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# FOIA MARKER

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**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 File, 1989-1993

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**OA/ID Number:** 13549  
**Folder ID Number:** 13549-016

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**Folder Title:**  
Association of Bank Holding Companies 11/29/90 10A 6027]

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Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>26</b>	<b>16</b>	<b>5</b>	<b>6</b>

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**ASSOCIATION OF BANK HOLDING COMPANIES \ WILLARD HOTEL  
NOVEMBER 29, 1990 \ 1:15 P.M.**

**LET ME RECOGNIZE YOUR OUTSTANDING CHAIRMAN -- GENE MILLER. MY GOOD FRIEND, LUD ASHLEY. AND ALL THE LEADING LIGHTS OF THE BANKING INDUSTRY HERE TODAY. //**

**BACK IN FEBRUARY '89, THE MEMBERS OF THIS ORGANIZATION CAME OUT EARLY FOR OUR S&L REFORM BILL. YOUR STRONG SUPPORT HELPED US TAKE A CRITICAL FIRST STEP TOWARD RESTORING THE INTEGRITY OF OUR S&L SYSTEM.**


**- 2 -**

**SINCE THEN, SECRETARY NICK BRADY HAS BEEN CONDUCTING A THOROUGH REVIEW OF THE KEY ISSUES AND CONCERNS OF THE AMERICAN BANKING SYSTEM.**

**WHAT HE'S FOUND IS THE NEED FOR SIGNIFICANT STRUCTURAL REFORM -- REFORMS THAT KEEP PACE WITH THE REVOLUTIONARY CHANGES IN FINANCIAL SERVICES THAT HAVE MARKED THE PAST TWO DECADES. //**

TODAY, IN THE AGE OF THE A-T-M AND THE 800 NUMBER -- AND IN THE FACE OF INTENSE COMPETITION FROM NON-BANKS TO MEET CONSUMER CREDIT NEEDS -- WE MUST RE-THINK AND RE-EXAMINE EXISTING REGULATIONS -- AND THE NEED FOR CHANGE. //

THE REGULATORY SYSTEM THAT SERVED US SO WELL FROM ITS INCEPTION IN THE 1930S IS TODAY INCREASINGLY OUTMODED -- AS LIKELY TO PREVENT BANKS FROM STAYING COMPETITIVE AS IT IS TO ALLOW THEM TO SERVE THEIR CUSTOMERS, AND SUSTAIN CONFIDENCE IN THE SYSTEM. //



THE RESULT CAN BE COUNTERPRODUCTIVE: DENYING BANKS THE OPPORTUNITY TO ENTER NEW MARKETS ACTUALLY ENCOURAGES RISKY VENTURES THAT FALL WITHIN THE OLD RULES AND REGULATIONS.

IN JANUARY, THE TREASURY DEPARTMENT WILL MAKE ITS RECOMMENDATIONS ON COMPREHENSIVE BANKING REFORM, INCLUDING PROVISIONS ON DEPOSIT INSURANCE. // THE LEGISLATION WE WILL PROPOSE WILL MAKE A SIGNIFICANT CONTRIBUTION TO THE LONG-TERM HEALTH OF THE BANKING SYSTEM.

ONCE AGAIN, I LOOK TO LUD AND GENE -- AND TO ALL OF YOU  
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REFORM PACKAGE IN THE 102ND CONGRESS. // WHAT'S AT  
STAKE IS NOT JUST THE CONFIDENCE OF THE AMERICAN PEOPLE  
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# WHITE HOUSE STAFFING MEMORANDUM

DATE: 11/28/90 ACTION/CONCURRENCE/COMMENT DUE BY: \_\_\_\_\_

SUBJECT: PRESIDENTIAL REMARKS: ASSOCIATION OF BANK HOLDING COMPANIES  
(11/28 4:45 p.m. draft)

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

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

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

THE WHITE HOUSE

WASHINGTON

90 NOV 28 PM 5:14

November 27, 1990

MEMORANDUM FOR THE PRESIDENT

THROUGH:           CHRISS WINSTON *CW*  
FROM:               DAN MCGROARTY *DMG*  
SUBJECT:           ASSOCIATION OF BANK HOLDING COMPANIES

I.    SUMMARY

On Thursday, November 29, at 1:15 p.m., you will address the fall meeting of the Association of Bank Holding Companies. Gene Miller, chairman of the organization, and Lud Ashley, the president, will be on the podium. Gene Miller will introduce you. SEC Chairman Breeden and Congressman Jim Leach will speak to the group that morning. In the audience will be about 100 banking CEOs.

