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Date: Oct. 2, 1990
Draft: One

TELEVISED ADDRESS TO THE NATION
THE OVAL OFFICE/OCTOBER 3, 1990

Good evening.

Tonight I want to talk to you about some old business, a problem that has lingered and dogged and vexed this country for too long -- the federal budget deficit.

Yesterday, in order to keep the government operating, I had to sign a bill to increase our nation's debt limit by more than \$3 billion for just five days. And this \$3 billion in five days is not what we are spending -- it is what we are overspending.

No family, and no nation, can continue to do business like this and survive. When you pay a bill -- that bill must be paid.\\ When you write a check, you're supposed to have money in the bank.\\ And when you **have** to borrow money, you borrow knowing that every single penny will be paid back -- with interest.

But for too long, the nation's business has been conducted as if these basic rules of economic life -- rules as basic as the law of gravity -- did not apply.

Well they do. And if we fail to act, next year alone we will face a federal budget deficit in the neighborhood of \$243 billion -- a deficit that could drive our economy into a

recession. If what goes up, must come down -- then the way down could be very hard.\\ And it could be hardest -- not on us -- but on our children. It's their future that years of overspending has mortgaged.

But it doesn't have to be that way. We can do something -- and we can ^{do it by acting} ~~must act~~ this week. That is when Congress will hold an up or down vote on a deficit reduction package I worked out with the Congressional leadership of both parties.

This budget agreement is the result of eight months of blood, sweat and fear -- fear of the economic chaos a failed agreement would have triggered. So, after months of negotiation, we have a deal. A deal that's about jobs and growth and our shared American future.\\

Of course, I cannot claim it is the best budget deficit reduction plan imaginable. But let me tell you what it is -- it is ^{the} biggest deficit-reduction package. It is the toughest deficit-reduction package ever.

It is the greatest entitlement savings ever. For the first time, a Republican President and leaders of a Democratic Congress have agreed to real cuts that will be enforced by law, not promises. No smoke, no mirrors, no magic act -- but real and lasting spending cuts to the tune of \$120 billion.

It will also raise some revenue. And, as you know, I'm no fan of tax increases. However, there are excise tax increases on a number of products and luxury items. And there will be some limitations on deductions for upper-income earners.

Overall, however, it is a low-tax rate agreement; a pro-growth agreement. Through specific incentives, our agreement will help create new jobs. It contains specific new incentives for growth to stimulate America's economic vitality.

For example, it's a little known fact that America's biggest employers and greatest innovators tend to be our smaller companies. So our budget plan will give small and medium-size companies a needed shot in the arm. Tax indexing and deductions for those who invest in small corporations, coupled with powerful new incentives for research -- will help America compete in industry and science for years to come. And all of these measures, taken together, will generate jobs and opportunity for all Americans.

That is what this agreement will do. Now, let me tell you what this agreement will not do.

It will not raise income tax rates -- personal or corporate.

It won't touch Social Security.

It won't touch the cost of living adjustments owed to thousands of retirees -- military and civilian.

It won't touch your deductions for state and local income taxes.

And, most of all, it won't put America at risk. True, I've agreed to modest cuts in Armed Forces that will save billions. But our budget plan will keep America strong. And it will especially give our brave servicemen and women in the Persian Gulf the backing they deserve.

Of course, people from of all stripes -- liberals and conservatives, Republicans and Democrats, special-interest groups -- will find fault with certain elements of this agreement.

To these critics, I say: You can pick this package apart, but you cannot put a better package together. Everyone will bear a burden; but if we succeed, every American will have a burden lifted.\\ Above all, this agreement is fair.

In just a moment, Speaker of the House Tom Foley will offer what is known as the "Democratic response" -- often the rebuttal by the loyal opposition. But not this time.

Tonight, Tom and I speak with one voice. Tonight, we ask you to join us in turning the corner on the budget deficit dilemma -- and to call on Congress -- ~~Republicans~~ -- to put America's interest before special-interests first.

