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In Illinois, the Republican's the high-taxer — so the Democrat is surging

CHICAGO.

SUBURBAN Republican precinct committeemen have signaled their leaders that they will do nothing to help the campaign for Illinois governor by Secretary of State James Edgar, a sign that the long decline of this state's GOP is approaching still lower depths.

Edgar has managed to get himself on the high-tax side while tax revolt roars through Illinois. The reaction, from not only party workers but from ordinary voters as well, has erased a once-comfortable lead over his Democratic foe, State Attorney General Neil Hartigan.

If the Democrats win the governorship for the first time since 1972, a wipeout of the state Republican ticket from top to bottom looms in November, with commensurate disasters in Cook County (Chicago).

The lesson here is not just that tax increases are as massively unpopular with the public as they are succulent for the establishment. Beyond that, Republicans who appear to voters little different from Democrats have trouble winning elections.

That belies the spectacu-

INSIDE REPORT



ROWLAND EVANS & ROBERT NOVAK

lar career of departing four-term Gov. James Thompson, a high-tax, big-government, pro-labor Republican.

But Big Jim was blessed with extraordinary campaigning skills and spectacular good luck. Moreover, during his 14 years in Springfield, GOP losses mounted in Congress and the state Legislature.

The one area of Republican growth — Cook County, where whites were fleeing domination of the Democrats — stopped last year with the election of Richard Daley the younger as mayor of Chicago.

Still, Republicans ex-

pected to hold the governorship. Edgar, whose official duty distributing license plates gives him statewide identification, was running 20 percentage points ahead of Hartigan.

Even Hartigan's lifelong buddies in the closely knit Chicago Democratic organization had given him up for dead.

Confident of victory, Edgar endorsed Thompson's massive surtax. But Jim Edgar could not duplicate Jim Thompson in mobilizing the entire establishment — from big business to big labor — behind him.

Many captains of industry prefer congenial Chicagoan Hartigan to cool downstater Edgar. One chief executive officer who long has been active in the GOP was dissuaded by subordinates from openly endorsing Hartigan but will vote for him anyway.

When Thompson's allies in the labor movement proposed a dual endorsement, Hartigan insisted that if the AFL-CIO did not support him exclusively, forget it. He won the endorsement

that used to go to Thompson.

Simultaneously, grassroots Republicans sick of Thompsonism turned on Edgar.

But even when a 31-year-old political operative named Steve Baer ran surprisingly well in the primary against Edgar on an

Huge GOP lead in statehouse race threatens to turn into rout for entire state ticket

anti-tax platform (after President Bush broke precedent to come here to campaign for Edgar), there was no sign of worry.

Republican township committeemen still did not get phone calls returned

from Edgar headquarters. After all, wasn't he trotting to a double-digit victory?

He was — until in late summer Hartigan unleashed a barrage of television commercials on a single issue: taxes.

"When given a chance," said the opening spot, "Jim Edgar's first response has always been higher taxes. He voted 13 times for higher state and property taxes. Now he wants the largest tax increase in Illinois history."

That was followed by a second generation of commercials: "Jim Edgar and Jim Thompson: 14 years, 15 taxes. And now Jim Edgar wants more time and more taxes."

With the polls suddenly showing a dead heat, Edgar retaliated with spots about Hartigan receiving "insider" loans as director of a failed savings and loan — 21 years ago. The momentum, by bipartisan agreement, is with Hartigan.

Edgar is in a predicament no Republican ever should face. Addressing a business group at O'Hare Airport

last week minutes after Hartigan again attacked the tax increase, the Republican candidate sounded a little like Fritz Mondale when protesting that he at least tells the taxpayers what's in store for them:

"I don't want anybody who votes for me to be surprised after Election Day."

Conservative township committeemen are suddenly getting their calls returned, and the Edgar campaign has turned to that old tax-cutter — Secretary of Housing Jack Kemp — to come here for breakfast and plead Edgar's cause to invited right-wingers.

But that does not quite do the job against a Democratic opponent who has seized the anti-tax ground.

Edgar's slip affects the entire Illinois Republican ticket. Coincidentally, Republican Rep. Lynn Martin, who had planned her uphill challenge against Democratic Sen. Paul Simon by attacking him on taxes, has been undercut by President Bush's breaking of his tax vow.

Repudiation of the supply-side Reagan revolution may cost Republicans dearly in November.

Photocopy-Preservation

Grant/Simon
September 18, 1990
Draft two
A:MARTIN

PRESIDENTIAL REMARKS: LYNN MARTIN FOR SENATE RALLY
ROSEMONT HORIZON ARENA
CHICAGO, ILLINOIS
WEDNESDAY, SEPTEMBER 26, 1990
TIME?

((Acknowledgements))

((We had a great trip out here, on the new Air Force One. It's hard to describe how big the plane is but let me put it this way: We're holding this event in here because the basketball arena on Air Force One is having its floors redone.\\))

It's great to be here today, back in the city of Chicago, and it's a particular joy to speak on behalf of a close friend of mine -- four-term Congresswoman and the next Senator from Illinois, **Lynn Martin**.\\

It's appropriate that we're here, at the home of **the great De Paul Blue Demons**. \\\\ Because come November, Lynn Martin is going to give the opposition **one devil of a surprise**. \\

That's because Lynn is someone people believe in. She began as a working mother, former school teacher, and state senator, then became a nationally prominent member of United States Congress and the first freshman ever on the ^{prestigious} Budget Committee. Lynn won the respect of her colleagues by outsmarting her opponents, speaking out against injustice and unfairness, and **always** standing up for the people of this great state. \\

to serve on

to empowerment

Buffy

In coming to Illinois today, I wanted to talk to you about some of the challenges facing this country, both at home and abroad. Because the values we promote abroad begin at home.

Buffy

Today, the Congress is debating the so-called Civil Rights Act of 1990. Let me tell you why I will veto it. We all agree, sadly, that bigotry and hate still exist in America. And we've all worked terribly hard toward systematic change ^{to give} ~~that allows~~ ^{the opportunity} every American ^{to exsll.} But if the Congress has its way, ^{implementing} ~~enacting~~ quotas to protect their companies from the possibility of massive lawsuits. The focus of employers in this country must be on providing **equal opportunity** for all workers -- not on developing strategies to avoid litigation. ~~No one wants a law whose unintended consequences are~~ quotas -- because they violate the most basic principles of our civil rights tradition, and the most basic principles of democracy. This bill takes America backward -- not forward -- in the struggle for civil rights -- **and that's why I'll veto any quota bill the Democrats send me.** \\\

^{this Administration's domestic}
The cornerstone of ~~our civil rights policy~~ is **empowerment**, putting power in the hands of the people, not the government. Democrats believe that every time a new problem arises in America, it's time to create a new bureaucracy. **Republicans don't.** We prefer not to **expand the budget** of the bureacracy, but -- like this sign behind me says, "Victory on the Horizon" -- we seek to **expand the horizons** of Illinoisans young and old -- from putting choice in the hands of parents seeking child care, ^{to} ~~and~~

Because at no time in post-war history has a strong America been more important. And we all know who is **keeping** America strong half-way around the world: those brave soldiers who left their spouses and children to serve on the front lines in the desert heat. \\ They are some of the finest men and women of the United States of America. **And we're all proud of them.**\\

Notice I didn't say "young men and women." That's because last week I read in the Chicago Tribune about Lorain Kuryla [Kuh-RILL-a], that 63 year-old grandmother from right nearby in Hillside, who volunteered for active duty with the Air Force Reserve Unit out of O'Hare. Her kids call her "Grambo."

After hearing about her tenacity, her courage and her toughness, all I can say is, **"Move over, Mike Ditka."** \\

Master Sergeant Kuryla and other reservists alongside her are promoting American values and defending what's right in the world. I've said it before: our soldiers are proving that America could not be **the land of the free** if it were not the **home of the brave.**\\

Not only do we have we have twenty-two nations, including most Arab states and the Soviet Union, on our side. **We have freedom and justice on our side.** Our goals have been endorsed by the U.N. Security Council five times. For, as I told the Joint Session of Congress two weeks ago:

America and the world must defend our common vital interests. \\ **America and the world must support the rule of**

law. \\ America and the world must stand up to aggression. \\
And we will not be intimidated. \\

Recent events have proven that there is no substitute for American leadership in the shaping of a new world order. Lynn Martin has known that from Day One. Unlike others, she has consistently voted for a strong defense. She knows you can't stand up to tyranny and despotism while wrecklessly slashing military levels. Her opponent called for bombing Iraqi pipelines, on one hand, and on the other hand, cutting defense spending by 50 percent. \\ Sounds like that guy's really got his hands full.\\

And he'll have his hands full on election day, too, trying to justify his big-government, ultra-liberal philosophy to the common-sense voters of Illinois. Lynn says "Illinois deserves better." And I think we all agree.\\

People know Lynn Martin stands for a **strong America**, economically and militarily. She stands for **opportunity**, **empowerment** and **choice** in the hands of parents and students. And she wants our streets and schools to be safe from crime and drugs, our environment clean and healthy for our children. **That's why we need Lynn Martin in the United States Senate.**

So many in this room have done so much for Lynn's campaign, and I thank you for it. But our most important task lies ahead. On election day our soldiers -- in the searing heat of the desert dunes and the hot glare of the Persian Gulf -- will send in their absentee ballots. Surely those of us left behind can walk down

the street to our local polls. We owe it to those brave men and women -- laying their lives on the line for democracy -- to go and get out the vote.

So please, vote on November 3. And vote for **Lynn Martin** -- the next Republican Senator from this great state. Because Illinois really does deserve the best.\\

Thank you for such a great rally. God bless our great nation and each one of you.

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Grant/Simon
September 20, 1990
Draft three
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That's because Lynn is someone people believe in. She began as a working mother, former school teacher, and state senator, then became a nationally prominent member of United States Congress and the first freshman ever to serve on the prestigious Budget Committee. Lynn won the respect of her colleagues by outsmarting her opponents, speaking out against injustice and unfairness, and **always** standing up for the people of this great state. \\

Lynn knows that the cornerstone of our Administration's domestic policy is **empowerment** -- putting power in the hands of the **people**, not the government. Democrats believe that every time a new problem arises in America, it's time to create a new bureaucracy. **Republicans don't**. We prefer not to **expand the budget** of the bureacracy, but -- like this sign behind me says, "Victory on the Horizon" -- we seek to **expand the horizons** of Illinoisans young and old -- from putting choice in the hands of parents seeking child care, to giving students and parents educational choices; from allowing tenant management for residents of public housing, to creating free-market answers to environmental problems. In short, we're working to build a better America, and **that's why I need Lynn Martin in the Senate.**\\

Lynn will help us accomplish these goals by helping us keep the economy moving forward. Over the last 8 years, we've seen the longest peacetime economic expansion in history -- 22 million jobs created. But to build the best America we can, we've got to get our fiscal house in order. We **must** rid our children and our children's children of the overwhelming federal budget deficit. **And we will.** \\

But we must **first** have a budget agreement -- one that maintains our economic strength, our competitiveness, and our job growth. The reason we **don't** have an agreement is simple: Because Congress hasn't acted on our proposals. I've asked for a vote on the Administration's 5-year \$500 billion deficit reduction

package time and time again -- and still, no action by the Congress. Congress has yet to offer one single, solitary proposal in return. Instead, they're packing their bags -- to head out of Washington for the campaign season.

You've seen the headlines about these negotiations, and the arguments over which party is "on the side of the working people." Let the other side create class warfare, we'll keep creating jobs -- for all the American people.\\

Because of Congressional foot-dragging, the nation is now four days away from sequestration -- across-the-board budget cuts. Let me give you a few examples of what life will be like when that sequester hits. Approximately a million children would not be vaccinated for polio, measles, and rubella. Pell grants for over a million college students would be outright eliminated. Here at O'Hare Airport, an average of 60 arrivals and departures an hour would be cancelled, because there wouldn't be enough air traffic controllers to ensure safe operations.

Virtually every segment of American society would be affected by the sequester -- except for one. That's right, one special group has voted itself exempt from the chaos: the United States Congress.

