deficit reduction program to me as a single legislative package -- with measures to assure that it can be fully enforced. The American people are tired of phoney deficit reduction on the promise-now, save-later-plan. Enough is enough. It is a time for a program that is credible and real.\\\

*** Finally, to the extent that the deficit reduction program includes new revenue measures, it must avoid any measure that would threaten economic growth or turn us back toward higher income tax rates. That is one path we should not head down again.\\\

We should have this in the final agreement but it doesn't resonate much in the speech

125 days ago

To the Congressional members of the Budget Summit, I say: I first called for negotiations many months ago. The negotiations have already dragged on too long. I have put several specific budget plans on the table. I have compromised, and compromised again. Some others have, as well, and I appreciate that.

But now it is time to produce.

I hope the Congressional leaders will agree on a responsible plan. But with or without agreement, I ask both Houses of the Congress to allow a **straight up-or-down vote** on a \$500 billion deficit reduction package -- **not later than September 28**.

If the Congress fails to fulfill its responsibility, Americans will then have to face¹ sequester, increased risk of recession, and perhaps increased military risks abroad. If, on the other hand, the Congress responds favorably, we will at last, have put ourselves on the right course here at home.

I am hopeful that, in this context, the Congress will do what it should. *must?*

In the final analysis, our ability to meet our responsibilities abroad depends upon political will and consensus at home. This is never easy in democracies where we govern only with the consent of the governed. And free people in a free society are bound to have their differences. Americans traditionally come together in times of adversity and challenge.

Once again, Americans have stepped forward to share a tearful goodbye with their families before leaving for a strange and distant shore. At this very moment, they serve together with

It's self imposed



Arabs, Europeans, Asians and Africans in defense of principle and the dream of a new world order. That is why they sweat and toil in the sand and the heat and the sun.

If they can come together under such adversity; if old adversaries like the Soviet Union and the United States can work in common cause; then surely we who are so fortunate to be in this great chamber -- Democrats, Republicans, liberals, conservatives -- can come together to fulfill our responsibilities here.\\\

Thank you, good night, and God bless America.

#

#

#



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

September 11, 1990

MEMORANDUM

FROM: William K. Reilly

THE ADMINISTRATOR

TO: Governor John Sununu *Blue*
Chief of Staff to the President

Enclosed is language for this evening's speech relating the Clean Air Act amendments to reduced reliance on imported oil.

cc:

As we discussed last evening. We had previously sent over language - 3 to 4 paragraphs - going into a little more detail.

CLEAN AIR INSERT:

Enacting the Clean Air amendments will reduce our reliance on Middle-Eastern oil by encouraging production of new, cleaner fuels made from American grain and natural gas for our cars and powerplants.

I submitted these Clean Air proposals to Congress over a year ago. But, after a promising start, Congress is once again deadlocked over this vital national issue. This week I intend to communicate with the Conferees in an effort to break the logjam. Congress must pass legislation that will guarantee the right of all Americans to breathe clean air as well as help provide for our long term energy security.

Chris/Mark

10:00 Oval

Davis
Title: Joint2
Draft: Three

JOINT SESSION OF CONGRESS
R 11, 1990

President, Speaker, Members of the Congress,
distinguished guests, fellow Americans, thank you.

We gather tonight, witness to events in the Persian Gulf as
terrible as they are tragic. Following negotiations and promises
by Iraq's dictator Saddam Hussein not to use force, a powerful
Iraqi Army invaded its trusting and much weaker neighbor, Kuwait,
in the early morning hours of August 2. Within three weeks,
120,000 Iraqi troops with 850 tanks occupied the country. Then
Iraq annexed Kuwait, while ^{its forces} ~~moving (hundreds)~~ of tanks south
toward Saudi Arabia. ^{There are} ~~All nations are appalled by~~ widespread
accounts of Iraqi soldiers looting Kuwaiti property and attacking
Kuwaiti citizens. All of this done to a country that is a member
of the United Nations and the Arab League; the same Kuwait that
Iraq recognized almost thirty years ago, the same Kuwait that
generously supported Iraq during its eight-year struggle with
Iran.