II.   DISCUSSION

The remarks (5 minutes/cards) discuss some planned reforms for the banking industry, to ensure that the system is sound but also competitive in the world market.

# # #

McGroarty/Dooley  
November 28, 1990  
4:45 pm  
[BANK]

PRESIDENTIAL REMARKS: ASSOCIATION OF BANK HOLDING COMPANIES  
THE WILLARD HOTEL  
NOVEMBER 29, 1990  
1:15 P.M.

[Introductory acknowledgements.] Let me recognize your outstanding President -- my good friend, **Lud Ashley**. Gene Miller, Chairman. And all the leading lights of the banking industry here today. //

Back in February '89, the members of this organization came out early for our S&L reform bill. Your strong support helped us take a critical first step toward restoring the integrity of our S&L system. // Since then, Secretary Nick Brady has been conducting a thorough review of the key issues and concerns of the American banking system.

What he's found is the need for significant structural reform -- reforms that keep pace with the revolutionary changes in financial services that have marked the past two decades. // No longer is the average bank simply a local lending institution, serving a small community of businessmen and consumers. // Today, in the age of the A-T-M and the 800 number -- and in the face of intense competition from non-banks to meet consumer credit needs -- we must re-think and re-examine existing regulations -- and the need for change. //

The regulatory system that served us so well from its inception in the 1930s is today increasingly outmoded -- as likely to prevent banks from staying competitive as it is to allow them to serve their customers, and sustain confidence in the system. // The result can be counterproductive: denying banks the opportunity to enter new markets actually encourages risky ventures that fall within the old rules and regulations.

In January, the Treasury Department will make its recommendations on comprehensive banking reform, including provisions on deposit insurance. // The legislation we will propose will make a significant contribution to the long-term health of the banking system. Once again, I look to Lud and Gene -- and to all of you here today -- to help secure speedy passage of this reform package in the 102nd Congress. // What's at stake is not just the confidence of the American people in their banking system -- but the profitability and competitiveness of a key American industry. Because our banking system can never be truly safe if it is not also economically sound. ///

Lud Ashley tells me the theme of your conference this year is "managing risk." I don't need to tell you how the events of the past few months have clouded over our crystal balls. For the people in this room -- who face the challenge of mapping corporate strategies in this uncertain environment -- the task you face is extraordinarily complex. //

I know I've been preceded at the podium today by Chairman Breeden of the SEC and Congressman Jim Leach, who have spoken

about the challenges that confront you. Those challenges are serious: interest rates higher than any of us would like them to be -- concerns about a credit crunch -- all of this against the background of a sluggish economy.

I remain confident that this <sup>//</sup> ~~downturn~~ <sup>slow down</sup> will run its course - <sup>Boskin</sup> - and I am certain that the institutions represented here, and the business leaders in this room -- will play a leading role in reviving the economy and returning to the path of expansion, opportunity and growth. //

Once again, thank you for this warm welcome -- and may God bless the United States of America.

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WASHINGTON

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MEMORANDUM FOR THE PRESIDENT

THROUGH:           CHRISS WINSTON *cw*  
FROM:               DAN MCGROARTY *DM*  
SUBJECT:            ASSOCIATION OF BANK HOLDING COMPANIES

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November 28, 1990  
4:45 pm  
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THE WILLARD HOTEL  
NOVEMBER 29, 1990  
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[Introductory acknowledgements.] Let me recognize your outstanding President -- my good friend, Lud Ashley. Gene Miller, Chairman. And all the leading lights of the banking industry here today. //

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What he's found is the need for significant structural reform -- reforms that keep pace with the revolutionary changes in financial services that have marked the past two decades. // No longer is the average bank simply a local lending institution, serving a small community of businessmen and consumers. // Today, in the age of the A-T-M and the 800 number -- and in the face of intense competition from non-banks to meet consumer credit needs -- we must re-think and re-examine existing regulations -- and the need for change. //

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I remain confident that this downturn will run its course - - and I am certain that the institutions represented here, and the business leaders in this room -- will play a leading role in reviving the economy and returning to the path of expansion, opportunity and growth. //

Once again, thank you for this warm welcome -- and may God bless the United States of America.