Tom and I both have a job to do in getting the Members of our parties behind this agreement. So for my part, I want to make a special appeal to the Republican Members of Congress and urge them to support what may be America's last, best chance to finally get this deficit under control.

We're on the homestretch. With a burst of quick and decisive action, we can at last put this budget crisis behind us and face the other challenges that lie ahead.

The world is watching to see if we can meet this test of our national will. If we do, the long-term result will be a healthier nation and something more. We will have once again

demonstrated that no challenge is greater than the determination of the American people.

Thank you, God bless you and ^{god} God night.

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TELEVISED ADDRESS TO THE NATION
THE OVAL OFFICE/OCTOBER 2ND, 1990

GOOD EVENING.

TONIGHT I WANT TO TALK TO YOU ABOUT SOME OF OUR NATION'S OLD BUSINESS, A PROBLEM THAT HAS LINGERED AND DOGGED AND VEXED THIS COUNTRY FOR FAR TOO LONG -- THE FEDERAL BUDGET DEFICIT.

THOMAS PAINE SAID, MANY YEARS AGO, "THESE ARE THE TIMES THAT TRY MEN'S SOULS." AS WE SPEAK, OUR NATION IS STANDING TOGETHER AGAINST SADDAM HUSSEIN'S AGGRESSION. I AM GRATEFUL FOR YOUR SUPPORT. BUT THERE IS A CANCER GNAWING AWAY AT OUR NATION'S HEALTH -- THAT CANCER IS THE BUDGET DEFICIT. YEAR AFTER YEAR, IT MORTGAGES THE FUTURE OF OUR CHILDREN.

NO FAMILY, NO NATION, CAN CONTINUE TO DO BUSINESS THE WAY THE FEDERAL GOVERNMENT HAS BEEN OPERATING -- AND SURVIVE. WHEN YOU GET A BILL, THAT BILL MUST BE PAID.\\ WHEN YOU WRITE A CHECK, YOU'RE SUPPOSED TO HAVE MONEY IN THE BANK.\\ AND WHEN YOU HAVE TO BORROW MONEY, YOU SHOULD BORROW KNOWING THAT EVERY SINGLE PENNY MUST BE PAID BACK -- WITH INTEREST. IF YOU DON'T OBEY THESE SIMPLE RULES OF COMMON SENSE, THERE IS A PRICE TO PAY.

BUT FOR TOO LONG, THE NATION'S BUSINESS IN WASHINGTON HAS BEEN CONDUCTED AS IF THESE BASIC RULES DID NOT APPLY.

WELL THESE RULES DO APPLY. AND IF WE FAIL TO ACT, NEXT YEAR ALONE WE WILL FACE A FEDERAL BUDGET DEFICIT OF MORE THAN \$300 BILLION -- A DEFICIT THAT COULD WEAKEN OUR ECONOMY FURTHER AND COSTS US THOUSANDS OF PRECIOUS JOBS. IF WHAT GOES UP, MUST COME DOWN -- THEN THE WAY DOWN COULD BE VERY HARD.

BUT IT DOESN'T HAVE TO BE THAT WAY. WE CAN DO SOMETHING --IN FACT, WE HAVE STARTED TO DO SOMETHING - - BUT WE MUST ACT THIS WEEK -- WHEN CONGRESS WILL HOLD THE FIRST OF TWO CRUCIAL UP OR DOWN VOTES. THESE VOTES WILL BE ON A DEFICIT-REDUCTION AGREEMENT WORKED OUT BETWEEN THE ADMINISTRATION AND THE BIPARTISAN LEADERS OF CONGRESS.

THIS BUDGET AGREEMENT IS THE RESULT OF EIGHT MONTHS OF BLOOD, SWEAT AND FEARS -- FEARS OF THE ECONOMIC CHAOS THAT WOULD FOLLOW OUR FAILURE TO REDUCE THE DEFICIT.