As we meet ~~brave~~ ^{that} brave service men and women stand watch in ~~this~~
distant desert and on distant seas, ~~side by side~~ side by side with the forces
of what will soon be twenty-six other nations, ~~side by side~~

~~The courage of these men and women from around the world is
testament to~~ ^{They are} the world's response to an outrage. Among them are

some of the finest men and women of the United States of America.\\\

✓ ~~[when we stop to think that]~~ these valiant Americans volunteered to be ready at a moment's notice, to leave familiar posts and careers, their spouses, their children, to put themselves on the front-line half-way around the world, ~~[then we]~~ ^{They remind us all} ~~[know]~~ who keeps America strong.\\ They do.\\ \\ \\

✓ And isn't it a testament to who we are, that as some ^{of them} board ships and planes bound for the Persian Gulf, they may hear these departing words: Mom, we're proud of you.\\ \\ \\

In trying circumstances, the morale of our servicemen and women is excellent. In the face of danger, they are brave.

✓ A soldier ((rank)) by the name of Wade Merritt of Knoxville, Tennessee, now stationed in ((Saudi Arabia)), wrote his parents of his worries, his love of family, and his hopes for peace. But Wade also writes: "I am proud of my country and its firm stand against ~~[inhumane]~~ aggression. I am proud of my Army and its men . . . I am proud to serve my country."

Let me just say, Wade, America is proud of you.\\ America is grateful to every soldier, sailor, Marine and airman serving the cause of peace ~~[in]~~ ^{at} the Persian Gulf.\\ \\

Let us also return a salute to the military leaders with us tonight -- the first-class professionals of the Joint Chiefs of Staff. On behalf of the American people, General Powell, Chiefs, what a magnificent job you are doing.\\ \\

I wish I could say their work is done. But we all know it isn't.

✓ So if ever there was a time to put country before self and patriotism before party, that time is now.\\\ Let me thank you, all Americans -- Democrats, Republicans, and Independents alike -- for your support.

✓ But that support will be even more important in the days to come. So tonight, I want to talk to you about what is at stake, -- [and] what we must do together to defend civilized values around the world, and economic strength at home. For more than two hundred years, we have been one people, with a broad set of interests served by both our foreign and domestic policies. That remains unchanged. So tonight, let me begin with our international relations.

America and the world must defend common vital interests.

And we will.\\\

America and the world must support the rule of law. And we will.\\\

America and the world must stand up to aggression. And we will.\\\

~~[And one more thing -- we will never, ever give in to blackmail.\\\]~~ [see change on next page]

Our objectives in the Persian Gulf are clear, our goals defined and familiar:

*** Iraq must withdraw from Kuwait completely, immediately, and without condition.\\\

move
to
P.6

move
to
P.6

And one thing more -- in pursuit of these goals, America will not be blackmailed. And we will not be intimidated.

4

*** Kuwait's legitimate government must be restored.\\

*** The security and stability of the Persian Gulf must be assured.\\

*** American citizens abroad must be protected.\\

And tonight, let me add ^{a word about the role the} ~~that we are in sight of a~~ United Nations ^{has played,} ~~that plays the role envisioned by its founders.~~ For this we owe much to Secretary-General Perez de Cuellar. ^{This crisis holds hope the UN may} And this, I believe, is the greatest goal of all, the establishment of a new world order. ^{at last be able to play the role envisioned by its founders}

These goals are not ours alone. ^{Most} ~~Many~~ countries share our concern for principle. Many ~~countries~~ have a stake in the stability of the Persian Gulf. And all share a heartfelt concern for their men, women, and children held hostage. This is not, as Saddam Hussein would have it, the United States against Iraq. It is Iraq against the world.\\

As you know, I've just returned from a very productive meeting with Soviet President Gorbachev. I am thankful that he has courageously departed from the past, so that we might work together to build a new relationship. In Helsinki, we issued a joint statement, an announcement to the world of our shared resolve to counter Iraq's threat to peace.