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THE WHITE HOUSE  
WASHINGTON



566-2103

FACSIMILE TRANSMITTAL SHEET

NUMBER OF PAGES INCLUDING COVER 4

DATE 11/28

TO Sarah Hildebrand

FAX NUMBER 786-8433

OFFICE NUMBER \_\_\_\_\_

COMMENTS As requested

FROM D Mc Grawtz

OFFICE NUMBER 456 2773

Sec. Brady Pls. Pass to SARAH HILLEBRAND

McGroarty/Dooley  
November 28, 1990  
8:15 am  
[BANK]

90 NOV 28 AM 10:17

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*forces us to rethink both regulations and laws*  
*we must rethink + reexamine existing regulations + the need for change.*

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The plain fact is that the economy is in a slowdown. I didn't come here today to offer an extended economic forecast -- or to sugarcoat our situation. But I can say that I believe the slowdown we're experiencing will not persist.

I remain confident that this downturn will run its course - ~~that the economy will rebound sometime in the middle of next year.~~ // And I am certain that the institutions represented here -- and the business leaders in this room -- will play a leading role in reviving the economy and returning to the path of expansion, opportunity and growth. //

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(11/26 6:30 p.m. draft)

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

REMARKS: please provide any comments/recommendations directly to Chriss Winston by ~~4:00 p.m.~~ *12:00 p.m.* on Tuesday, 11/27, with a copy to my office. Thanks.

*160 cut down*

RESPONSE:

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

90 NOV 26 PM 6:51

McGroarty/Dooley  
November 26, 1990  
6:30 pm  
[BANK]

PRESIDENTIAL REMARKS: ASSOCIATION OF BANK HOLDING COMPANIES  
THE WILLARD HOTEL  
NOVEMBER 29, 1990  
1:15 P.M.

[Introductory acknowledgements.] Let me recognize your outstanding President -- my good friend, Lud Ashley. Gene Miller, Chairman. And all the leading lights of the banking industry here today. //

Back in February '89, the members of this organization came out early for our S&L reform bill. Your strong support helped us take a critical first step toward restoring the integrity of our failing S&L system. // Since then, we've worked to address key issues and concerns of the American banking system.

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I know I've been preceded at the podium today by Chairman Breeden of the SEC and Congressman Jim Leach, who have spoken about the challenges that confront you. Those challenges are serious: interest rates higher than any of us would like them to be; concerns about a credit crunch -- all of this against the background of a sluggish and uncertain economy. //

The plain fact is that the economy is in difficulty. I didn't come here today to offer an extended economic forecast -- or to sugarcoat our situation. But I can say that I believe the slowdown we're experiencing will not persist -- and I remain confident that this downturn will run its course, and the economy will rebound sometime in the middle of next year. //

Lud Ashley tells me the theme of your conference this year is "managing risk." I don't need to tell you how the events of early August have clouded over our crystal balls. // For the people in this room -- who face the challenge of mapping corporate strategies in this uncertain environment -- the challenge you face is extraordinarily complex. That's why, this afternoon, I want to speak to you about the situation in the Persian Gulf: why we're there -- what our aims are -- why we must prevail. //

Let me say at the onset: No President is quick to order American troops abroad. Yet in the aftermath of Iraq's rape of tiny Kuwait -- with the clear and present danger of an Iraqi assault against Saudi Arabia, I made the decision that vital

interests required the deployment of American military forces to counter Saddam Hussein. //

Our objectives are clear and unchanging: we seek the withdrawal of all Iraqi forces from Kuwait -- immediately and without condition; the restoration of Kuwait's legitimate government; the safe return of all American hostages; and, finally, security and stability in the Persian Gulf. //

These are our objectives -- the goals we must accomplish. Let me turn now to the reasons why we must succeed.

There are three key reasons why we're in the Gulf today: First, to safeguard our national security. Second, to stand against aggression. And third, to protect innocent lives. // Each reason works together with the others to form a solid case for firm action to stop Saddam Hussein. //

Let's begin with national security. // Yes, oil is a factor. The simple facts are these: by seizing Kuwait, Iraq brought under its control over 20% of the world's proven oil reserves. An additional 25% of the world's reserves are located next door, in Saudi Arabia. Through direct control -- and indirectly, through intimidation -- power over almost half the world's oil supply would be concentrated in the hands of a dictator with aggressive designs.