It's time we sent a message to those campaigning Congressmen: No more government by continuing resolution. No more shenanigans with taxpayer time and money. And please, no more stalling. \\

I spoke a few minutes ago of class warfare, and I'd like to return to that. Today the Congress is debating the Civil Rights Act of 1990. Let me tell you why, unless it is changed, I will veto it. We all agree, sadly, that bigotry and hate still exist in America. And we've all worked terribly hard toward systematic change to give **every** American the opportunity to excell. No one wants a law whose unintended consequences are quotas -- because they violate the most basic principles of our civil rights tradition, and the most basic principles of democracy. This bill takes America backward -- not forward -- in the struggle for civil rights -- **and that's why I'll veto any quota bill the Democrats send me. **

As I said, **empowerment** is the key to building a better America at home -- and, in turn, the foundation for us to better face our challenges abroad. At no time in post-war history has a strong America been more important. And we all know who is **keeping** America strong half-way around the world: those brave soldiers who left their spouses and children to serve on the front lines in the desert heat. \\ They are some of the finest men and women of the United States of America. **And we're all proud of them.**

Notice I didn't say "young men and women." That's because last week I read in the Chicago Tribune about Lorain Kuryla [Kuh-RILL-a], that 63 year-old grandmother from nearby Hillside, who volunteered for active duty with the Air Force Reserve Unit out of O'Hare. Her kids call her "Grambo."

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Recent events have proven that there is no substitute for American leadership in the shaping of a new partnership of nations. Lynn Martin has known that from Day One. Unlike others, she has consistently voted for a strong defense. She knows you can't stand up to tyranny and despotism while wrecklessly slashing military levels. Her opponent called for bombing Iraqi pipelines, on one hand, and on the other hand, cutting defense spending by 50 percent. **\\ Sounds like that guy's really got his hands full.** \\\

And he'll have his hands full on election day, too, trying to justify his big-government, ultra-liberal philosophy to the common-sense voters of Illinois. Lynn says "Illinois deserves better." And I think we all agree.\\

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So please, vote on November 6. And vote for **Lynn Martin** -- the next Republican Senator from this great state. Because **Illinois really does deserve the best.**\\

Thank you for such a great rally. God bless our great nation and each one of you.

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Grant/Simon
September 18, 1990
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Lynn will help us accomplish these goals by helping us keep the economy moving forward. Over the last ⁸~~on~~ years, we've seen the longest peacetime economic expansion in history -- 22 million jobs created. But to build the best America we can, we've got to get our own house in order. We **must** rid our children and our children's children of the overwhelming budget deficit.

And we will. \\

Lynn is known as an expert on the budget. She agrees with me that the key to solving our deficit problem is **fiscal restraint and economic growth**. You've seen the headlines about the budget summit, and the arguments over which party is "on the side of the working people." Let the other side create class warfare, **we'll keep creating jobs -- for all the American people.**\\

I refuse to engage in some of the demagoguery I've seen coming from the other side of the aisle, accusing us of protecting one class or another, for their own political purposes. Republicans don't want an America where one class competes against another, **we want an America with the economic strength to compete against our rivals.**\\

Because at no time in post-war history has a strong America been more important. And we all know who is **keeping** America strong half-way around the world: those brave soldiers who left their spouses and children to serve on the front lines in the desert heat. \\ They are some of the finest men and women of the United States of America. **And we're all proud of them.**\\

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Recent events have proven that there is no substitute for American leadership in the shaping of a new ~~world order~~ *partnership of nations*. Lynn Martin has known that from Day One. Unlike others, she has consistently voted for a strong defense. She knows you can't stand up to tyranny and despotism while wrecklessly slashing military levels. Her opponent called for bombing Iraqi pipelines, on one hand, and on the other hand, cutting defense spending by 50 percent. \\ Sounds like that guy's really got his hands full.\\

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the street to our local polls. We owe it to those brave men and women -- laying their lives on the line for ^{peace and security} ~~democracy~~ -- to go and get out the vote.

So please, vote on November 3⁶. And vote for Lynn Martin -- the next Republican Senator from this great state. Because Illinois really does deserve the best.\\

Thank you for such a great rally. God bless our great nation and each one of you.

#

needs
central CM
issue

Grant/Simon
September 14, 1990
Draft one
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won the respect of her colleagues by outsmarting her opponents,
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standing up for the people of this great state. \\

Along the way, Lynn Martin made ^{one of} the biggest decisions of her life. \\ She left the Democrat Party to join the Republican Party. \\ Lynn abandoned the party of her parents to become a Republican because, as she explained, the Democrats were always talking about the rights of **groups** of people and had forgotten about **individual rights**. She was right then, and she's still right. \\ \\ *Facing challenges both at home & abroad*

Take a look at the Kennedy civil rights bill Congress is debating right now. If the Democrats have their way, employers would be faced with enacting **quotas** to protect their companies from the possibility of massive lawsuits. Workers would be categorized by race and gender, not by ability or performance. Hiring, firing, raises, promotions -- all potentially dictated by the courts, on the basis of race and sex. Let me tell you something: Lynn Martin didn't become ^{first} the ^{tell to you} **first woman ever** to make it onto the Republican leadership of the House of Representatives because she was **categorized and patronized**. *Backwards Not direction for us*

She succeeded because she worked hard and believed in a better life for herself and the people of Illinois. And she knew nothing could stop her. Because in America, you are free to follow your dreams -- ^{whether} ~~no matter~~ if you're man or woman, black white or purple. **That's the American Dream, and I want to keep it alive.** And to do it, I will veto any quota bill the Democrats send me. \\

The cornerstone of our civil rights policy is **empowerment**, putting power in the hands of the people, not the government.

Today HK takes up so-called Civil Rts bill you why I'll veto

Backwards Not direction for us I'd like to tell you why I'll veto

Acknowledge we've all discriminated - we've worked hard

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Lynn is known as an expert on the budget. She agrees with me that the key to solving our deficit problem is **fiscal restraint and economic growth.** You've seen the headlines about the budget summit, and the arguments over which party is "on the side of the working people." (Let the other side promote the growth of envy between one class and another, **we'll keep promoting the growth of the American economy.**\\) Jobs //

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Recent events have proven that there is no substitute for American leadership in the shaping of a new world order. Lynn Martin has known that from Day One. Unlike others, she has consistently voted for a strong defense. She knows you can't stand up to tyranny and despotism while wrecklessly slashing military levels. Her opponent called for bombing Iraqi pipelines, on one hand, and on the other hand, cutting defense spending by 50 percent. \\ Sounds like that guy's really got his hands full.\\

And he'll have his hands full on election day, too, trying to justify his big-government, ultra-liberal philosophy to the common-sense voters of Illinois. Lynn says "Illinois deserves better." And I think we all agree.\\

People know Lynn Martin stands for a **strong America**, economically and militarily. She stands for **opportunity, empowerment and choice** in the hands of parents and students. And she wants our streets and schools to be safe from crime and drugs, our environment clean and healthy for our children. **That's why we need Lynn Martin in the United States Senate.**

So many in this room have done so much for Lynn's campaign, and I thank you for it. But our most important task lies ahead. On election day our soldiers -- in the searing heat of the desert

dunes and the hot glare of the Persian Gulf -- will send in their absentee ballots. Surely those of us left behind can walk down the street to our local polls. We owe it to those brave men and women -- laying their lives on the line for democracy -- to go and get out the vote.

So please, vote on November 3. And vote for **Lynn Martin** -- the next Republican Senator from this great state. Because Illinois really does deserve the best.\\

Thank you for such a great rally. God bless our great nation and each one of you.

#

Grant/Simon
September 18, 1990
Draft two
A:MARTIN

PRESIDENTIAL REMARKS: LYNN MARTIN FOR SENATE RALLY
ROSEMONT HORIZON ARENA
CHICAGO, ILLINOIS
WEDNESDAY, SEPTEMBER 26, 1990
TIME?

((Acknowledgements))

((We had a great trip out here, on the new Air Force One. It's hard to describe how big the plane is but let me put it this way: We're holding this event in here because the basketball arena on Air Force One is having its floors redone.\\))

It's great to be here today, back in the city of Chicago, and it's a particular joy to speak on behalf of a close friend of mine -- four-term Congresswoman and the next Senator from Illinois, Lynn Martin.\\

It's appropriate that we're here, at the home of the great De Paul Blue Demons. \\\\ Because come November, Lynn Martin is going to give the opposition **one devil of a surprise.** \\

That's because Lynn is someone people believe in. She began as a working mother, former school teacher, and state senator, then became a nationally prominent member of United States Congress and the first freshman ever on the Budget Committee. Lynn won the respect of her colleagues by outsmarting her opponents, speaking out against injustice and unfairness, and **always** standing up for the people of this great state. \\

In coming to Illinois today, I wanted to talk to you about some of the challenges facing this country, both at home and abroad. Because the values we promote abroad begin at home.

Today the Congress is debating the so-called Civil Rights Act of 1990. Let me tell you why I will veto it. We all agree, sadly, that bigotry and hate still exist in America. And we've all worked terribly hard toward systematic change that allows **every** American to excell. But if the Congress has its way, employers would be faced with enacting **quotas** to protect their companies from the possibility of massive lawsuits. The focus of employers in this country must be on providing **equal opportunity** for all workers -- not on developing strategies to avoid litigation. No one wants a law whose unintended consequences are quotas -- because they violate the most basic principles of our civil rights tradition, and the most basic principles of democracy. This bill takes America backward -- not forward -- in the struggle for civil rights -- **and that's why I'll veto any quota bill the Democrats send me. **

The cornerstone of our civil rights policy is **empowerment**, putting power in the hands of the people, not the government. Democrats believe that every time a new problem arises in America, it's time to create a new bureaucracy. **Republicans don't.** We prefer not to **expand the budget** of the bureacracy, but -- like this sign behind me says, "Victory on the Horizon" -- we seek to **expand the horizons** of Illinoisans young and old -- from putting choice in the hands of parents seeking child care, and

giving students and parents educational choices, to allowing tenant management for residents of public housing, and creating free-market answers to environmental problems. In short, we're working to build a better America, and **that's why I need Lynn Martin in the Senate.**\\

Lynn will help us accomplish these goals by helping us keep the economy moving forward. Over the last xx years, we've seen the longest peacetime economic expansion in history -- 22 million jobs created. But to build the best America we can, we've got to get our own house in order. We **must** rid our children and our children's children of the overwhelming budget deficit.

And we will. \\

Lynn is known as an expert on the budget. She agrees with me that the key to solving our deficit problem is **fiscal restraint and economic growth**. You've seen the headlines about the budget summit, and the arguments over which party is "on the side of the working people." Let the other side create class warfare, **we'll keep creating jobs -- for all the American people.**\\

I refuse to engage in some of the demagoguery I've seen coming from the other side of the aisle, accusing us of protecting one class or another, for their own political purposes. Republicans don't want an America where one class competes against another, **we want an America with the economic strength to compete against our rivals.**\\

Because at no time in post-war history has a strong America been more important. And we all know who is **keeping** America strong half-way around the world: those brave soldiers who left their spouses and children to serve on the front lines in the desert heat. \\ They are some of the finest men and women of the United States of America. **And we're all proud of them.**\\

Notice I didn't say "young men and women." That's because last week I read in the Chicago Tribune about Lorain Kuryla [Kuh-RILL-a], that 63 year-old grandmother from right nearby in Hillside, who volunteered for active duty with the Air Force Reserve Unit out of O'Hare. Her kids call her "Grambo."

After hearing about her tenacity, her courage and her toughness, all I can say is, **"Move over, Mike Ditka."** \\

Master Sergeant Kuryla and other reservists alongside her are promoting American values and defending what's right in the world. I've said it before: our soldiers are proving that America could not be the land of the free if it were not the home of the brave.\\

Not only do we have we have twenty-two nations, including most Arab states and the Soviet Union, on our side. **We have freedom and justice on our side.** Our goals have been endorsed by the U.N. Security Council five times. For, as I told the Joint Session of Congress two weeks ago:

America and the world must defend our common vital interests. \\ **America and the world must support the rule of**

law. \\ America and the world must stand up to aggression. \\
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Recent events have proven that there is no substitute for American leadership in the shaping of a new world order. Lynn Martin has known that from Day One. Unlike others, she has consistently voted for a strong defense. She knows you can't stand up to tyranny and despotism while wrecklessly slashing military levels. Her opponent called for bombing Iraqi pipelines, on one hand, and on the other hand, cutting defense spending by 50 percent. \\ Sounds like that guy's really got his hands full.\\

And he'll have his hands full on election day, too, trying to justify his big-government, ultra-liberal philosophy to the common-sense voters of Illinois. Lynn says "Illinois deserves better." And I think we all agree.\\

People know Lynn Martin stands for a **strong America**, economically and militarily. She stands for **opportunity**, **empowerment** and **choice** in the hands of parents and students. And she wants our streets and schools to be safe from crime and drugs, our environment clean and healthy for our children. **That's why we need Lynn Martin in the United States Senate.**

So many in this room have done so much for Lynn's campaign, and I thank you for it. But our most important task lies ahead. On election day our soldiers -- in the searing heat of the desert dunes and the hot glare of the Persian Gulf -- will send in their absentee ballots. Surely those of us left behind can walk down

the street to our local polls. We owe it to those brave men and women -- laying their lives on the line for democracy -- to go and get out the vote.