OF COURSE, I CANNOT CLAIM IT IS THE BEST DEFICIT-REDUCTION PLAN POSSIBLE. ANY ONE OF US ALONE MIGHT HAVE WRITTEN A BETTER PLAN. IT IS NOT. BUT IT IS THE BEST AGREEMENT THAT CAN BE LEGISLATED NOW.

IT IS THE BIGGEST DEFICIT-REDUCTION AGREEMENT EVER
-- HALF-A-TRILLION DOLLARS.

IT IS THE TOUGHEST DEFICIT-REDUCTION PACKAGE EVER
-- WITH NEW ENFORCEMENT RULES TO MAKE SURE THAT WHAT WE
FIX NOW STAYS FIXED.

AND IT HAS THE LARGEST SPENDING SAVINGS EVER -- OF
MORE THAN \$300 BILLION.

FOR THE FIRST TIME, A REPUBLICAN PRESIDENT AND
LEADERS OF A DEMOCRATIC CONGRESS HAVE AGREED TO REAL
CUTS THAT WILL BE ENFORCED BY LAW, NOT PROMISES. NO
SMOKE, NO MIRRORS, NO MAGIC ACT -- BUT REAL AND LASTING
SPENDING CUTS OF \$120 BILLION.

THIS AGREEMENT WILL ALSO RAISE REVENUE. YOU KNOW I'M NOT -- AND I KNOW YOU'RE NOT -- A FAN OF TAX INCREASES. BUT IF THERE HAVE TO BE TAX MEASURES, THEY SHOULD ALLOW THE ECONOMY TO GROW, THEY SHOULD NOT TURN US BACK TO HIGHER INCOME-TAX RATES, AND THEY SHOULD BE FAIR. EVERYONE WHO CAN, SHOULD CONTRIBUTE SOMETHING. AND NO ONE SHOULD HAVE TO CONTRIBUTE BEYOND THEIR FAIR SHARE.

OUR BIPARTISAN AGREEMENT MEETS THESE TESTS. AND THROUGH SPECIFIC NEW INCENTIVES, IT WILL HELP CREATE MORE JOBS.

IT'S A LITTLE KNOWN FACT, BUT AMERICA'S BEST JOB-CREATORS AND GREATEST INNOVATORS TEND TO BE OUR SMALLER COMPANIES. SO OUR BUDGET PLAN WILL GIVE SMALL AND MEDIUM-SIZE COMPANIES A NEEDED SHOT IN THE ARM.

JUST AS IMPORTANT, I AM CONVINCED THAT THIS AGREEMENT WILL HELP LOWER INTEREST RATES. AND LOWER INTEREST RATES MEAN SAVINGS FOR CONSUMERS, LOWER MORTGAGE PAYMENTS FOR NEW HOMEOWNERS AND MORE INVESTMENT TO PRODUCE MORE JOBS.

THAT IS WHAT THIS AGREEMENT WILL DO. NOW, LET ME TELL YOU WHAT THIS AGREEMENT WILL NOT DO.

IT WILL NOT RAISE INCOME TAX RATES -- PERSONAL OR CORPORATE. IT WILL NOT MESS WITH SOCIAL SECURITY.

IT WILL NOT TOUCH THE COST OF LIVING ADJUSTMENTS OWED TO THOUSANDS OF RETIREES -- MILITARY AND CIVILIAN.

IT WILL NOT PUT AMERICA'S NATIONAL SECURITY AT RISK.

AND, MOST OF ALL, IT WILL NOT LET OUR ECONOMY FALL VICTIM TO FISCAL IRRESPONSIBILITY.

CLEARLY, EACH AND EVERY ONE OF US -- CAN FIND FAULT WITH SOMETHING IN THIS AGREEMENT. IN FACT, THAT IS A BURDEN THAT ANY TRULY FAIR SOLUTION MUST CARRY. ANY WORKABLE SOLUTION MUST BE JUDGED AS A WHOLE, NOT PIECE BY PIECE.