That's more than the power to drive up the price of gas -- it's a stranglehold on global development. All of us -- the industrialized democracies, the emerging democracies of Eastern Europe, and the world's least developed nations -- would find our

economies, the engines of social progress and development, held hostage to the whims of one man. //

Those of you who have been working with the emerging democracies in Eastern Europe know the added hardship caused by higher energy costs. For these countries, Iraq's aggression is making this time of transition even more difficult -- with nothing less than democracy at stake. //

But beyond the very real threat to our economic interests, Saddam's invasion of Kuwait poses a serious threat of another sort -- a threat to the emerging international order. That is the reason why we cannot allow this aggression to stand. //

Consider our singular circumstances. For the first time in the post-war era, a regional crisis is not playing itself out against the background of the larger superpower conflict. For the first time in the post-war era, the international community is not paralyzed into inaction by East-West conflict. For the first time, therefore, in the post-war era, the world has an opportunity -- to establish in practice, and not just as promise, an international order where the rule of law governs the conduct of nations.

That is why our united response to Saddam's brutal rape of Kuwait is critical. We simply cannot permit his cynical disregard for international norms to go unchecked.

Finally, there's a third key reason why America must act. That is to protect innocent lives: to secure the safe release of the Americans held hostage -- and the well-being of the diplomats

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I can assure all of you here today that I will continue to pursue all diplomatic means at my disposal to see that this crisis comes to a peaceful end. Our sanctions against Iraq, which enjoy widespread support in the international community, are themselves the most significant measure short of war to make clear to Saddam Hussein that we are serious, and we will not compromise our objectives.

There can be no doubt that the United States -- and a united world community -- will not let this aggression stand. [[Ten times, the United Nations has expressed its resolve against aggression by passing resolutions. The time has come for the United Nations to act once more. That is why, today, we urge the U.N. Security Council to keep open all options -- to recognize the rightful use of all means necessary to end Iraq's illegal occupation.]]

How we respond to Iraq's aggression will shape the kind of world we live in. If we succeed, we put future dictators and despots on notice. If we fail, beyond the immediate threat to

our national security -- we issue an open invitation to aggression. I am confident that with continued support -- here at home and in the world community -- we will succeed. ///

Once again, thank you for this warm welcome -- and may God bless the United States of America.

# # #

**WHITE HOUSE STAFFING MEMORANDUM**

90 OCT 27 P3: 16

DATE: 11/26/90 ACTION/CONCURRENCE/COMMENT DUE BY: 4:00 p.m. 11/27

SUBJECT: PRESIDENTIAL REMARKS: ASSOCIATION OF BANK HOLDING COMPANIES  
(11/26 6:30 p.m. draft)

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

REMARKS: please provide any comments/recommendations directly to Chriss Winston by 4:00 p.m. on Tuesday, 11/27, with a copy to my office. Thanks.

RESPONSE:

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

90 NOV 26 PM 6:51

McGroarty/Dooley  
November 26, 1990  
6:30 pm  
[BANK]

PRESIDENTIAL REMARKS: ASSOCIATION OF BANK HOLDING COMPANIES  
THE WILLARD HOTEL  
NOVEMBER 29, 1990  
1:15 P.M.

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I know I've been preceded at the podium today by Chairman Breeden of the SEC and Congressman Jim Leach, who have spoken about the challenges that confront you. Those challenges are serious: interest rates higher than any of us would like them to be; concerns about a credit crunch -- all of this against the background of a sluggish and uncertain economy. //

The plain fact is that the economy is in difficulty. I didn't come here today to offer an extended economic forecast -- or to sugarcoat our situation. But I can say that I believe the slowdown we're experiencing will not persist -- and I remain confident that this downturn will run its course, and the economy will rebound sometime in the middle of next year. //

Lud Ashley tells me the theme of your conference this year is "managing risk." I don't need to tell you how the events of early August have clouded over our crystal balls. // For the people in this room -- who face the challenge of mapping corporate strategies in this uncertain environment -- the challenge you face is extraordinarily complex. That's why, this afternoon, I want to speak to you about the situation in the Persian Gulf: why we're there -- what our aims are -- why we must prevail. //

Let me say at the onset: No President is quick to order American troops abroad. Yet in the aftermath of Iraq's rape of tiny Kuwait -- with the clear and present danger of an Iraqi assault against Saudi Arabia, I made the decision that vital

interests required the deployment of American military forces to counter Saddam Hussein. //

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That's more than the power to drive up the price of gas -- it's a stranglehold on global development. All of us -- the industrialized democracies, the emerging democracies of Eastern Europe, and the world's least developed nations -- would find our

economies, the engines of social progress and development, held hostage to the whims of one man. //