It's message could not be more clear: "We are united in the belief that Iraq's aggression must not be tolerated. No peaceful international order is possible if larger states can devour their neighbors."

Clearly, no longer can a dictator like Saddam Hussein count on East-West confrontation to stymie concerted action against aggression. No longer will the machinery of the United Nations be sabotaged by the Cold War.\\\

When the Soviet Union joined with us in the United Nations, ^{events} that highlighted the transformation of ^{recent years} to condemn the aggression of a former ally, ^{then} I knew that at long last, we could put forty-five years of history behind us.

At long last:\\ The Cold War is over.\\\

Today, we can look towards
A new partnership of nations. ~~has begun.~~

We stand today at a unique and extraordinary moment. The crisis in the Persian Gulf, as grave as it is, also offers a rare opportunity to establish an historic precedent of cooperation. Out of these troubled times, a new world order can emerge -- making the post-Cold War era freer from the threat of terror, stronger in the pursuit of justice, and more secure in the quest for peace. One in which the nations of the world, East and West, North and South, can prosper and live in harmony.

A hundred generations have searched for this illusive path to peace, while a thousand wars raged across the span of human endeavor. But today a new world is struggling to be born. A world very different from the one we have known. A world where the rule of law supplants the rule of the jungle. A world in which nations recognize the shared responsibility for freedom and justice. A world where the strong respect the rights of the weak.

This is the vision I shared with President Gorbachev in Helsinki. He, and other leaders, understand that how we manage this crisis today, will shape the future for generations to come.

The test we face is great -- and so are the stakes. This is the first assault on the post-Cold War world, the first test of our mettle. Had we not responded to this first provocation with clarity of purpose; if we do not continue to demonstrate our determination; it would be a signal to a half-dozen despots around the world. Let us tell the world tonight: ^[insert from p. 3] ~~a green light to aggression is a signal we will never send.~~ \\\

Vital issues of principle are at stake. Saddam Hussein is literally trying to wipe a country off the face of the earth. I do not exaggerate. \\\

Nor do I exaggerate when I say: Saddam will fail. \\\

Vital economic interests are at risk as well. Iraq itself controls some ten percent of the world's proven oil reserves. Iraq plus Kuwait controls twice that. An Iraq permitted to swallow Kuwait would have the economic and military power, as well as the arrogance, to intimidate and coerce its neighbors -- neighbors who control the lion's share of the world's remaining oil reserves. We cannot permit a resource so vital to be dominated by so ruthless and unprincipled a power. And we won't. \\\

Recent events have surely proven that there is no substitute for American leadership. In the face of tyranny, let no one

LAST DARMAN DRAFT

[III. ECONOMIC ISSUES]

The effects of higher oil prices, slower growth, and higher defense costs will only make our fiscal deficit problem worse. It was already worse than it should have been -- at a projected \$232 billion for the coming year. This, too, cannot stand.

The Congress should act this very month -- before the next fiscal year begins -- to get our economic affairs in order. If anyone needs an additional reason to act, the Iraqi situation can help focus the mind. We are more vulnerable economically than we ever should be. Americans must never again enter a crisis -- economic or military -- with an excessive dependence on foreign oil and an excessive burden of Federal debt. [Applause]

It is up to us to straighten this out -- not after election day, or next year, but NOW. [Applause]

Most Americans are sick and tired of endless battles between the Congress and the Administration over economic policy. It is time for us to pull together -- and get the job done right.