So please, vote on November 3. And vote for **Lynn Martin** -- the next Republican Senator from this great state. Because Illinois really does deserve the best.\\

Thank you for such a great rally. God bless our great nation and each one of you.

#

THE WHITE HOUSE

WASHINGTON

September 24, 1990

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON *WJ*
FROM: MARY KATE GRANT *MEG*
SUBJECT: LYNN MARTIN FOR SENATE RALLY

I. SUMMARY

Attached for your review are draft remarks for a Lynn Martin for Senate rally in the Rosemont Horizon basketball arena in Chicago. The event will be held on Wednesday, September 26 at 7:50 p.m. You will introduced to a crowd of about 3000 by Lynn Martin.

II. DISCUSSION

The remarks (12 minutes/teleprompter) discuss the ramifications of a mandated sequester and the principles involved in the Iraq situation, then finish up with a get-out-the-vote message. The theme of the event is "Victory on the Horizon."

While this event is a fundraiser, the format is a rally. The Gatlin brothers will perform after your speech.

Grant/Simon
September 24, 1990
Draft five
A:MARTIN

**PRESIDENTIAL REMARKS: LYNN MARTIN FOR SENATE RALLY
ROSEMONT HORIZON ARENA
CHICAGO, ILLINOIS
WEDNESDAY, SEPTEMBER 26, 1990
7:50 P.M.**

((Thank you, Lynn, for that great introduction, and thank all of you for making me feel so at home. After all, it's like Ol' Blue Eyes says -- the other one, not me -- "Chicago is My Kind of Town."))

It's great to be here today, back in the city of Chicago, and it's a particular joy to speak on behalf of a close friend of mine -- five-term Congresswoman and the next Senator from Illinois, Lynn Martin.\\

It's appropriate that we're here, at the home of the great De Paul Blue Demons. \\\\ Because come November, Lynn Martin is going to give the opposition one devil of a surprise. \\

That's because Lynn is someone people believe in. She began as a working mother, school teacher, and state senator, then became a nationally prominent member of United States Congress and the first freshman ever to serve on the prestigious Budget Committee. Lynn won the respect of her colleagues by outsmarting her opponents, speaking out against injustice and unfairness, and always standing up for the people of this great state. \\

Lynn believes, as we all do, that power should be in the hands of people, not government. Empowerment is at the heart of Lynn's campaign -- and it is a cornerstone of our

Administration's domestic policy. Together, we stand for opportunity and empowerment for all Americans.

Democrats believe that every time a new problem arises in America, it's time to create a new bureaucracy. Republicans don't. We prefer not to expand the budget of the bureaucracy, but -- like this sign behind me says, "Victory on the Horizon" -- we seek to expand the horizons of Illinoisans young and old -- from offering more options to parents seeking child care, to giving students and parents more choice in education; from allowing tenant management for residents of public housing, to creating free-market answers to environmental problems, to taking back our streets from drug dealers and murderers. In short, we're working to build a better America, and that's why I need Lynn Martin in the Senate.\\

Lynn will help us accomplish these goals by helping us first keep the economy moving forward. Over the last 8 years, we've seen the longest peacetime economic expansion in history -- 22 million jobs have been created. But to build the best America we can, we've got to get our fiscal house in order. We must bring down this overwhelming federal budget deficit. And we must do it now. \\

But that means we must first have a budget agreement -- one that maintains our economic strength, bolsters our international competitiveness, and spurs continued job growth. The reason we don't have an agreement is simple: Congress hasn't acted on our proposals. Let me give you a little history. On June 26, with

the budget summit going nowhere, I was asked to make a sacrifice -- to allow the other side to put taxes on the table. Not my first choice. Not my second. But to get Congress to act, it was a choice that had to be made. A month later, our Administration completed a comprehensive budget plan. Sixty-four days after that, Congress has still failed to offer serious spending cuts and they have failed to offer serious budget reform. I've proposed a 5-year, \$500 billion deficit reduction package -- and still, no serious action by the Congress. Well, they may not be serious, but the American people are.\\

You've seen the headlines about these negotiations, and the arguments over which party is "on the side of the working people." I'm talking about the capital gains tax cut -- because I want to continue growth and avoid a recession. A majority of the both houses of Congress voted in favor of it last year -- because both Republicans and Democrats understood that cutting the capital gains tax means creating more American jobs and promoting economic growth. Yet the Democrat leadership prevented it from becoming law. Let others create class warfare, we want to keep creating jobs -- for all the American people.\\

Because of Congressional foot-dragging, the nation is now four days away from mandated sequestration -- multi-billion dollar across-the-board budget cuts that will have a damaging effect on Americans -- young and old, rural and urban. Let me give you a few examples of what life will be like when that sequester hits. Approximately a million children would not be

vaccinated for polio, measles, and rubella. Pell grants for over a million college students would be eliminated outright. Here at O'Hare Airport, flights will be cancelled -- in fact, each day, up to 58 arrivals and departures would be cancelled per hour -- because there wouldn't be enough air traffic controllers to ensure safe operations.

Virtually every segment of American society would be seriously affected by the sequester -- except one. That's right, one special group has voted itself exempt from the toughest rules of sequester: the United States Congress.

It's time we sent a message to Congress: No more government by continuing resolution. Time has run out. Congress must act because America deserves better. \\

At no time in post-war history has a strong and economically healthy America been more important. And we all know who is helping keep America strong half-way around the world: those brave soldiers who left their spouses and children to serve on the front lines in the Persian Gulf. \\ They are some of America's finest men and women. And we're proud of all of them.\\

I've said it before: our soldiers are proving that America could not be the land of the free if it were not the home of the brave.\\

Each one of our soldiers in the Gulf is a story of America at its best. For example, last week I read in the Chicago Tribune about Lorain Kuryla [Kuh-RILL-a], that 63 year-old

grandmother from nearby Hillside, who volunteered for active duty with the Air Force Reserve Unit out of O'Hare. Her kids call her "Grambo."

After hearing about her tenacity, her courage and her toughness, all I can say is, "Move over, Mike Ditka." \\\

Master Sergeant Kuryla and other reservists alongside her are standing up to aggression and preserving the sovereignty of nations. But our G.I.'s are in good company. Not only do we have twenty-two nations, including most Arab states and the Soviet Union, on our side. We have freedom and justice on our side. Our goals have been endorsed by the U.N. Security Council seven times. For, as I told the Joint Session of Congress two weeks ago:

America and the world must defend our common vital interests. \\\ America and the world must support the rule of law. \\\ America and the world must stand up to aggression. \\\ And we will not be intimidated. \\\

Recent events prove that there is no substitute for American leadership in the shaping of a new partnership of nations. Lynn Martin has known that from Day One. Unlike others, she has consistently voted for a strong defense. She knows you can't stand up to tyranny and despotism while wrecklessly slashing military levels. Her opponent called for bombing Iraqi pipelines, on one hand, and on the other hand, cutting defense spending by 50 percent. \\\ Sounds like that guy's really got his hands full.\\\

And he'll have his hands full on election day, too, trying to justify his big-government, ultra-liberal philosophy to the common-sense voters of Illinois. Lynn says "Illinois deserves better." And I think we all agree.\\

People know Lynn Martin stands for a strong America, economically and militarily. That's why we need Lynn Martin in the United States Senate.\\

So many in this room have done so much for Lynn's campaign, and I thank you for it. But our most important task lies ahead. On election day our G.I.'s -- in the searing heat of the desert dunes and the hot glare of the Persian Gulf -- will send in their absentee ballots. We owe it to those brave men and women -- laying their lives on the line for peace and stability in the world -- to exercise the precious right to vote.

I'm grateful for such a great rally, and for all the work you've done for for Lynn Martin --the next Republican Senator from this great state. Because Illinois really does deserve the best.\\

Thank you. God bless our great nation and each one of you.

#

Grant/Simon
September 20, 1990
Draft three
A:MARTIN

PRESIDENTIAL REMARKS: LYNN MARTIN FOR SENATE RALLY
ROSEMONT HORIZON ARENA
CHICAGO, ILLINOIS
WEDNESDAY, SEPTEMBER 26, 1990
TIME?

((Acknowledgements))

((We had a great trip out here, on the new Air Force One. It's hard to describe how big the plane is but let me put it this way: We're holding this event in here because the basketball arena on Air Force One is having its floors redone.\\))

It's great to be here today, back in the city of Chicago, and it's a particular joy to speak on behalf of a close friend of mine -- five-term Congresswoman and the next Senator from Illinois, **Lynn Martin**.\\

It's appropriate that we're here, at the home of **the great De Paul Blue Demons**. \\\\ Because come November, Lynn Martin is going to give the opposition **one devil of a surprise**. \\

That's because Lynn is someone people believe in. She began as a working mother, former school teacher, and state senator, then became a nationally prominent member of United States Congress and the first freshman ever to serve on the prestigious Budget Committee. Lynn won the respect of her colleagues by outsmarting her opponents, speaking out against injustice and unfairness, and **always** standing up for the people of this great state. \\

Lynn knows that the cornerstone of our Administration's domestic policy is **empowerment** -- putting power in the hands of the **people**, not the government. Democrats believe that every time a new problem arises in America, it's time to create a new bureaucracy. **Republicans don't.** We prefer not to **expand the budget** of the bureacracy, but -- like this sign behind me says, "Victory on the Horizon" -- we seek to **expand the horizons** of Illinoisans young and old -- from putting choice in the hands of parents seeking child care, to giving students and parents educational choices; from allowing tenant management for residents of public housing, to creating free-market answers to environmental problems. In short, we're working to build a better America, and **that's why I need Lynn Martin in the Senate.**\\

Lynn will help us accomplish these goals by helping us keep the economy moving forward. Over the last 8 years, we've seen the longest peacetime economic expansion in history -- 22 million jobs created. But to build the best America we can, we've got to get our fiscal house in order. We **must** rid our children and our children's children of the overwhelming federal budget deficit. **And we will.** \\

Lynn is known as an expert on the budget. She agrees with me that the key to solving our deficit problem is **fiscal restraint and economic growth.** \\ We simply must stop spending money we don't have. \\

You've seen the headlines about the budget summit, and the arguments over which party is "on the side of the working people." Let the other side create class warfare, **we'll keep creating jobs -- for all the American people.**\\

Speaking of class warfare, today the Congress is debating the Civil Rights Act of 1990. Let me tell you why I will veto it. We all agree, sadly, that bigotry and hate still exist in America. And we've all worked terribly hard toward systematic change to give **every** American the opportunity to excell. No one wants a law whose unintended consequences are quotas -- because they violate the most basic principles of our civil rights tradition, and the most basic principles of democracy. This bill takes America backward -- not forward -- in the struggle for civil rights -- **and that's why I'll veto any quota bill the Democrats send me.** \\

As I said, **empowerment** is the key to building a better America at home -- and, in turn, the foundation for us to better face our challenges abroad. At no time in post-war history has a strong America been more important. And we all know who is **keeping** America strong half-way around the world: those brave soldiers who left their spouses and children to serve on the front lines in the desert heat. \\ They are some of the finest men and women of the United States of America. **And we're all proud of them.**\\

Notice I didn't say "young men and women." That's because last week I read in the Chicago Tribune about Lorain Kuryla [Kuh-

RILL-a], that 63 year-old grandmother from nearby Hillside, who volunteered for active duty with the Air Force Reserve Unit out of O'Hare. Her kids call her "Grambo."