Those of you who have been working with the emerging democracies in Eastern Europe know the added hardship caused by higher energy costs. For these countries, Iraq's aggression is making this time of transition even more difficult -- with nothing less than democracy at stake. //

But beyond the very real threat to our economic interests, Saddam's invasion of Kuwait poses a serious threat of another sort -- a threat to the emerging international order. That is the reason why we cannot allow this aggression to stand. //

Consider our singular circumstances. For the first time in the post-war era, a regional crisis is not playing itself out against the background of the larger superpower conflict. For the first time in the post-war era, the international community is not paralyzed into inaction by East-West conflict. For the first time, therefore, in the post-war era, the world has an opportunity -- to establish in practice, and not just as promise, an international order where the rule of law governs the conduct of nations.

That is why our united response to Saddam's brutal rape of Kuwait is critical. We simply cannot permit his cynical disregard for international norms to go unchecked.

Finally, there's a third key reason why America must act. That is to protect innocent lives: to secure the safe release of the Americans held hostage -- and the well-being of the diplomats

at our Embassy in Kuwait, now being starved out by Saddam. And to end the nightmare of the Kuwaiti people -- the men, women and even innocent children subject to such unspeakable horrors. //

The world has seen enough of Saddam Hussein to know what kind of man we're up against. It's true that we do not know with certainty when Saddam will succeed in acquiring nuclear weapons. But we do know this: Saddam has never possessed a weapon that he has not used. //

I can assure all of you here today that I will continue to pursue all diplomatic means at my disposal to see that this crisis comes to a peaceful end. Our sanctions against Iraq, which enjoy widespread support in the international community, are themselves the most significant measure short of war to make clear to Saddam Hussein that we are serious, and we will not compromise our objectives.

There can be no doubt that the United States -- and a united world community -- will not let this aggression stand. [[Ten times, the United Nations has expressed its resolve against aggression by passing resolutions. The time has come for the United Nations to act once more. That is why, today, we urge the U.N. Security Council to keep open all options -- to recognize the rightful use of all means necessary to end Iraq's illegal occupation.]]

How we respond to Iraq's aggression will shape the kind of world we live in. If we succeed, we put future dictators and despots on notice. If we fail, beyond the immediate threat to

our national security -- we issue an open invitation to aggression. I am confident that with continued support -- here at home and in the world community -- we will succeed. ///

Once again, thank you for this warm welcome -- and may God bless the United States of America.

# # #

**WHITE HOUSE STAFFING MEMORANDUM**

DATE: 11/26/90 ACTION/CONCURRENCE/COMMENT DUE BY: noon 4:00 p.m. 11/27

SUBJECT: PRESIDENTIAL REMARKS: ASSOCIATION OF BANK HOLDING COMPANIES  
(11/26 6:30 p.m. draft)

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

REMARKS: Please provide any comments/recommendations directly to Chriss Winston by 4:00 p.m. on Tuesday, 11/27, with a copy to my office. Thanks.

RESPONSE:

90 OCT 27 P4:12

*See comments. Thx.  
 Holly Williamson  
 11-27-90*

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

90 NOV 26 PM 6:51

McGroarty/Dooley  
November 26, 1990  
6:30 pm  
[BANK]

PRESIDENTIAL REMARKS: ASSOCIATION OF BANK HOLDING COMPANIES  
THE WILLARD HOTEL  
NOVEMBER 29, 1990  
1:15 P.M.

[Introductory acknowledgements.] Let me recognize your outstanding President -- my good friend, **Lud Ashley**. Gene Miller, Chairman. And all the leading lights of the banking industry here today. //

Back in February '89, the members of this organization came out early for our S&L reform bill. Your strong support helped us take a critical first step toward restoring the integrity of our ~~ailing~~ S&L system. // Since then, ~~we've worked to address key~~ issues and concerns of the American banking system.