The job for the Congress has four basic parts:

First: The Congress should, this month, enact growth-oriented tax measures -- to help avoid recession in the short term; and to increase savings, investment, productivity, and competitiveness for the longer term. Specifically, the Congress should extend incentives for research and experimentation; expand the use of IRAs for new homeowners; establish tax-deferred Family Savings Accounts; create incentives for the development of Enterprize Zones; and, yes, reduce the tax rate for capital gains. [Partial Applause]

I know that a minority in the Congress likes to say that a capital gains rate cut looks unfair on some tax expert's distribution table. But let me say what's unfair for most Americans: Recession is unfair. The loss of a job is unfair. The loss of American competitiveness is unfair. So for those who care about fairness -- and I am one -- I say: Don't hold America back. Don't hold Americans back. Let this economy grow! [Applause]

- o It must be balanced. All should contribute. But the burden of contributions should not be excessive for any one group of programs or people.
- o It should reach beyond the visible parts of the budget and begin to control the government's expanding credit programs and hidden liabilities.
- o It should reform the budget process and further: The Congress should present the comprehensive, five-year deficit reduction program to me as a single legislative package -- with measures to assure that it can be fully enforced. The American people are tired of phony deficit reduction on the promise-now-save-later-plan. Enough is enough. It's time for a program that is credible and real. [Applause]
- o Finally, to the extent that the deficit reduction program includes new revenue measures, it must avoid any measure that would threaten economic growth or turn us back toward higher income tax rates. That is one path we should not head down again. [Applause]

To the Congressional members of the Budget Summit, I say: I first called for negotiations many months ago. The negotiations have already dragged on too long. I have put several specific budget plans on the table. I have compromised, and compromised again. Some others have, as well, and I appreciate that.

But now: it is time to produce.

I hope the Congressional leaders will agree on a responsible plan. But with or without agreement, I ask both Houses of the Congress to allow a straight up-or-down vote on a \$500 billion deficit-reduction package -- not later than September 28th.

If the Congress fails to fulfill its responsibility, Americans will then have to face sequester, increased risks of recession, and perhaps increased military risks abroad. If, on the other hand, the Congress responds favorably, we will, at last, have put ourselves on the right course here at home.

Second: The Congress should, this month, enact a prudent multi-year defense program -- one that reflects both the improvement in East-West relations, and the continuing risks of outlaw action and regional conflict, as represented most vividly now by Iraq. Even with Iraq, the defense budget can decline in real terms. I am prepared to accept that. But there is a point where cutting defense would threaten a vital margin of safety. Given my Constitutional obligation as Commander-in-Chief, that is something I can never accept.

The world is still dangerous. Surely that is now clear. Stability is not secure. American interests are far-reaching. Interdependence has increased. The consequences of regional instability can be global. This is no time to trifle with America's capacity to protect her vital interests.

Third: The Congress should, this month, enact measures to increase domestic energy production and energy conservation -- in order to reduce dependence on foreign oil. These measures should include my proposals to increase incentives for domestic oil and gas exploration, and to accelerate the development of Alaskan energy resources. In addition, [INSERT: new measures, including tax measures (if any), to be incorporated here _____]

When the oil embargo was imposed in the early 1970's, the U.S. imported _____ million barrels of oil per day. This year, before the Iraqi invasion, U.S. imports had risen to _____ million barrels a day. We had moved in the wrong direction. Now we must act to correct that trend -- so that our vulnerability does not increase again.

Fourth, the Congress should, this month, enact a five-year program to reduce the projected deficits and debt by \$500 billion -- that is, by half-a-trillion dollars. If Congress presents me with a satisfactory program by the end of the month, that would be in time to avoid the clumsy axe of "sequester" -- deep across-the-board cuts that would otherwise threaten our military capacity and risk substantial domestic disruption.

But to be satisfactory, a deficit program must have these characteristics:

- o It must include the measures I've recommended to increase economic growth and reduce dependence on foreign oil.

[IV. CONCLUSION]

I am hopeful that, in this context, the Congress will do what it should. At this very moment, Arabs, Americans, Europeans, and Africans stand shoulder-to-shoulder in the distant desert sands -- doing what is right. If they can come together there, surely we who are so fortunate as to be in this great chamber -- Democrats and Republicans; left, right, and middle -- can come together to fulfill our responsibility here.