After hearing about her tenacity, her courage and her toughness, all I can say is, **"Move over, Mike Ditka."** \\

Master Sergeant Kuryla and other reservists alongside her are promoting American values and defending what's right in the world. I've said it before: our soldiers are proving that America could not be **the land of the free** if it were not the **home of the brave.**\\

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**America and the world must defend our common vital interests. \\ America and the world must support the rule of law. \\ America and the world must stand up to aggression. \\ And we will not be intimidated. **

Recent events have proven that there is no substitute for American leadership in the shaping of a new partnership of nations. Lynn Martin has known that from Day One. Unlike others, she has consistently voted for a strong defense. She knows you can't stand up to tyranny and despotism while wrecklessly slashing military levels. Her opponent called for bombing Iraqi pipelines, on one hand, and on the other hand,

cutting defense spending by 50 percent. \\ **Sounds like that guy's really got his hands full.**\\

And he'll have his hands full on election day, too, trying to justify his big-government, ultra-liberal philosophy to the common-sense voters of Illinois. Lynn says "Illinois deserves better." And I think we all agree.\\

People know Lynn Martin stands for a **strong America**, economically and militarily. She stands for **opportunity, empowerment and choice** in the hands of parents and students. And she wants our streets and schools to be safe from crime and drugs, our environment clean and healthy for our children. **That's why we need Lynn Martin in the United States Senate.**

So many in this room have done so much for Lynn's campaign, and I thank you for it. But our most important task lies ahead. On election day our G.I.'s -- in the searing heat of the desert dunes and the hot glare of the Persian Gulf -- will send in their absentee ballots. Surely those of us left behind can walk down the street to our local polls. We owe it to those brave men and women -- laying their lives on the line for democracy -- to go and get out the vote.

So please, vote on November 6. And vote for **Lynn Martin** -- the next Republican Senator from this great state. Because **Illinois really does deserve the best.**\\

Thank you for such a great rally. God bless our great nation and each one of you.

THE WHITE HOUSE

WASHINGTON

September 25, 1990

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: MARY KATE GRANT *MKG*
RE: LYNN MARTIN SPEECH

As requested, attached is the final version of the Lynn Martin rally speech, which includes the changes from the President and Mr. Darman.

NB: Page 4, first full paragraph (on Congress being exempt from sequestration) will be beefed up -- by a sentence or two -- later today as facts become available.

Thank you.

Grant/Simon
September 25, 1990
Draft six
A:MARTIN

**PRESIDENTIAL REMARKS: LYNN MARTIN FOR SENATE RALLY
ROSEMONT HORIZON ARENA
CHICAGO, ILLINOIS
WEDNESDAY, SEPTEMBER 26, 1990
7:50 P.M.**

((Thank you, Lynn, for that great introduction, and thank all of you for making me feel so at home. After all, it's like Ol' Blue Eyes says -- the other one, not me -- "Chicago is My Kind of Town."))

It's great to be here today, back in the city of Chicago, and it's a particular joy to speak on behalf of a close friend of mine and a national co-chairman of my 1988 campaign -- five-term Congresswoman and the next Senator from Illinois, Lynn Martin.\\

It's appropriate that we're here, at the home of the great De Paul Blue Demons. \\\\ Because come November, Lynn Martin is going to give the opposition one devil of a surprise. \\

That's because Lynn is someone people believe in. She began as a working mother, school teacher, and state senator, then became a nationally prominent member of United States Congress and the first freshman ever to serve on the prestigious Budget Committee. Lynn won the respect of her colleagues by outsmarting her opponents, speaking out against injustice and unfairness, and always standing up for the people of this great state. \\

Lynn believes, as we all do, that power should be in the hands of people, not government. Empowerment is at the heart of Lynn's campaign -- and it is a cornerstone of our

Administration's domestic policy. Together, we stand for opportunity and empowerment for all Americans.

Democrats believe that every time a new problem arises in America, it's time to create a new bureaucracy. Republicans don't. We prefer not to expand the budget of the bureaucracy, but -- like this sign behind me says, "Victory on the Horizon" -- we seek to expand the horizons of Illinoisans young and old -- from offering more options to parents seeking child care, to giving students and parents more choice in education; from allowing tenant management for residents of public housing, to creating free-market answers to environmental problems, to taking back our streets from drug dealers and murderers. In short, we're working to build a better America, and that's why I need Lynn Martin in the Senate.\\

(To be very candid, I'd like to have someone in this seat who will vote with me every so often.))

Lynn will help us accomplish these goals by helping us first keep the economy moving forward. Over the last 8 years, we've seen the longest peacetime economic expansion in history -- 22 million jobs have been created. But to build the best America we can, we've got to get our fiscal house in order. We must bring down this overwhelming federal budget deficit. And we must do it now. \\

But that means we must first have a budget agreement -- one that maintains our economic strength, bolsters our international competitiveness, and spurs continued job growth. The reason we

don't have an agreement is simple: Congress hasn't acted on our proposals. Let me give you a little history. On June 26, with the budget summit going nowhere, I was asked to make a sacrifice -- to allow taxes to be put on the table. Not my first choice. Not my second. But to get Congress to act, it was a choice that had to be made. A month later, our Administration prepared a revised comprehensive budget plan. The Democrats offered none. Now, sixty-four days after that, Congress has still failed to offer serious spending cuts and they have failed to offer serious budget reform. I've proposed a 5-year, \$500 billion deficit reduction package -- and still, no serious action by the Congress. Well, they may not be serious, but the American people are.\\

You've seen the headlines about these negotiations, and the arguments over which party is "on the side of the working people." I'm talking about incentives for growth like the capital gains tax cut -- because I want to continue economic growth and avoid a recession. A majority of the both houses of Congress voted in favor of it last year -- because both Republicans and Democrats understood that cutting the capital gains tax means creating more American jobs and promoting economic growth. Yet the Democrat leadership has prevented it from becoming law. Let others create class warfare, we want to keep creating jobs -- for all the American people.\\

Because of Congressional foot-dragging, the nation is now four days away from mandated sequestration -- multi-billion

dollar across-the-board budget cuts that will have a damaging effect on Americans -- young and old, rural and urban. Let me give you a few examples of what life will be like when that sequester hits. Approximately a million children would not be vaccinated for polio, measles, and rubella. Pell grants for over a million college students would be eliminated outright. Here at O'Hare Airport, flights will be cancelled -- in fact, each day, up to 58 arrivals and departures would be cancelled per hour -- because there wouldn't be enough air traffic controllers to ensure safe operations.

Virtually every segment of American society would be seriously affected by the sequester -- except one. That's right, one special group has left itself exempt from the toughest enforcement rules of sequester: the United States Congress.

It's time we sent a message to Congress: No more government by continuing resolution. Time has run out. Congress must act because America deserves better. \\

At no time in post-war history has a strong and economically healthy America been more important. And we all know who is helping keep America strong half-way around the world: those brave soldiers who left their spouses and children to serve on the front lines in the Persian Gulf. \\ They are some of America's finest men and women. And we're proud of all of them.\\

I've said it before: our soldiers are proving that America could not be the land of the free if it were not the home of the brave.\\

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So many in this room have done so much for Lynn's campaign, and I thank you for it. But our most important task lies ahead. On election day our G.I.'s -- in the searing heat of the desert dunes and the hot glare of the Persian Gulf -- will send in their absentee ballots. We owe it to those brave men and women -- laying their lives on the line for peace and stability in the world -- to exercise the precious right to vote.

I'm grateful for such a great rally, and for all the work you've done for Lynn Martin --the next Republican Senator from this great state. Because Illinois really does deserve the best.\\

Thank you. God bless our great nation and each one of you.

#

Grant/Simon
September 24, 1990
Draft four
A:MARTIN

**PRESIDENTIAL REMARKS: LYNN MARTIN FOR SENATE RALLY
ROSEMONT HORIZON ARENA
CHICAGO, ILLINOIS
WEDNESDAY, SEPTEMBER 26, 1990
TIME?**

((Acknowledgements))

((We had a great trip out here, on the new Air Force One. It's hard to describe how big the plane is but let me put it this way: We're holding this event in here because the basketball arena on Air Force One is having its floors redone.\\))

It's great to be here today, back in the city of Chicago, and it's a particular joy to speak on behalf of a close friend of mine -- five-term Congresswoman and the next Senator from Illinois, **Lynn Martin**.\\

It's appropriate that we're here, at the home of **the great De Paul Blue Demons**. \\\\ Because come November, Lynn Martin is going to give the opposition **one devil of a surprise**. \\

That's because Lynn is someone people believe in. She began as a working mother, former school teacher, and state senator, then became a nationally prominent member of United States Congress and the first freshman ever to serve on the prestigious Budget Committee. Lynn won the respect of her colleagues by outsmarting her opponents, speaking out against injustice and unfairness, and **always** standing up for the people of this great state. \\

Lynn believes, as we all do, that power should be in the hands of **people**, not government. Empowerment is at the heart of Lynn's campaign -- and it is the cornerstone of our Administration's domestic policy. Together, we stand for *and for all Americans* **opportunity**, ~~empowerment and choice~~ in the hands of parents and ~~students.~~ ~~And we want our streets and schools to be safe from crime and drugs, our environment clean and healthy for our children.~~

Democrats believe that every time a new problem arises in America, it's time to create a new bureaucracy. **Republicans don't.** We prefer not to **expand the budget** of the bureaucracy, but -- like this sign behind me says, "Victory on the Horizon" -- we seek to **expand the horizons** of Illinoisans young and old -- from offering more options to parents seeking child care, to giving students and parents *more choice in* ~~educational choices~~; from allowing tenant management for residents of public housing, to creating free-market answers to environmental problems. In short, we're working to build a better America, and **that's why I need Lynn Martin in the Senate.**\\

Lynn will help us accomplish these goals by helping us first keep the economy moving forward. Over the last 8 years, we've seen the longest peacetime economic expansion in history -- 22 million jobs created. But to build the best America we can, we've got to get our fiscal house in order. We **must** rid our children and our children's children of the overwhelming federal budget deficit. **And we must do it now.** \\

They have failed to offer serious spending cuts. They have failed to offer serious budget reform.

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But that means we must **first** have a budget agreement -- one that maintains our economic strength, our competitiveness, and our job growth. The reason we **don't** have an agreement is simple: Because Congress hasn't acted on our proposals. Let me give you a little history. On July 26, our Administration developed a comprehensive budget plan. Right off the bat I was asked to make a sacrifice -- to allow the other side to put taxes on the table. Not my first choice. Not my second. But ~~it is a choice I had to make~~ ^{it was a choice that had to be made.} ~~to get Congress to act.~~ ^{later,} ~~To my dismay,~~ ^{But I} almost 100 days have ~~passed~~ ^{passed} and Congress has yet to offer a comprehensive plan in return. I've asked ~~for a vote on the Administration's~~ ^{Proposed a} 5-year, \$500 billion deficit reduction package ~~time and time again~~ -- and ^{Serious} still, no action by the Congress. -- Well, nobody's laughing anymore. ^{Now} Instead, they're packing their bags -- to head out of Washington for the campaign season. You've seen the headlines about these negotiations, and the arguments over which party is "on the side of the working people." I'm talking about the capital gains tax cut. A majority of the both houses of Congress voted in favor of it last year -- because ^{both Republicans and Democrats} they understood that cutting the capital gains tax means ^{creating more} saving American jobs and promoting economic growth. Yet the ^{Democrat} leadership prevented it from becoming law. Let the other side create class warfare, we ^{want to} ~~will~~ keep creating jobs -- for all the American people.\\

Because of Congressional foot-dragging, the nation is now ^{mandated} four days away from sequestration -- across-the-board budget cuts. Let me give you a few examples of what life will be like

that will have a damaging effect on the lives of Americans -- young and old, rural and urban.

when that sequester hits. Approximately a **million children** would not be vaccinated for polio, measles, and rubella. Pell grants for over a million college students would be **outright eliminated**. Here at O'Hare Airport, an average of 60 arrivals and departures **an hour** would be cancelled, because there wouldn't be enough air traffic controllers to ensure safe operations.

Virtually every segment of American society would be *seriously* affected by the sequester -- except one. That's right, one special group has voted itself **exempt** from the ~~pain of~~ ^{taxes and rules of} sequester: the United States Congress.