In January, the Treasury Department will make its recommendations on comprehensive banking reform, including provisions on deposit insurance. // The legislation we will propose will make a significant contribution to the long-term health of the banking system. Once again, I look to Lud and Gene and all of you to help secure speedy passage of this reform package in the 102nd Congress. What's at stake is not just the confidence of the American people in their banking system -- but the profitability and competitiveness of a key American industry. Because our banking system can never be truly safe if it is not also economically sound. //

✓(COCA)

✓(Treasury)  
My Treasury Secretary Nick Brady has been conducting a thorough review of the

✓(Treasury)

I know I've been preceded at the podium today by Chairman Breeden of the SEC and Congressman Jim Leach, who have spoken about the challenges that confront you. Those challenges are serious: interest rates higher than any of us would like them to be; concerns about a credit crunch -- all of this against the background of a **sluggish and uncertain economy**. //

The plain fact is that the economy is in difficulty. I didn't come here today to offer an extended economic forecast -- or to sugarcoat our situation. But I can say that I believe the slowdown we're experiencing will not persist -- and I remain confident that this downturn will run its course, and the economy will rebound sometime in the middle of next year. //

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(COCA -  
per  
EPC)

(COCA -  
per  
the  
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in a slow down.

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# # #

~~Secretary of Defense~~  
~~Secretary of Defense~~ keeps repeating himself  
~~of course in the past~~ ~~did not raise~~  
~~oil prices~~ We don't ~~do it~~ ~~right~~  
~~state that~~ ~~in his speech~~ ~~wondered~~ if we  
~~shouldn't do that.~~

**WHITE HOUSE STAFFING MEMORANDUM**

90 OCT 27 P4:37

DATE: 11/26/90 ACTION/CONCURRENCE/COMMENT DUE BY: 4:00 p.m. 11/27

SUBJECT: PRESIDENTIAL REMARKS: ASSOCIATION OF BANK HOLDING COMPANIES  
(11/26 6:30 p.m. draft)

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

REMARKS: Please provide any comments/recommendations directly to Chriss Winston by 4:00 p.m. on Tuesday, 11/27, with a copy to my office. Thanks.

RESPONSE: *No comment*

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

90 NOV 26 PM 6:51

McGroarty/Dooley  
November 26, 1990  
6:30 pm  
[BANK]

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Our objectives are clear and unchanging: we seek the withdrawal of all Iraqi forces from Kuwait -- immediately and without condition; the restoration of Kuwait's legitimate government; the safe return of all American hostages; and, finally, security and stability in the Persian Gulf. //

These are our objectives -- the goals we must accomplish. Let me turn now to the reasons why we must succeed.

There are three key reasons why we're in the Gulf today: First, to safeguard our national security. Second, to stand against aggression. And third, to protect innocent lives. // Each reason works together with the others to form a solid case for firm action to stop Saddam Hussein. //

Let's begin with national security. // Yes, oil is a factor. The simple facts are these: by seizing Kuwait, Iraq brought under its control over 20% of the world's proven oil reserves. An additional 25% of the world's reserves are located next door, in Saudi Arabia. Through direct control -- and indirectly, through intimidation -- power over almost half the world's oil supply would be concentrated in the hands of a dictator with aggressive designs.

That's more than the power to drive up the price of gas -- it's a stranglehold on global development. All of us -- the industrialized democracies, the emerging democracies of Eastern Europe, and the world's least developed nations -- would find our

economies, the engines of social progress and development, held hostage to the whims of one man. //

Those of you who have been working with the emerging democracies in Eastern Europe know the added hardship caused by higher energy costs. For these countries, Iraq's aggression is making this time of transition even more difficult -- with nothing less than democracy at stake. //

But beyond the very real threat to our economic interests, Saddam's invasion of Kuwait poses a serious threat of another sort -- a threat to the emerging international order. That is the reason why we cannot allow this aggression to stand. //

Consider our singular circumstances. For the first time in the post-war era, a regional crisis is not playing itself out against the background of the larger superpower conflict. For the first time in the post-war era, the international community is not paralyzed into inaction by East-West conflict. For the first time, therefore, in the post-war era, the world has an opportunity -- to establish in practice, and not just as promise, an international order where the rule of law governs the conduct of nations.

That is why our united response to Saddam's brutal rape of Kuwait is critical. We simply cannot permit his cynical disregard for international norms to go unchecked.

Finally, there's a third key reason why America must act. That is to protect innocent lives: to secure the safe release of the Americans held hostage -- and the well-being of the diplomats

at our Embassy in Kuwait, now being starved out by Saddam. And to end the nightmare of the Kuwaiti people -- the men, women and even innocent children subject to such unspeakable horrors. //

The world has seen enough of Saddam Hussein to know what kind of man we're up against. It's true that we do not know with certainty when Saddam will succeed in acquiring nuclear weapons. But we do know this: Saddam has never possessed a weapon that he has not used. //

I can assure all of you here today that I will continue to pursue all diplomatic means at my disposal to see that this crisis comes to a peaceful end. Our sanctions against Iraq, which enjoy widespread support in the international community, are themselves the most significant measure short of war to make clear to Saddam Hussein that we are serious, and we will not compromise our objectives.