There are times to highlight differences, and times to find common ground; times to posture, and times to act. This is a time to come together, and to ACT. [Applause]

[Introduce poignant, illustrative anecdote or letter from Saudi Arabia -- and use to make concluding point.]

Thank you very much.

God bless our brave young men and women. God bless America.

9/11/90 Jt Session Draft/kj

Mr. President, Mr. Speaker, Members of the Congress,
distinguished guests, fellow Americans, thank you.

We gather here this evening while brave members of the armed
forces of the United States stand in harms way--~~side~~ side by side with
the armed forces of more than twenty ^{- plus} other nations, in the
distant desert and on distant seas. They are there and we
meet here, in the aftermath of an outrage: Iraq's invasion,
then occupation, of Kuwait.

Our response has been firm and clear, as it must be in times
like these. And times like these also remind us of far greater
risks and sacrifices than any we are called to make in Washington.
It is the men and women of our armed forces, all volunteers to
service, who leaves their posts and careers, their families
and loved ones, to meet this challenge halfway around the world.

On behalf of all Americans, I want to express our deepest thanks
to those who keep America safe and who make America great.

Let us also return a salute to the military leaders with us
tonight -- the first-class professionals of the Joint Chiefs of
Staff. General Powell, Chiefs, what a magnificent job you have
done. **[is GEN. SCHWARTZ KOPF BACK]**

*Standa
DisMEMBERING
as a "glad"*

*SPICED
UP*

The response of all the men and women of the United States Armed Forces over the past few weeks has been nothing short of heroic.

In the face of danger, they are brave. In trying circumstances, their morale is excellent. Helping to keep the world free from further aggression, they make us all proud.

MORE ANECDOTE: ONE EXAMPLE THAT SAYS IT ALL. AND HE PUT IT THIS WAY.

I wish I could say their work is done. But we all know it isn't.

And, let me also thank you all -- Democrats, Republicans, and independents alike -- and all Americans -- for your unity of purpose, and for your support of our actions in the face of aggression.

My purpose tonight is to talk to you about what is at stake, what we are doing and why. I also want to point out what we must do to prevail -- not just abroad, but here at home as well. For foreign policy and domestic policy are not distinct. We are one people, with a broad set of interests to be served by our foreign and domestic policies.

Our objectives are clear, our goals defined and familiar:

- ° Iraq must withdraw from Kuwait completely, immediately, and without condition.
- ° Kuwait's legitimate government must be restored.

- ° The security and stability of the Persian Gulf must be assured.
- ° And, American citizens and interests must be protected.

I want to say at the outset that these objectives are not ours alone. Other countries share our concern for principle. Other countries have a stake in Persian Gulf stability. And other countries share the heartfelt concern for their men, women, and children held hostage. It is not Iraq against the United States. It is Iraq against the world.

I come before you tonight having just returned from Helsinki, from my very productive meetings with Soviet President Gorbachev. Our joint statement underscores our mutual commitment to counter this threat to peace.

This public declaration is truly an historic venture. Just imagine how different this crisis would be if, as in decades past, a dictator like Saddam has been able to count upon the Soviet Union and East-West confrontation to inhibit an international response to his aggression. Try to conceive of what we and our allies would now face if the machinery of the United Nations were still disrupted by the divisions of the Cold War.

But, ladies and gentlemen, the Cold War is over. And in this crisis -- as grave as it is -- we see the chance to craft the framework of a new world order. One in which the cooperative mutual interest of countries East and West -- North and South

-- can be realized. President Gorbachev understands that how we -- together with others -- manage this crisis will speak volumes about our ability to make the international system of the future different from those of the past. The test we face is great -- and so are the stakes -- for we seek a community of international responsibility. A new world: One in which the rule of law flourishes and in which no state can count on naked aggression for its own selfish unilateral gain. A new world in which nations recognize the responsibility we all share for freedom and justice. A lasting and effective partnership of nations where, as Woodrow Wilson said, "There must be not a balance of power, but a community of power; not organized rivalries, but organized peace." Those are the stakes, and that is the vision threatened by Saddam Hussein's brutal invasion.