It's time we sent a message to those campaigning
Congressmen: No more government by continuing resolution. **Time**
has run out. Congress must act ^{because} **America deserves better.** \\
^

As I said, **empowerment** is the key to building a better America at home -- and, in turn, the foundation for us to better face our challenges abroad. At no time in post-war history has a strong America been more important. And we all know who is **keeping** America strong half-way around the world: those brave soldiers who left their spouses and children to serve on the front lines in the Persian Gulf. \\
\\ They are some of America's finest men and women. **And we're proud of all of them.** \\
\\

I've said it before: our soldiers are proving that America could not be **the land of the free** if it were not the **home of the brave.** \\
\\

Each one of our soldiers ^{in the Gulf is a story of American at its best.} ~~is answering the call.~~ For example, last week I read in the Chicago Tribune about Lorain

Kuryla [Kuh-RILL-a], that 63 year-old grandmother from nearby Hillside, who volunteered for active duty with the Air Force Reserve Unit out of O'Hare. Her kids call her "Grambo." \\\

After hearing about her tenacity, her courage and her toughness, all I can say is, **"Move over, Mike Ditka."** \\\

Master Sergeant Kuryla and other reservists alongside her are standing up to aggression and preserving the sovereignty of nations. But our G.I.'s are in good company. Not only do we have we have twenty-two nations, including most Arab states and the Soviet Union, on our side. **We have freedom and justice on our side.** Our goals have been endorsed by the U.N. Security Council seven times. For, as I told the Joint Session of Congress two weeks ago:

**America and the world must defend our common vital interests. \\\ America and the world must support the rule of law. \\\ America and the world must stand up to aggression. \\\ And we will not be intimidated. **

Recent events have proven that there is no substitute for American leadership in the shaping of a new partnership of nations. Lynn Martin has known that from Day One. Unlike others, she has consistently voted for a strong defense. She knows you can't stand up to tyranny and despotism while wrecklessly slashing military levels. Her opponent called for bombing Iraqi pipelines, on one hand, and on the other hand, cutting defense spending by 50 percent. \\\ **Sounds like that guy's really got his hands full.**

And he'll have his hands full on election day, too, trying to justify his big-government, ultra-liberal philosophy to the common-sense voters of Illinois. Lynn says "Illinois deserves better." And I think we all agree.\\

People know Lynn Martin stands for a **strong America**, economically **and** militarily. **That's why we need Lynn Martin in the United States Senate.**\\

So many in this room have done so much for Lynn's campaign, and I thank you for it. But our most important task lies ahead. On election day our G.I.'s -- in the searing heat of the desert dunes and the hot glare of the Persian Gulf -- will send in their absentee ballots. Surely those of us left behind can walk down the street to our local polls. We owe it to those brave men and women -- laying their lives on the line for peace and stability in the world.

I'm grateful for such a great rally, and for all the work you've done for for Lynn Martin --the next Republican Senator from this great state. Because Illinois really does deserve the best.\\

Thank you. God bless our great nation and each one of you.

#

nomic recovery, and its social harmony to be matched with support, equitable cooperation, and uniform and balanced treatment for our nations. In such a framework, we will be able to progress and contribute to the establishment of a true hemispheric community, thus bridging our traditional mutual lack of understanding, our nonen-counter as I like to call it.

We must work together to solve the problems of our continent, and we will be able to do it much more successfully if we recognize the solid friendship that binds us. Between your country and mine, there is a common and complimentary interest concerning production and consumption of energy resources. We obviously need to exchange views on how to maintain an adequate strategic production potential in this hemisphere. This is the hope we all have. And as your great poet Carl Sandburg said when he compared our need of cooperation to an echo that resounds further and further, we also say we have to travel further, much further, much beyond what we have achieved. And this is why I have come to meet your wonderful people and to talk to the President and other representatives of this immense, great, and admirable nation.

Note: President Bush spoke at 10:13 a.m. at the South Portico of the White House, where President Pérez was accorded a formal welcome with full military honors. President Pérez spoke in Spanish, and his remarks were translated by an interpreter.

Message to the Congress Transmitting Amendments to the China-United States Fishing Agreement
April 26, 1990

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 U.S.C. 1801 *et seq.*), I transmit herewith an agreement between the Government of the United States of America and the Government of the People's Republic of China amending and extending the 1985 Agreement Concerning Fisheries off the Coasts of the United States,

which was effected by exchange of notes at Washington, March 14 and 22, 1990. This agreement extends the 1985 agreement for an additional 2 years until July 1, 1992, and amends the port access procedures contained in the 1985 agreement. The exchange of notes, together with the present agreement, constitute a governing international fishery agreement within the meaning of section 201(c) of the act.

Because of the importance of our fisheries relations with the People's Republic of China, I urge that the Congress give favorable consideration to this agreement.

George Bush

The White House,
April 26, 1990.

Remarks at a White House Briefing for Conservative Leaders
April 26, 1990

Did I interrupt Porter? And if so—well, to Roger, my thanks if I did, and may I say hello to Doug Weed and, of course, the people that herded this outstanding group together: Jerry Falwell, Ed Prince, Mike Valerio. But in any event, I'm delighted to see you all.

With all the traveling that I'm doing, it's a little different for me to be making an appearance so close to the White House. I was just talking to Barbara. She says, "You spend more time on the road than Charles Kuralt." [Laughter]

This morning, I was talking about this, and I said, I'm looking forward this afternoon to going over and spending some time with friends, and indeed with people who were very instrumental in helping me get to be President at perhaps the most fascinating time in history, or among the most fascinating, certainly, I think, since World War II.

I'm delighted to be with a group for whom "conservatism" is not a catchword. As the past two decades show, it's a philosophy to which most Americans subscribe, and I think that's still very true across the country. Conservatives believe in Yankee ingenuity. I recall how a mother once told her

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George Bush

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son, "I have a pretty good idea that you skipped your piano lesson and played baseball." The son said he hadn't, and the mother said, "Are you sure?" And the son said, "Yes, I have a fish to prove it." [Laughter]

Conservatives also believe in science and technology. The more I know about the Hubble telescope, the more impressed I am. So powerful that it'll help us, I'm told, understand the black holes. What I don't understand is why anyone would want to know more about the liberal philosophy.

Conservatives share a vision. I know some reporters say I don't have a vision—sorry, I don't see it. [Laughter] Instead, I see a vision—I really do see a vision—as sweeping as our heritage: an America of prosperity, a world of real peace. And the question is how do we ensure that vision for our generation? As you get a little older, you think even more about the kids.

For an answer, recall how 150 years ago De Tocqueville envisioned a future that would open before us. Its possibilities were infinite, he wrote, because of America's new model, this paradigm of government. A democracy based on a free market unleashing the full energy of the human heart and mind. And that government arose from perhaps the ultimate exercise in returning power to people: the American Revolution.

Now, two centuries later, when old centralized bureaucratic systems are crumbling, the time has come for yet another paradigm; a form of government which, like the spirit of '76, gives power back to localities and States and, most important, to the people; a model which rejects the view that progress is measured in money spent and bureaucracies built.

The first principle in our new paradigm is that as market forces grow stronger our world becomes smaller. Put another way, we must be competitive to ensure economic growth. So, I'd like to take this opportunity to urge the Congress once again—and I'm going to keep on urging this—that they pass our capital gains tax cut, spurring investment and thus creating jobs. We don't want government to spend more: we want private enterprise to thrive so that people will have more money to save, to invest, and to spend. To most Americans, I feel, that's a good idea.

As a second principle of our new paradigm—the freedom to choose. We want to reduce what government should do and increase what people can do. And so, I support a constitutional amendment, will continue to support it, restoring voluntary prayer. We need the faith of our fathers back in our schools. I haven't been President very long, but the longer I am in this job, the more strongly I feel about that.

A choice also means that parents should decide which public school is best for their kids. So, we have proposed—what many of you have been helpful to us on this—the Education Excellence Act of 1990 to provide incentives for these magnet school programs. Many States are trying out policies based on choice and finding out they work.

In this one, I want to give credit. It isn't just my party, the Republicans; it's some of the Democratic Governors are out front, way out front, on this particular theory—choice. Some only think that Big Brother can revive education, but I believe that excellence comes from higher standards, a greater accountability, and more freedom to move within a school system. And if you agree—I don't want this many influential people to go untapped or arms untwisted—if you agree with me, I would strongly solicit your help in convincing Congress that the time for this is now.

That leads me to the third principle in the new paradigm—that means the means to choose. We must empower disadvantaged Americans. So, we've unveiled a program to help the poor run or, better yet, own their public housing units. And we support a child-care tax credit for low-income working parents that enable them to care for their kids in the manner they choose. I will not see the option of religious-based child care restricted or eliminated. We're going to fight against that.

I know many liberals disagree with what I've just said and the philosophy behind it. But that's why last month the House Democratic leadership passed a bill that would cost nearly \$30 billion, three times our original proposal, and force, compel, many States to change their rules. In effect, it would produce national child-care standards intended to replace local standards that

meet local needs and put in place a lot more unnecessary paperwork.

Conservatives know that we don't need this bureaucracy. It would merely prove what Will Rogers once said: "Half of America does nothing but prepare propaganda for the other half to read." [Laughter] So, let's expand the horizons of our kids, not the budget of the bureaucracy, and through tax incentives give families the help that they need to solve their child-care problems themselves.

Next comes the fourth principle of this new paradigm: decentralization. In America, this means dispersing authority to the level closest to the source of authority—the people. Places such as Peru, for example—Hernando de Soto, the brilliant Peruvian economist, found that without any centralized bureaucratic direction the ordinary streetside entrepreneurs of Lima are producing wealth on a scale that rivals the economy officially approved by the state bureaucracy. Elsewhere in the world, decentralization has come about through nothing less than the triumph of democracy over bureaucracy.

Conservatives know that a strong defense has and will continue to help all people secure the right to think and dream and worship as they please. In Lithuania—as in Czechoslovakia and Nicaragua, Budapest, Berlin—the words of Thomas Dewey ring true: You can't beat down ideas with a club. Today freedom is on the march and will not be denied.

The fifth and final principle of the new paradigm is what I referred to earlier: We want what works. Our principles, conservative principles, were always right. And now the whole world can see that what's right is also what works. As I've said many times before, and I don't say it with arrogance, we know what works—freedom works. We are not going to let discredited ideologies block the progress of our principles. You can ask anyone in Poland or Panama: Tyranny doesn't work; freedom does.

At home, we also want what works. So, we've reached agreement with the Senate in the first rewrite of the Clean Air Act in over a decade. I call on the House to respond soon and respond responsibly. This one is difficult because I think we are all committed to leaving the Earth a little

better than we found it, and yet we've got to do it in a balanced way—forward-looking, forward-leaning. But I will not accept legislation that needlessly throws a lot of Americans out of work because of lack of scientific data. I'm going to hold that line, and I would appeal for your help in urging the Congress to keep reality in mind as we go about getting ourselves out front on the cutting edge of environmental protection. I'm determined to be both a person who protects the environment and one who protects the rights of Americans to have jobs. It isn't easy, but I'm convinced that it can be done.

We've unveiled a comprehensive strategy to free America of crime and drugs. A lot of people in this room have given our planners and Roger and his able team—because of respects, you've worked very closely with Bill Bennett—to help us with this comprehensive strategy to free America of crime and drugs. We're asking Congress to expand the death penalty for drug kingpins. We need to toughen the crime laws at the State level, just as we are in Washington. My vision for the nineties is an America where punishment is at least as tough as the crime.

Just yesterday, we sent up to the Congress a three-part budget reform package that proposes an amendment to the Constitution—and I campaigned on this, so there's no surprise—to provide a line-item veto. We endorsed the Legislative Line-Item Veto Act to strengthen the President's rescission authority and endorse a balanced budget amendment.

The time has come to enact into law these important changes. I sent up to the Congress a special piece of legislation to help Nicaragua and to help Panama. I think we have a real commitment to seeing the success of these fragile new democracies. Before it leaves the House of Representatives, billions—literally billions, plural—of spending is added to this very special legislation. I think I need the authority to make the tough decision on spending. Nobody likes to have to say no to constituents or to interests around the country, but if the Congress continues to demonstrate that they can't do it, only the President can.

So, I'd love to have your support on this package on the line-item veto, the legisla-

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tive line-item veto that will strengthen the President's rescission authority; and then, of course, our commitment to this balanced budget concept. This vision, if you will, is one that I think most conservatives support. It's a vision of limited government, but unlimited opportunity—a vision to protect the family, empower the poor, and reward creativity.

I like bass fishing. There's a young bass fisherman who is a national champion, a guy named Ricky Clune. Texans will know his name. He's from Montgomery, Texas. One time I was down in Arkansas and saw him win—or, at the weigh-in—they did it—4,000 or 5,000 people, as these bass boats were driven into the coliseum there. I couldn't believe this—4,000 or 5,000 watching people weigh fish there in the middle—but Ricky Clune, when he got up to speak, said this: "I learned to fish following my dad down the creeks in my underpants," he said, "down the creeks of Oklahoma." And then he said this: "Isn't it great to live in a country with no limits?"