SO TO THOSE WHO DISLIKE ONE PART OR ANOTHER, YOU CAN PICK OUR AGREEMENT APART, BUT IF YOU DO, YOU CANNOT PUT A BETTER ONE BACK TOGETHER. EVERYONE WILL BEAR A SMALL BURDEN; BUT IF WE SUCCEED, EVERY AMERICAN WILL HAVE A LARGE BURDEN LIFTED.\ \

IN JUST A MOMENT, DEMOCRATIC MAJORITY LEADER, SENATOR MITCHELL, WILL OFFER WHAT IS KNOWN AS THE "DEMOCRATIC RESPONSE" -- OFTEN THE REBUTTAL BY THE OPPOSITION. BUT NOT TONIGHT.

TONIGHT, THE DEMOCRATIC LEADERSHIP AND I SPEAK WITH ONE VOICE. TONIGHT, WE ASK YOU TO HELP US MOVE THIS AGREEMENT FORWARD. THE DEMOCRATIC LEADERSHIP AND I BOTH HAVE A JOB TO DO IN GETTING THE CONGRESS TO ENACT THIS AGREEMENT. SO FOR MY PART, I WANT TO MAKE A SPECIAL APPEAL TO THE REPUBLICAN MEMBERS OF CONGRESS AND URGE THEM TO SUPPORT WHAT MAY BE AMERICA'S LAST, BEST CHANCE TO FINALLY GET THIS DEFICIT UNDER CONTROL.

TONIGHT I URGE YOU TO CONTACT YOUR REPRESENTATIVE, YOUR SENATORS, IN WASHINGTON. IF THEY ARE REPUBLICANS, URGE THEM TO STAND WITH YOUR PRESIDENT. URGE THEM TO DO WHAT THE BIPARTISAN LEADERSHIP HAS DONE -- COME TOGETHER IN THE SPIRIT OF COMPROMISE TO SOLVE THIS NATIONAL PROBLEM. IF THEY ARE DEMOCRATS, URGE THEM TO STAND WITH THEIR LEADERS. ASK THEM TO FIGHT FOR THE FUTURE OF YOUR KIDS BY SUPPORTING THIS BUDGET AGREEMENT.

NOW IS THE TIME FOR YOU -- THE AMERICAN PEOPLE -- TO HAVE A REAL IMPACT. YOUR SENATORS AND CONGRESSMEN NEED TO KNOW THAT YOU WANT THIS DEFICIT BROUGHT DOWN - - THAT THE TIME FOR DEBATE AND POSTURING IS OVER -- AND THE TIME TO COME TOGETHER IS NOW.

WE'RE ON THE HOMESTRETCH. WITH A BURST OF QUICK AND DECISIVE ACTION, WE CAN AT LAST PUT THIS BUDGET CRISIS BEHIND US AND FACE THE OTHER CHALLENGES THAT LIE AHEAD.

THE WORLD IS WATCHING TO SEE IF WE CAN MEET THIS
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 2, 1990

REMARKS BY THE PRESIDENT
DURING TELEVISION ADDRESS TO THE NATION

The Oval Office

9:00 P.M. EDT

THE PRESIDENT: Tonight I want to talk to you about a problem that has lingered and dogged and vexed this country for far too long -- the federal deficit. Thomas Paine said many years ago, "These are the times that try men's souls." As we speak, our nation is standing together against Saddam Hussein's aggression. But here at home there's another threat -- a cancer gnawing away at our nation's health. That cancer is the budget deficit.

Year after year, it mortgages the future of our children. No family, no nation, can continue to do business the way the federal government has been operating -- and survive. When you get a bill, that bill must be paid. And when you write a check, you're supposed to have money in the bank. But if you don't obey these simple rules of common sense, there's a price to pay.

But for too long, the nation's business in Washington has been conducted as if these basic rules did not apply. Well, these rules do apply. And if we fail to act, next year alone we will face a federal budget deficit of more than \$300 billion -- a deficit that could weaken our economy further and cost us thousands of precious jobs. If what goes up must come down -- then the way down could be very hard.