What lies behind these objectives?

A vital issue of principle is at stake. We cannot allow the rule of law to be overwhelmed and replaced by the law of the jungle. Might cannot be allowed to make right. If we want the precedent of this first post-Cold War crisis to have meaning -- it must drive home that message.

Vital economic interests are at risk. Iraq itself controls some 10% of the world's proven oil reserves. Iraq plus Kuwait controls twice that. Moreover, an Iraq permitted to hold on to Kuwait would have the economic and military power as well as the

arrogance to intimidate and in the end coerce its neighbors who control the lion's share of the remaining oil reserves, in the world. We cannot permit a resource so vital to the entire world to be dominated by so ruthless and unprincipled a power.

What is also at issue is American credibility and reliability. It has become fashionable in some quarters to speak of American decline and the end of American leadership. But for any who subscribed to his notion, recent events have surely proven otherwise. As we have seen, there is no substitute for American leadership. And our willingness and capability to act is a bulwark against the forces of anarchy that could otherwise threaten the peace of the world.

Finally, what this is all about is nothing less than the shape of the world to come. This is truly the first crisis of the post-Cold War era. So it is essential that we hold true to certain principles if we wish to see them established as precedents in a new world order. Restraint, the rule of law, collective security -- we should not and cannot allow the reduced possibility of superpower conflict to be replaced by a new threat of conflict from power-hungry regional powers such as Iraq. With power comes obligation and responsibility. Saddam Hussein must learn this fundamental truth.

Our response has been clear from the very outset. Following on Iraq's August 2 invasion of Kuwait and acting hand in hand with others, we have sought to fashion the broadest possible international response to the Iraqi challenge. And we have succeeded.

Immediately following the invasion of Kuwait, American forces, and those of a host of nations, moved to the protection of Saudi Arabia. We are there at the request of King Fahd to deter an Iraqi attack and, if need be, to defend against one. Today soldiers from Damascus and Cairo, Marrakech and Bangladesh, Los Angeles and London stand shoulder-to-shoulder. What brings these Muslims and non-Muslims, Arabs and non-Arabs together is resolute opposition to Saddam's aggression and aims.

In the United Nations, we can now point to five Security Council resolutions that condemn Iraq's aggression, call for immediate and unconditional Iraqi withdrawal from Kuwait, and call for the restoration of Kuwait's legitimate government. The United Nations has also specifically rejected Iraq's cynical and self-serving attempt to annex Kuwait. The United Nations has demanded too that Iraq release all the foreign nationals held hostage against their will and in contravention not only of international law but of human decency itself.

Just as important, the United Nations has backed up its words with action. The Security Council has imposed mandatory economic

sanctions on Iraq, designed to force Iraq to disgorge the fruits of its aggression. The Security Council has also taken the decisive step of endorsing the use of all means as may be necessary to ensure that these sanctions are complied with. Together with our allies, ships of the United States Navy are today patrolling to see that they are. Voluntary compliance with sanctions is excellent. We continue to hope that Iraq's leaders will recalculate just what their aggression has on balance cost them. Because of the sanctions, they can sell none of their oil. And they can import but a tiny fraction of goods.

We continue to hope that these sanctions will work as intended.

Our policy also has a major economic dimension. I have just heard from Secretary of State Baker and from Secretary of the Treasury Brady. Each travelled the world at my request to underscore the necessity that the costs and burdens of this collective military effort be shared. It is also essential that countries complying with sanctions be compensated to prevent severe economic hardship. We are prepared to do our fair share; we are asking others to the same.

I am pleased to be able to report that the response of our friends and allies has been positive. From the leaders of Saudi Arabia, Kuwait and the United Arab Republic we received pledges to provide American troops with all the food and fuel they need. Assistance will also be provided in large amounts to key front-line

states such as Turkey and Egypt.