I've thought about that a great deal. What we're talking about here in this conservative philosophy is unlimited opportunity—a vision to protect the family, empower the poor, and reward creativity. This new paradigm can fulfill it. I really would ask for your support to achieve promise, not empty promises: lifting people up, helping keep the government bureaucracies at all levels under control and, as conservatives, reject the hand of big government in favor of a Thousand Points of Light, joining hands and linking hearts.

You know, when we started talking about a Thousand Points of Light, there was a few snickers out there. I had to keep defining what I meant. But I think people understand this. I think Americans—well, since de Tocqueville took a look at America—understand it. It's real, one American wanting to help another. So, I am going to continue to say that any definition of a successful life must be the involvement in the lives of others, one American helping another. That, I think, is a fundamental part of my concept of how we can do an awful lot more to help people who are desperately in need of help in our country.

So, this is my vision—yours, I think. What a dream: to enrich America and help us to

continue to lead, help us to enrich the world. I am really pleased you were here. Thanks for the privilege of addressing you. And might I say, God bless the United States of America. Thank you all very much.

Note: The President spoke at 1:35 p.m. in Room 450 of the Old Executive Office Building. In his opening remarks, he referred to Roger B. Porter, Assistant to the President for Economic and Domestic Policy; Douglas Weed, Special Assistant to the President for Public Liaison; evangelist Jerry Falwell; Edward Prince, president of Prince Corp.; and Michael Valerio, chairman of the board of Papa Tino's of America, Inc.

Nomination of General Michael J. Dugan To Be Chief of Staff of the Air Force

April 26, 1990

The President today announced his intention to nominate Gen. Michael J. Dugan, United States Air Force, to be Chief of Staff of the Air Force. He would succeed Gen. Larry D. Welch, whose term expires June 30, 1990.

General Dugan is presently serving as commander, Allied Air Forces Central Europe; commander in chief, United States Air Forces in Europe; and Air Force component commander, United States European Command. General Dugan is married and has six children. He was born February 22, 1937, in Albany, NY.

Proclamation 6122—National Arbor Day, 1990

April 26, 1990

By the President of the United States of America

A Proclamation

When our Nation was founded more than 200 years ago, it boasted such dense forests

LYNN MARTIN FOR SENATE RALLY
ROSEMONT HORIZON ARENA
CHICAGO, ILLINOIS
WEDNESDAY, SEPTEMBER 26, 1990
7:50 P.M.

((THANK YOU, LYNN, FOR THAT GREAT INTRODUCTION,
AND THANK ALL OF YOU FOR MAKING ME FEEL SO AT HOME.
AFTER ALL, IT'S LIKE OL' BLUE EYES SAYS -- THE OTHER
ONE, NOT ME -- "CHICAGO IS MY KIND OF TOWN."))

I SEE JIM EDGAR DOWN IN THE FRONT ROW. I WAS
CAMPAIGNING FOR HIM A FEW WEEKS AGO. LET'S HERE IT FOR
THE NEXT GOVERNOR OF ILLINOIS, JIM EDGAR. \\\ AND
THE NEXT LIEUTENANT GOVERNOR, BOB KUSTRA. \\\ THE
REST OF THE STATEWIDE TICKET IS HERE TOO: GEORGE RYAN
FOR SECRETARY OF STATE, JIM RYAN FOR ATTORNEY GENERAL,
AND SUE SUTTER [SOO-TER] FOR COMPTROLLER. \\\ AND
THERE ARE TWO MEN HERE THAT ILLINOIS REALLY NEEDS IN
CONGRESS: WALTER DUDYCZ [DOO-DITCH] AND MANNY HOFFMAN.
\\ I SEE MY OLD FRIEND SEN. PATE PHILLIP OUT THERE,
AND PHIL WEIS, WHO PUT THIS MAGNIFICENT EVENT TOGETHER.
\\

IT'S GREAT TO BE HERE TODAY, BACK IN THE CHICAGO
AREA, AND IT'S A PARTICULAR JOY TO SPEAK ON BEHALF OF A
CLOSE FRIEND OF MINE AND A NATIONAL CO-CHAIRMAN OF MY
1988 CAMPAIGN -- FIVE-TERM CONGRESSWOMAN AND THE NEXT
SENATOR FROM ILLINOIS, LYNN MARTIN.\\

IT'S APPROPRIATE THAT WE'RE HERE, AT THE HOME OF THE GREAT DE PAUL BLUE DEMONS. \\\ BECAUSE COME NOVEMBER, LYNN MARTIN IS GOING TO GIVE THE OPPOSITION ONE DEVIL OF A SURPRISE. \\\

THAT'S BECAUSE LYNN IS SOMEONE PEOPLE BELIEVE IN. SHE BEGAN AS A WORKING MOTHER, SCHOOL TEACHER, AND STATE SENATOR, THEN BECAME A NATIONALLY PROMINENT MEMBER OF UNITED STATES CONGRESS AND THE FIRST FRESHMAN EVER TO SERVE ON THE PRESTIGIOUS BUDGET COMMITTEE. LYNN WON THE RESPECT OF HER COLLEAGUES BY OUTSMARTING HER OPPONENTS, SPEAKING OUT AGAINST INJUSTICE AND UNFAIRNESS, AND ALWAYS STANDING UP FOR THE PEOPLE OF THIS GREAT STATE. \\\

LYNN BELIEVES, AS WE ALL DO, THAT POWER SHOULD BE IN THE HANDS OF PEOPLE, NOT GOVERNMENT. EMPOWERMENT IS AT THE HEART OF LYNN'S CAMPAIGN -- AND IT IS A CORNERSTONE OF OUR ADMINISTRATION'S DOMESTIC POLICY. TOGETHER, WE STAND FOR OPPORTUNITY AND EMPOWERMENT FOR ALL AMERICANS.

DEMOCRATS BELIEVE THAT EVERY TIME A NEW PROBLEM ARISES IN AMERICA, IT'S TIME TO CREATE A NEW BUREAUCRACY. REPUBLICANS DON'T. WE PREFER NOT TO EXPAND THE BUDGET OF THE BUREAUCRACY, BUT -- LIKE THIS SIGN BEHIND ME SAYS, "VICTORY ON THE HORIZON" -- WE SEEK TO EXPAND THE HORIZONS OF ILLINOISANS YOUNG AND OLD -- FROM OFFERING MORE OPTIONS TO PARENTS SEEKING CHILD CARE, TO GIVING STUDENTS AND PARENTS MORE CHOICE IN EDUCATION; FROM ALLOWING TENANT MANAGEMENT FOR RESIDENTS OF PUBLIC HOUSING, TO CREATING FREE-MARKET ANSWERS TO ENVIRONMENTAL PROBLEMS, TO TAKING BACK OUR STREETS FROM DRUG DEALERS AND MURDERERS. IN SHORT, WE'RE WORKING TO BUILD A BETTER AMERICA, AND THAT'S WHY I NEED LYNN MARTIN IN THE SENATE.\\

((TO BE VERY CANDID, I'D LIKE TO HAVE SOMEONE IN THIS SEAT WHO WILL VOTE WITH ME EVERY SO OFTEN.))

LYNN WILL HELP US ACCOMPLISH THESE GOALS BY HELPING US FIRST KEEP THE ECONOMY MOVING FORWARD. OVER THE LAST 8 YEARS, WE'VE SEEN THE LONGEST PEACETIME ECONOMIC EXPANSION IN HISTORY -- 22 MILLION JOBS HAVE BEEN CREATED. BUT TO BUILD THE BEST AMERICA WE CAN, WE'VE GOT TO GET OUR FISCAL HOUSE IN ORDER. WE MUST BRING DOWN THIS OVERWHELMING FEDERAL BUDGET DEFICIT. AND WE MUST DO IT NOW. \\\

BUT THAT MEANS WE MUST FIRST HAVE A BUDGET AGREEMENT -- ONE THAT MAINTAINS OUR ECONOMIC STRENGTH, BOLSTERS OUR INTERNATIONAL COMPETITIVENESS, AND SPURS CONTINUED JOB GROWTH. THE REASON WE DON'T HAVE AN AGREEMENT IS SIMPLE: CONGRESS HASN'T ACTED ON OUR PROPOSALS.

LET ME GIVE YOU A LITTLE HISTORY. ON JANUARY 29, WE SENT A COMPLETE FEDERAL BUDGET TO CAPITOL HILL. BY APRIL 1, CONGRESS WAS TO ACT. 178 DAYS LATER, WE'RE STILL WAITING. \\\

ON MAY 15, I TOOK THE INITIATIVE AND CALLED ON DEMOCRATIC CONGRESSIONAL LEADERS TO JOIN ME IN A BIPARTISAN SUMMIT ON THE BUDGET. THAT WAS 134 DAYS AGO. ON JUNE 26, WITH THE BUDGET SUMMIT GOING NOWHERE, I WAS ASKED TO MAKE A SACRIFICE -- TO ALLOW TAXES TO BE PUT ON THE TABLE. NOT MY FIRST CHOICE. NOT MY SECOND. BUT IN AN EFFORT TO GET CONGRESS OFF DEAD CENTER, IT WAS A CONCESSION THAT HAD TO BE MADE.

A MONTH LATER, OUR ADMINISTRATION PREPARED ANOTHER COMPREHENSIVE BUDGET PLAN, WITH THE UNDERSTANDING THAT IT WOULD BE CONSIDERED SIDE-BY-SIDE WITH A DEMOCRATIC OFFER. BUT THE OTHER SIDE ARRIVED EMPTY-HANDED. THAT WAS 62 DAYS AGO -- AND WE'RE STILL WAITING. CONGRESS HAS FAILED TO OFFER SERIOUS SPENDING CUTS OR SERIOUS BUDGET REFORM. WE HAVE PROPOSED A SEVERAL 5-YEAR, \$500 BILLION DEFICIT REDUCTION PACKAGES -- AND STILL, NO SERIOUS ANSWER TO THE IMPASSE FROM THE CONGRESS. WELL, THEY MAY NOT BE SERIOUS, BUT THE AMERICAN PEOPLE ARE.\

YOU'VE SEEN THE HEADLINES ABOUT THESE NEGOTIATIONS, AND THE ARGUMENTS OVER WHICH PARTY IS "ON THE SIDE OF THE WORKING PEOPLE." I'M TALKING ABOUT INCENTIVES FOR JOB GROWTH LIKE THE CAPITAL GAINS ISSUE, AND CREDITS FOR RESEARCH AND DEVELOPMENT --BECAUSE I WANT TO CONTINUE ECONOMIC GROWTH, AVOID A RECESSION, AND PRODUCE MORE JOBS. WE'RE KEEPING OUR EYES ON THE GOAL THAT DOES THE MOST GOOD FOR EVERYONE: WE WANT TO KEEP CREATING JOBS -- FOR ALL THE AMERICAN PEOPLE.\

BUT WITHOUT A BUDGET AGREEMENT, FIVE SHORT DAYS FROM NOW, WE WILL FACE A \$100 BILLION MANDATED SEQUESTER -- MULTI-BILLION DOLLAR ACROSS-THE-BOARD BUDGET CUTS THAT WILL HAVE A DAMAGING EFFECT ON AMERICANS -- YOUNG AND OLD, RURAL AND URBAN.

WE KNOW THESE CUTS WILL BE TOUGH. LET ME GIVE YOU A FEW EXAMPLES OF WHAT LIFE WILL BE LIKE WHEN THAT SEQUESTER HITS:

FOR COLLEGE STUDENTS -- PELL GRANTS FOR 1.4 MILLION COLLEGE STUDENTS WOULD BE ELIMINATED OUTRIGHT.

FOR YOUNG CHILDREN -- APPROXIMATELY A MILLION WOULD NOT BE VACCINATED FOR POLIO, MEASLES, AND RUBELLA.

FOR AIR TRAVELERS -- HERE AT O'HARE AIRPORT, FLIGHTS WILL BE CANCELLED -- IN FACT, EACH DAY, UP TO 58 ARRIVALS AND DEPARTURES WOULD BE CANCELLED PER HOUR -- BECAUSE THERE WON'T BE ENOUGH AIR TRAFFIC CONTROLLERS TO ENSURE SAFE OPERATIONS.