There can be no doubt that the United States -- and a united world community -- will not let this aggression stand. [[Ten times, the United Nations has expressed its resolve against aggression by passing resolutions. The time has come for the United Nations to act once more. That is why, today, we urge the U.N. Security Council to keep open all options -- to recognize the rightful use of all means necessary to end Iraq's illegal occupation.]]

How we respond to Iraq's aggression will shape the kind of world we live in. If we succeed, we put future dictators and despots on notice. If we fail, beyond the immediate threat to

our national security -- we issue an open invitation to aggression. I am confident that with continued support -- here at home and in the world community -- we will succeed. ///

Once again, thank you for this warm welcome -- and may God bless the United States of America.

# # #

McGroarty/Dooley  
November 26, 1990  
5:00 pm  
[BANK]

PRESIDENTIAL REMARKS: ASSOCIATION OF BANK HOLDING COMPANIES  
THE WILLARD HOTEL  
NOVEMBER 29, 1990  
1:15 P.M.

[Introductory acknowledgements.] Let me recognize your outstanding President -- my good friend, **Lud Ashley**. Gene Miller, Chairman. And all the leading lights of the banking industry here today. //

Back in February '89, the members of this organization came out early for our S&L reform bill. Your strong support helped us take a critical first step toward restoring the integrity of our failing S&L system. // Since then, we've worked to address key issues and concerns of the American banking system.

In January, the Treasury Department will make its recommendations on comprehensive banking reform, including provisions on deposit insurance. // The legislation we will propose will make a significant contribution to the long-term health of the banking system. Once again, I look to Lud and Gene and all of you to help secure speedy passage of this reform package in the 102nd Congress. What's at stake is not just the confidence of the American people in their banking system -- but the competitiveness of a key American industry. Because our banking system can never be (truly safe and sound if it is not also profitable.)

← LARRY LINDSAY'S PREFERRED LANGUAGE.  
← I'd like to use another word here....

I know I've been preceeded at the podium today by Chairman Breeden of the SEC and Congressman Jim Leach, who have spoken about the challenges that confront you. Those challenges are serious: interest rates higher than any of us would like them to be; concerns about a credit crunch -- all of this against the background of a **sluggish and uncertain economy.** //

The plain fact is that the economy is in difficulty. I didn't come here today to offer an extended economic forecast -- or to sugarcoat our situation. But I can say that I believe the slowdown we're experiencing will not persist -- and I remain confident that this downturn will run its course, and the economy will rebound sometime in the middle of next year. //

Lud Ashley tells me the theme of your conference this year is "managing risk." I don't need to tell you how the events of early August have clouded over our crystal balls. // That's why, this afternoon, I want to speak to you about the situation in the Persian Gulf: why we're there -- what our aims are -- why we must prevail. //

Let me say at the onset: No President is quick to order American troops abroad. Yet in the aftermath of Iraq's rape of tiny Kuwait -- with the clear and present danger of an Iraqi assault against Saudi Arabia, I made the decision that vital interests required the deployment of American military forces to counter Saddam Hussein. //

Our objectives are clear and unchanging: we seek the withdrawal of all Iraqi forces from Kuwait -- immediately and

without condition; the restoration of Kuwait's rightful rulers; the safe return of all American hostages; and, finally, security and stability in the Persian Gulf. //

These are our objectives -- the goals we must accomplish. Let me turn now to the reasons why we must succeed.

Efforts to force a false choice -- to limit ourselves to one reason alone -- confuse the issue, rather than clarify it. There are three key reasons why we're in the Gulf today: First, to safeguard our national security. Second, to stand against aggression. And third, to protect innocent lives. // Each reason works together with the others to form a solid case for firm action to stop Saddam Hussein. //

Let's begin with national security. // Yes, oil is a factor. The simple facts are these: by seizing Kuwait, Iraq brought under its control of over 20% of the world's proven oil reserves. An additional 25% of the world's reserves are located next door, in Saudi Arabia. Through direct control -- and indirectly, through intimidation -- power over almost half the world's oil supply would be concentrated in the hands of a dictator with aggressive designs.

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