There is also an energy-related cost to be borne as well. But we are hard at work with oil-producing nations to replace lost Iraqi and Kuwaiti output. More than half of what was lost has already been made up. If we continue steps to expand production, we can minimize any price increases. As I have pointed out before, reasonable conservation efforts and responsible oil company behavior are necessary complements to this effort. And we and several of our allies always have the option to extracting oil from our strategic petroleum reserves if conditions warrant.

The goal of all I have outlined is to convince Saddam Hussein to withdraw from Kuwait. I cannot predict just how long it will take us to prevail. Our policy is now in place, and sanctions may take time to have their intended effect. What I can tell you is that we will stick with the current policy so long as the evidence suggests it is working. If the evidence begins to suggest otherwise, then we will look at the alternatives. Again, what is certain is that we will not let this aggression by Iraq stand.

However we do succeed, and we will, the challenge to our vital interest in the region will not have ended. I can foresee a lasting role for the United States in assisting the nations of the Persian Gulf, in deterring future aggression, in helping our friends in their own self-defense, and in curbing the proliferation of chemical, biological, missile and above all nuclear technologies. What we do specifically will be a matter

to be determined, depending upon the threat and what we and our friends agree to. But let me make clear that our stake in the Gulf is not passing. Both our interest and our involvement pre-dated Saddam Hussein's aggression, and both will survive it.

Let me also make clear that the United States has no quarrel with the Iraqi people. Our quarrel is with Iraq's behavior, with its aggression, and with its leadership.

I want to make sure that everyone in Iraq understands this, and hope I have the opportunity to speak directly to the Iraqi people later this week over their television. My message is simple. Iraq must withdraw from Kuwait. Iraq will not be permitted to annex Kuwait. The use of force by Iraq to achieve its ambitions is unacceptable. No one in Iraq should doubt our determination, our resolve or our ability to translate these words into fact. This is not a threat or a boast, just the truth.

I also want to use this occasion to say some things to the American people. Our ability to function effectively as a great power abroad depends directly upon how we conduct ourselves here at home. Our economy, our armed forces, our energy dependence, and our cohesion will all determine whether we are in a position to help our friends and stand up to our foes.

In order for America to lead, America must be strong and vital. Our world leadership and domestic strength are not separate domains -- they are mutual and reinforcing; they are a woven piece, as firmly bound as Old Glory.

We must get our economic house in order at home if we are to have the capacity to promote international order abroad. To provide that capacity we must address our budget deficit now -- not after election day, or next year, but in fact now. It is time we pull together -- and get the job done right.

We should act this very month -- before the next fiscal year begins -- to permanently cut the budget deficit. If anyone needs an additional reason for action, surely the Iraqi situation can help focus the mind. We are more vulnerable economically than we should be. Americans must never again enter any crisis -- economic or military -- with an excessive dependence on foreign oil and an excessive burden of Federal debt.

Let me tell you what that job is. It has five basic parts.

First: We should, this month, enact growth-oriented tax measures -- to help avoid recession in the short term; and to increase savings, investment, productivity, and competitiveness for the longer term. One such measure already has the support of bipartisan majorities in both the House and Senate: The capital gains rate cut. And it is time we put its investment

and job-creating power to work.

Second: We should, this month, enact a prudent five-year defense program, -- one that reflects both the improvement in East-West relations, and the continuing risks of outlaw action and regional conflict, as represented most vividly now by Iraq. Even with Iraq, the defense budget can decline in real terms. But beyond a certain point, one crosses a line that threatens our nation's margin of safety. Given my Constitutional obligation as Commander-in-Chief, that is a line I cannot cross.

The world is still dangerous. Surely that is now clear. Stability is not secure. American interests are far-reaching. Interdependence has increased. The consequences of regional instability can be global. This is no time to reduce America's capacity to protect her vital interests.

Third: We should, this month, enact measures to increase domestic energy production and energy conservation -- in order to reduce dependence on foreign oil. These measures should include my proposals to increase incentives for domestic oil and gas exploration, and to accelerate the development of Alaskan energy resources. In addition, new measures, including tax measures (if any), to be incorporated here

Since the oil embargo of the early 1970's our reliance on foreign oil has not decreased -- it has grown. We have moved in the wrong direction. Now we must act to correct that trend -- so that our vulnerability does not increase again.