SEQUESTER WILL BE PAINFUL, BUT IT CAN STILL BE AVOIDED. IF CONGRESS WILL MAKE THE TOUGH CHOICES. AS I SAID THIS MORNING, THE HANG-UP ISN'T CAPITAL GAINS -- THE HANG-UP IS ON CAPITOL HILL. WE'RE STILL WAITING FOR THE CONGRESS TO COME UP WITH REAL SPENDING CUTS. CUTS THAT ARE ENFORCEABLE -- NOT JUST ANOTHER PROMISE OF FUTURE SAVINGS, WAITING TO BE BROKEN. AND WE'RE STILL WAITING FOR CONGRESS TO COMMIT TO MEANINGFUL BUDGET REFORM -- REFORM THAT BUILDS REAL DISCIPLINE INTO THE BUDGET PROCESS.

THE LAST THING WE WANT IS FOR THIS YEAR'S BUDGET FIASCO TO BECOME NEXT YEAR'S INSTANT REPLAY.

CLEARLY, THE BUDGET SYSTEM CANNOT WORK IF CONGRESS WILL NOT ACT. JUST YESTERDAY, IN A STRAIGHT PARTY-LINE VOTE, CONGRESSIONAL DEMOCRATS ONCE AGAIN MOVED TO DODGE THE BUDGET DEADLINE, REACH INTO THE FEDERAL WALLET AND KEEP GOVERNMENT SPENDING GROWING AND THE DEFICIT BALLOONING. \\\

AND WHILE THE REST OF THE NATION FACES ACROSS-THE-BOARD CUTS -- WITH HEAD START PROGRAMS SITTING EMPTY WITHOUT TEACHERS, AND SOCIAL SECURITY OFFICES CLOSING EARLY -- THERE'S ONE PLACE WHERE IT'S BUSINESS-AS-USUAL: THE UNITED STATES CONGRESS.\\

IT'S TIME WE SENT A MESSAGE TO CONGRESS: NO MORE GOVERNMENT BY CONTINUING RESOLUTION. TIME HAS RUN OUT. CONGRESS MUST ACT BECAUSE AMERICA DESERVES BETTER. \\\

TODAY, IT'S ESPECIALLY IMPORTANT THAT AMERICA IS ECONOMICALLY HEALTHY AND MILITARILY STRONG, AS WE FACE TESTS BOTH AT HOME AND ABROAD. AND WE ALL KNOW WHO IS HELPING KEEP AMERICA STRONG HALF-WAY AROUND THE WORLD: THOSE BRAVE SOLDIERS WHO LEFT THEIR SPOUSES AND CHILDREN TO SERVE ON THE FRONT LINES IN THE PERSIAN GULF. \\ THEY ARE SOME OF AMERICA'S FINEST MEN AND WOMEN. AND WE'RE PROUD OF ALL OF THEM.\\

I'VE SAID IT BEFORE: OUR SOLDIERS ARE PROVING THAT AMERICA COULD NOT BE THE LAND OF THE FREE IF IT WERE NOT THE HOME OF THE BRAVE.\\

EACH ONE OF OUR SOLDIERS IN THE GULF IS A STORY OF AMERICA AT ITS BEST. FOR EXAMPLE, LAST WEEK I READ IN THE CHICAGO TRIBUNE ABOUT LORAIN KURLA [KUH-RILL-A], A 63 YEAR-OLD GRANDMOTHER FROM NEARBY HILLSIDE, WHO VOLUNTEERED FOR ACTIVE DUTY WITH THE AIR FORCE RESERVE UNIT OUT OF O'HARE. HER KIDS CALL HER "GRAMBO."

AFTER HEARING ABOUT HER TENACITY, HER COURAGE AND HER TOUGHNESS, ALL I CAN SAY IS, "MOVE OVER, MIKE DITKA." \\

MASTER SERGEANT KURLA AND OTHER RESERVISTS
ALONGSIDE HER ARE STANDING UP TO AGGRESSION AND
PRESERVING THE SOVEREIGNTY OF NATIONS. BUT OUR G.I.'S
ARE IN GOOD COMPANY. NOT ONLY DO WE HAVE TWENTY-TWO
NATIONS, INCLUDING MOST ARAB STATES AND THE SOVIET
UNION, ON OUR SIDE. WE HAVE FREEDOM AND JUSTICE ON OUR
SIDE. OUR GOALS HAVE BEEN ENDORSED BY THE U.N.
SECURITY COUNCIL SEVEN TIMES. FOR, AS I TOLD THE JOINT
SESSION OF CONGRESS TWO WEEKS AGO:

AMERICA AND THE WORLD MUST DEFEND OUR COMMON VITAL
INTERESTS. \\ AMERICA AND THE WORLD MUST SUPPORT THE
RULE OF LAW. \\ AMERICA AND THE WORLD MUST STAND UP
TO AGGRESSION. \\ AND WE WILL NOT BE INTIMIDATED. \\

RECENT EVENTS PROVE THAT THERE IS NO SUBSTITUTE
FOR AMERICAN LEADERSHIP IN THE SHAPING OF A NEW
PARTNERSHIP OF NATIONS. LYNN MARTIN HAS KNOWN THAT
FROM DAY ONE. UNLIKE OTHERS, SHE HAS CONSISTENTLY
VOTED FOR A STRONG DEFENSE. SHE KNOWS YOU CAN'T STAND
UP TO TYRANNY AND DESPOTISM WHILE RECKLESSLY SLASHING
MILITARY LEVELS. HER OPPONENT CALLED FOR BOMBING IRAQI
PIPELINES, ON ONE HAND, AND ON THE OTHER HAND, CUTTING
DEFENSE SPENDING BY 50 PERCENT. \\

PEOPLE KNOW LYNN MARTIN STANDS FOR A STRONG AMERICA, ECONOMICALLY AND MILITARILY. THAT'S WHY WE NEED LYNN MARTIN IN THE UNITED STATES SENATE.\\

SO MANY IN THIS ROOM HAVE DONE SO MUCH FOR LYNN'S CAMPAIGN, AND I THANK YOU FOR IT. BUT ANOTHER IMPORTANT TASK LIES AHEAD. ON ELECTION DAY OUR G.I.'S -- IN THE SEARING HEAT OF THE DESERT DUNES AND THE HOT GLARE OF THE PERSIAN GULF -- WILL SEND IN THEIR ABSENTEE BALLOTS. WE OWE IT TO THOSE BRAVE MEN AND WOMEN -- LAYING THEIR LIVES ON THE LINE FOR PEACE AND STABILITY IN THE WORLD -- TO EXERCISE THE PRECIOUS RIGHT TO VOTE.

I'M GRATEFUL FOR SUCH A TREMENDOUS RALLY, AND FOR ALL THE WORK YOU'VE DONE FOR LYNN MARTIN --THE NEXT REPUBLICAN SENATOR FROM THIS GREAT STATE. BECAUSE ILLINOIS REALLY DOES DESERVE THE BEST.\\

THANK YOU. GOD BLESS OUR GREAT NATION AND EACH ONE OF YOU.

#

for breaks for those
stretch arms

we dont need arm chair release

referred to Mayor Voinovich's wife, Janet; Representative Michael DeWine and his wife, Fran; Ray C. Bliss, former State and national Republican Party chairman; Alex Arshinkoff, executive committee chairman of the Summit County Republican Party; and Bernie Kosar, quarterback for the Cleveland Browns football team. The President also referred to Millie, the First Family's dog, and Mrs. Bush's book, "Millie's Book as Dictated to Barbara Bush."

Remarks at a Rally for Senatorial Candidate Lynn Martin in Chicago, Illinois

September 26, 1990

The President. Thank you very, very much for that warm introduction.

The Audience. Four more years! Four more years! Four more years!

The President. Thank you, thank you. Thank you all. Lynn, thank you. Thank you, all of you. And, Lynn, thank you for that warm and wonderful introduction, and thank all of you for making me feel so at home.

We were in Ohio earlier today, and the crowds there were almost as enthusiastic. One exception: I saw a lady holding up a sign—true story—that read, "Where's Millie?" [Laughter] Which reminds me to bring you greetings from Barbara Bush. She salutes Lynn, as I do.

And like Lynn, I was thrilled to see that wonderful turnout from the Bears, those great linemen. I was thrilled to be with my friends the Gatlins once again and, of course, thrilled to feel this enthusiasm here.

I saw Jim Edgar a little earlier, and I don't know if he's still here, but I want you to know how strongly I support him for Governor. There he is. And marvelous support for our next Governor. And then the next Lieutenant Governor I believe is with us, Bob Kustra. And the rest of our statewide ticket is also here: George Ryan for secretary of state, Jim Ryan for attorney general, Gregg Baise for treasurer, and Sue

Suter for comptroller. We've got a first-class ticket.

And I want to make a special notice of two that are with us who are running for the Congress, who flew with me today from Akron—two—back here to Chicago. And of course, I'm talking to two outstanding candidates, both of whom have an excellent shot to win, Walter Dudycz and Manny Hoffman. We've got to get them in the Congress. I need their support.

And I understand my old friend Pate Phillip is here, and Bill Weiss. And I want to thank them for putting on this magnificent event.

It's great to be here, back in the Chicago area. And it is a particular joy to speak on behalf of this close friend and a national cochairman of my 1988 campaign, five-term Congresswoman, and the next Senator from Illinois, Lynn Martin. And I wouldn't say it's ironic but it's appropriate that we're here at the home of the great DePaul Blue Demons, because come November, Lynn Martin is going to give the opposition one devil of a surprise.

And really, you heard it. You heard a little taste—what's this bug doing here? [Laughter] Making it very difficult. You heard it tonight, and really what it's about. It's because Lynn is someone that people believe in. She began as a working mother and schoolteacher and State senator, and then became a nationally prominent Member of the United States Congress, the first freshman ever to serve on the prestigious Budget Committee. She won the respect of her colleagues simply by outsmarting her opponents, speaking out against injustice and unfairness, and always standing up for the people of this great State. I believe and Lynn believes, as we all do, that power should be in the hands of people, not government. Empowerment is at the heart of Lynn's campaign, and it is a cornerstone of our administration's domestic policy.

There's something about me. Why do I attract—I don't know what it is. [Laughter] Thank you, thank you very much. I don't know whether it's me or Lynn. [Laughter] This happens sort of *deja vu*, as Yogi Berra would say, all over again. It happened downtown here. But in any event, they're entitled to their say, and it doesn't hurt a

thing. Thank where they their say.

But the po hand—the poi nity and emp You know, th every time a i ca it's time to Turn to the F cans don't. We budget of the sign behind m zon," we seek Illinoisans, you more options to to giving stud in education, fr ment for reside we believe in a believe in creat environmental p our streets, incid ers and the m working hard t and that's why Senate. We need

And I'm here opponent, but for all candor, I'd lo Senate in this se every once in a w

Lynn will help by helping us moving forward. years, we've see economic expans million jobs have the best America our own fiscal I bring down thi budget deficit. An do it now. And t have a budget ag tains our econom international con continued job gro have an agreame both Houses contr hasn't acted on or you a little histor minds of the Amer

On January 29 Federal budget to Congress was sup

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thing. Thank God we live in a country
where they can pay 25 bucks and have
their say.

But the point—back to the subject at
hand—the point is we do stand for opportu-
nity and empowerment for all Americans.
You know, the Democrats believe that
every time a new problem arises in Amer-
ica it's time to create a new bureaucracy.
Turn to the Federal Government. Republi-
cans don't. We prefer not to expand the
budget of the bureaucracy. But like this
sign behind me says, "Victory on the Hor-
izon," we seek to expand the horizons of
Illinoisans, young and old, from offering
more options to parents seeking child care
to giving students and parents more choice
in education, from allowing tenant manage-
ment for residents of public housing. And
we believe in a clean environment, and we
believe in creating free-market answers to
environmental problems—and taking back
our streets, incidentally, from the drug deal-
ers and the murderers. In short, we are
working hard to build a better America,
and that's why I need Lynn Martin in the
Senate. We need a change.

And I'm here not to speak against her
opponent, but for her. But I have to say in
all candor, I'd love to have someone in the
Senate in this seat who would vote with me
every once in a while. [Laughter]

Lynn will help us accomplish these goals
by helping us first keep the economy
moving forward. You know, over the last 8
years, we've seen the longest peacetime
economic expansion in history. Twenty-two
million jobs have been created. But to build
the best America we can, we've got to get
our own fiscal house in order. We must
bring down this overwhelming Federal
budget deficit. And that means we've got to
do it now. And that means we must first
have a budget agreement—one that main-
tains our economic strength, bolsters our
international competitiveness, and spurs
continued job growth. The reason we don't
have an agreement is simple: Congress—
both Houses controlled by the Democrats—
hasn't acted on our proposals. Let me give
you a little history, because this is on the
minds of the American people tonight.