But it doesn't have to be that way. We can do something. In fact, we have started to do something. But we must act this week when Congress will hold the first of two crucial up or down votes. These votes will be on a deficit reduction agreement worked out between the administration and the bipartisan leaders of Congress. This budget agreement is the result of eight months of blood, sweat, and fears -- fears of the economic chaos that would follow if we fail to reduce the deficit.

Of course, I cannot claim it's the best deficit reduction plan possible. It's not. Any one of us alone might have written a better plan. But it is the best agreement that can be legislated now. It is the biggest deficit reduction agreement ever -- half a trillion dollars. It's the toughest deficit reduction package ever -- with new enforcement rules to make sure that what we fix now stays fixed. And it has the largest spending savings ever -- more than \$300 billion. For the first time, a Republican President and leaders of a Democratic Congress have agreed to real cuts that will be enforced by law, not promises. No smoke; no mirrors; no magic act; but real and lasting spending cuts.

This agreement will also raise revenue. I'm not -- and I know you're not -- a fan of tax increases. But if there have to be tax measures, they should allow the economy to grow; they should not turn us back to higher income tax rates, and they should be fair. Everyone who can, should contribute something. And no one should have to contribute beyond their fair share. Our bipartisan agreement meets these tests. And through specific new incentives, it will help create more jobs.

It's a little known fact, but America's best job creators and greatest innovators tend to be our smaller companies. So our

MORE

budget plan will give small and medium-size companies a needed shot in the arm. Just as important, I am convinced that this agreement will help lower interest rates. And lower interest rates mean savings for consumers, lower mortgage payments for new homeowners, and more investment to produce more jobs. And that's what this agreement will do.

Now, let me tell you what this agreement will not do. It will not raise income tax rates -- personal or corporate. It will not mess with Social Security in any way. It will not put America's national security at risk. And, most of all, it will not let our economy slip out of control.

Clearly, each and every one of us can find fault with something in this agreement. In fact, that is a burden that any truly fair solution must carry. Any workable solution must be judged as a whole, not piece by piece. Those who dislike one part or another may pick our agreement apart. But if they do, believe me, the political reality is no one can put a better one back together again. Everyone will bear a small burden. But if we succeed, every American will have a large burden lifted. If we fail to enact this agreement, our economy will falter, markets may tumble, and recession will follow.

In just a moment, the Democratic Majority Leader, Senator Mitchell, will offer what is known as the Democratic response -- often a rebuttal. But not tonight. Tonight, the Democratic and Republican leadership and I all speak with one voice in support of this agreement. Tonight, we ask you to help us move this agreement forward. The congressional leadership and I both have a job to do in getting it enacted. And tonight, I ask for your help.

First, I ask you to understand how important -- and for some, how difficult -- this vote is for your congressmen and senators. Many worry about your reaction to one part or another. But I know you know the importance of the whole. So, second, I ask you to take this initiative: Tell you congressmen and senators you support this deficit reduction agreement.

If they are Republicans, urge them to stand with the President. Urge them to do what the bipartisan leadership has done -- come together in the spirit of compromise to solve this national problem. If they're Democrats, urge them to stand with their congressional leaders. Ask them to fight for the future of your kids by supporting this budget agreement.

Now is the time for you -- the American people -- to have a real impact. Your senators and congressmen need to know that you want this deficit brought down -- that the time for politics and posturing is over, and the time to come together is now.

This deficit reduction agreement is tough. And so are the times. The agreement is fair. And so is the American spirit. The agreement is bipartisan. And so is the vote. The agreement is real. And so is this crisis.

This is the first time in my presidency that I've made an appeal like this to you, the American people. With your help, we can at last put this budget crisis behind us and face the other challenges that lie ahead.

If we do, the long-term result will be a healthier nation and something more. We will have once again put ourselves on the path of economic growth. And we will have demonstrated that no challenge is greater than the determination of the American people.

Thank you. God bless you and good night.

END

9: 10 P.M. EDT