Fourth, we should, this month, enact a five-year program to reduce the projected deficits and debt by \$500 billion -- that is, by half-a-trillion dollars. If Congress presents me with a satisfactory program by the end of the month, that would be in time to avoid the clumsy axe of "sequester" -- deep across-the-board cuts that would otherwise threaten our military capacity and risk substantial domestic disruption.

I ask, further, that Congress present the comprehensive, five-year deficit reduction program to me as a single legislative package -- with associated measures to assure that it can be fully enforced. The American people are tired of phoney deficit reduction on the promise-now-save-later-plan. Enough is enough. It's time for a program that is credible and real.

Fifth, and finally: The combination of these legislative actions should allow the Federal Reserve to facilitate a substantial reduction in interest rates -- in a context of economic growth, without increased inflation. I have discussed my proposed program in detail with the Chairman of the Federal Reserve Board, Alan Greenspan. He assures me that if Congress acts promptly to enact the program I am recommending here tonight, he will then (... _____.)

In addition to discussing this program with the Chairman of the Federal Reserve, I have today provided it -- in detail -- to the members of the Budget Summit negotiating group.

My deficit reduction program has these basic characteristics -- as any acceptable program must:

- ° It includes the measures I've recommended to increase economic growth and reduce dependence on foreign oil.
- ° It is balanced. The burden of contributions is not excessive any one group of programs or people. About one-third of the savings come from defense, one-third from domestic spending programs, and one-third from revenue measures.
- ° It reaches beyond the visible parts of the budget and begins to control the government's expanding credit programs and hidden liabilities.
- ° It reforms the budget process to provide some of the tools that have allowed many governors to keep state budgets under control -- like "pay-as-you-go" requirements and line-item veto.
- ° It is enforceable.
- ° And, to the extent that it includes new revenue measures -- which it does -- it avoids any measure that might threaten economic growth or raise people's income tax rates. I know there are some who are anxious to raise income tax rates. But that is one path we should not head down again.

To the congressional members of the Budget Summit, I say:

I first called for negotiations many months ago. The negotiations have already dragged on too long. I have compromised, and compromised again. Some others have, as well. The plan I offer tonight is a further compromise that should, at last, bring us together. I hope to persuade you of its merit in this coming week.

My plan will not fully satisfy any of us. But it will do the job that needs to be done. And now: it is time to produce.

I hope the Summit leaders will agree on this plan. But with or without agreement, I ask both Houses of the Congress to allow a straight up-or-down vote on my comprehensive package -- not later than September 28th.

If the Congress fails to act, Americans will then have to face sequester: mandated spending reductions with all the national discomforts those entail. We would also be running real risks in terms of our national economy. If, on the other hand, the Congress responds to the challenge, we will, at last, have put ourselves on the right course here at home.

In the final analysis, our ability to meet our responsibilities abroad depends upon political will and consensus at home. This is never easy in democracies where we govern only with the consent of the government. And free people in a free society are bound to have their differences. But when the stakes have been as great as the stakes we now see, and when the principles are as clear as those we see today, Americans have traditionally come together. [The sacrifices each of us in this chamber are called upon to make are political.] These are not inconsequential sacrifices. But they are nothing compared to the sacrifices being made, as to speak, by our men and women in uniform.

Points questioned

I am hopeful. Once again, Americans have stepped forward to do their duty. They have shared a tearful goodbye with their families before leaving for a strange and distant shore. At this very moment, they stand together with Arabs, Europeans, and others in defense of principle -- doing what is right. If they can come together under such adversity, surely we who are so fortunate as to be in this great chamber -- Democrats, Republicans, liberals, conservatives, moderates -- can come together to fulfill our responsibilities here.

Thank you, good night, and God bless America.

If old admirals like ... Soviet Union

- 3 PAGES