On January 29th, we sent a complete
Federal budget to Capitol Hill. By April 1st,
Congress was supposed to act under the

rules. One hundred seventy-eight days
later, we're still waiting. On May 15th, I
took the initiative and called on the Demo-
cratic congressional leaders to join me in a
bipartisan summit on the budget. That was
134 days ago.

On June 26th, with the budget summit
going nowhere, I was asked by the Demo-
cratic leaders to make a sacrifice, to allow
everything to be put on the table, to allow
taxes to be put on the table. Not my first
choice. Not my second. But in a good-faith
effort to get Congress off dead center, it
was a concession that I felt had to be made.
A month later, our administration prepared
another comprehensive budget plan with
the understanding that it would be consid-
ered side by side with the Democratic offer,
but the other side arrived emptyhanded.
And that was 62 days ago, and we're still
waiting.

Now, I do want to clarify one point be-
cause at this very moment the budgeteers
are meeting again, the leaders are meeting.
And Secretary Foley and Leader Mitchell
raised a point that I want to clarify. Earlier
today I said the Democrats had not come
forward with a package. And they have put
a series of proposals on the table in these
private negotiations. I accept that in the
private negotiations there have been such
proposals. And if my statement on Air
Force One confused things and if I can clar-
ify it here, I want to do that. I apologize for
misspeaking on that technical point. How-
ever, my concern remains that we have yet
to see from the Democrats a comprehen-
sive plan that contains serious spending
cuts, necessary budget process reform and
enforcement, growth incentives, and a
sound approach to defense. And I do hope
that in the negotiations taking place as I
speak that we can see the progress that will
finally bring this process to a conclusion.

We have proposed several 5-year, \$500
billion deficit reduction packages. The
American people are not dumb. You've
seen the headlines about these negotiations
and the arguments over which party is "on
the side of the working people." I'm talk-
ing, though, about incentives for job
growth, capital investment, and credits for
research and development because I want
to continue economic growth, I want to

avoid a recession, and I want to produce more jobs for the people of Illinois. And that's what this debate is about.

We are keeping our eyes on the goal that does the most good for everyone, and we want to keep creating jobs for all the American people. But without a budget agreement, 5 short days from now we'll have tough decisions. We'll face a \$100 billion mandated sequester—multibillion-dollar across-the-board budget cuts that will have a damaging effect on Americans young and old, rural and urban. It is the law of the land. And I took an oath to uphold the law, and that's what I'm going to do. We know these cuts will be tough.

Let me just give you some examples of what life will be like when this sequester hits. For college students, Pell grants for 1.2 million college students would be eliminated outright. For young children, approximately a million would not be vaccinated for polio, measles, and rubella. For air travelers here at O'Hare Airport, flights will be canceled; in fact, each day, up to 58 arrivals and departures would be canceled per hour because there won't be enough air traffic controllers to ensure safe operations.

Sequester will be painful, but it can still be avoided if Congress will make the tough choices. And as I said this morning, the hangup isn't capital gains; the hangup is with the Democrats on Capitol Hill.

And on this subject, you might say Lynn Martin sounds like a broken record, but I'm glad she does. We are still waiting for the Congress to come up with enough real spending cuts, cuts that are enforceable, not just another empty promise of future savings waiting to be broken. We're still waiting for the Democrats in Congress to commit to meaningful budget reform, reform that builds real discipline into the budget process. The last thing we want is for this year's budget fiasco that worries the American people to become next year's instant replay. Clearly, the budget system cannot work if Congress will not act.

Just yesterday, in a straight party line vote, House Democrats once again moved to dodge the budget deadline and reach into America's wallet and keep government spending growth and the deficit ballooning. Only a unified Republican response was able to sidetrack this effort, at least tempo-

rarily. And while the rest of the Nation faces across-the-board cuts, with Head Start programs sitting empty without teachers and Social Security offices closing early, we simply cannot afford business as usual. It's time we then sent a message to the Congress: Time has run out. Congress must act because America deserves better.

And today it is especially important that America is economically healthy and militarily strong, at home and abroad. Let me caution those who might take advantage of the current crisis in the Persian Gulf; those who might seek profit by subverting the sanctions; or here at home, those speculators who might try to drive up the price of oil. While the oil market is very tight with little spare capacity, there is sufficient oil to meet current needs. The oil markets have simply not taken into account the additional production coming onstream from a variety of sources nor the available commercial stocks. There is no justification for intensive and unwarranted speculation in oil futures.

However, should the oil supply situation deteriorate, the United States, in concert with our partners in the International Energy Agency, is prepared to bring additional oil to the market. And we must make sure that we can act quickly, if necessary. And, therefore, I have today directed the Secretary of Energy to conduct an immediate test to the Strategic Petroleum Reserve, which contains 590 million barrels, by selling 5 million barrels of SPR reserve oil. And I'm prepared to take additional steps, if necessary, to ensure that America stays strong right here at home.

We all know who's keeping America strong right now halfway around the world: those brave soldiers who left their spouses and children to serve in the front lines in the Persian Gulf. And they are some of America's finest men and women, and we're proud of them—proud of every single one of them that's serving their country. I've said it before: Our service men and women are proving that America could not be the land of the free if it were not the home of the brave.

As I mentioned before, or you may have detected, I have major difference with the Democrats in the Congress on the tax-and-spend issue. But in the finest tradition of

bipartisanship, Middle East is the Democrats the Senate for what Senator when he said: edge." And a Democrat lead their strong Middle East. O Democrat or I truly American

You know, e one of our sold America at its I read in the raine Kuryla, from nearby I active duty with out of O'Hare. [Laughter] After ty, her courage. say is: "Move or

Master Serge. ists alongside h sion and presen tions. But our Not only do w cluding many Union, on our s League, a vast and justice on been endorsed rity Council ei joint session o America and t common vital world must sup ica and the wor sion. And we Saddam Hussein

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bipartisanship, support for our effort in the Middle East is strong. And I'm grateful to the Democratic leaders of the House and the Senate for this steadfast support. That's what Senator Vandenberg meant years ago when he said: "Politics stops at the water's edge." And again, I am grateful to the Democrat leaders and the Members for their strong bipartisan support in the Middle East. Our effort is not Republican or Democrat or liberal or conservative; it is truly American—all American.

You know, each one of these kids—each one of our soldiers in the Gulf—is a story of America at its best. For example, last week I read in the Chicago Tribune about Lorraine Kuryla, a 63-year-old grandmother from nearby Hillside who volunteered for active duty with the Air Force Reserve Unit out of O'Hare. Her kids called her Grambo. [Laughter] After hearing about her tenacity, her courage, and her toughness, all I can say is: "Move over, Mike Ditka." [Laughter]

Master Sergeant Kuryla and other reservists alongside her are standing up to aggression and preserving the sovereignty of nations. But our G.I.'s are in good company. Not only do we have 22 nations now, including many Arab States and the Soviet Union, on our side—well over half the Arab League, a vast majority—we have freedom and justice on our side. Our goals have been endorsed by the United Nations Security Council eight times. For as I told the joint session of Congress 2 weeks ago: America and the world must defend our common vital interests. America and the world must support the rule of law. America and the world must stand up to aggression. And we will not be intimidated by Saddam Hussein [President of Iraq].

Recent events prove that there is no substitute for our American leadership in the shaping of a new partnership of nations. Lynn Martin's known that from day one. Unlike others, she has consistently voted for a strong defense. She knows you can't stand up to tyranny and despotism while recklessly slashing military levels. Her opponent called for bombing Iraqi pipelines, on one hand, and, on the other hand, cut defense spending by 50 percent. Not logical. People know Lynn stands for a strong America, economically and militarily. That's another

reason why we need Lynn Martin in the United States Senate.

So many in this room have done so much for her campaign, and I thank you for it. But another important task lies ahead. On election day our G.I.'s, in the searing heat of the desert dunes and the hot glare of the Persian Gulf, will send in their absentee ballots. We owe it to those brave men and women, laying their lives on the line for peace and stability in the world, to exercise the precious right to vote.

I am grateful for this tremendous rally, for all the work you've done for Lynn Martin. And now, go out and vote, each and every single one of you. Drag any unsuspecting customer to the polls with you. Let's be sure we make Lynn Martin the next Republican Senator from this great State because Illinois deserves the best.

Thank you, and God bless you all.

Note: The President spoke at 8:23 p.m. in the Rosemont Horizon Arena. In his remarks, he referred to Millie, the First Family's dog; country music entertainers the Gatlin Brothers; DePaul University's Blue Demon basketball team; State Senators Walter Dudycz, Manny Hoffman and Pate Phillip; Thomas S. Foley, Speaker of the House of Representatives; George Mitchell, majority leader of the Senate; Secretary of Energy James D. Watkins; and Mike Ditka, head coach of the Chicago Bears football team.

Proclamation 6187—Gold Star Mother's Day, 1990

September 26, 1990

*By the President of the United States
of America*

A Proclamation

Few Americans could have a more profound understanding of the price of freedom than our Nation's Gold Star Mothers. These proud and courageous women are the mothers of U.S. military personnel who have perished in the line of duty.

Anyone who has been blessed with children knows that there is no greater heart-

Martha Moore, vice chairman of the State Republican Party.

Remarks Upon Arrival in Rochester, Minnesota

November 2, 1990

I just wanted to say to the people of Minnesota that being here for [Senator] Rudy Boschwitz is something I feel strongly about. Here's a man that had the guts, the courage to stand up and do what was right: getting this deficit down. And he's shown that kind of leadership for Minnesota for a long time. And this is a priority race for us, and I couldn't be more supportive. And I'm just delighted to be here.

Note: The President spoke at approximately 11:30 a.m. on the tarmac of Rochester Municipal Airport.

Points of Light Recognition Program

The President named the following individuals and institutions as exemplars of his commitment to making community service central to the life and work of every American.

October 27

Katie Dykes, of Green Bay, WI

October 29

Rev. Tony McCreary, of Philadelphia, PA

October 30

Yong Kay Moua and Houa Vue Moua, of Eau Claire, WI

October 31

Barbara Frazee, of Nashville, TN

November 1

U.S.S. Elrod, of Charleston, SC

November 2

Our House, Inc., of Little Rock, AR

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

October 27

In the afternoon, the President spoke on the telephone with congressional leaders to discuss passage of the budget reconciliation bill.

October 28

In the afternoon, the President traveled to San Francisco, CA, where he spent the evening.

October 29

In the morning, the President attended a fundraising breakfast for gubernatorial candidate Pete Wilson. In the afternoon, the President returned to Washington, DC.

October 30

The President met at the White House with:

- the Vice President; John H. Sununu, Chief of Staff to the President; Brent Scowcroft, Assistant to the President for National Security Affairs; and members of the CIA briefing staff;
- John H. Sununu, Chief of Staff to the President;
- congressional leaders, to discuss the situation in the Persian Gulf;
- national evangelical leaders;
- foreign policy advisers, to discuss the situation in the Persian Gulf.

October 31

The President met at the White House with:

- the Vice President; John H. Sununu, Chief of Staff to the President; Brent Scowcroft, Assistant to the President for National Security Affairs; and members of the CIA briefing staff;
- John H. Sununu, Chief of Staff to the President;
- the Vice President, for lunch;
- Secretary of State James A. Baker III.

The White President has Queen Elizabeth to make a statement and will in 1991.

November 1

The President Peterson, of serve as an As al Emergency State and Loc

November 2

The White President will trip that will b November 23 arrive in Prague November 17 for Havel and lead Republics. On Germany to in the Chancellor That afternoon the summit conference on Europe, November will then travel Arabia for conference the Gulf with President Mubarak of Kuwait. He Day with U.S.

Nominations Submitted to

The following list includes nominations to nominations of

Submitted October

John A. Bushnell of Connecticut, Senior Foreign Counselor, to be

President Softens Stance on Capital Gains Tax Cut

FISCAL, From A1

discussed as alternatives to the capital gains cut are indexing of capital gains calculations to reflect inflation, research and development tax credits, tax breaks to encourage investment in inner-city areas, and a deduction for investments in new small businesses. But Democrats contend that even indexing would benefit the rich, who have most of the capital gains, and would have to be linked to a higher tax on such people.

As Bush was laying the partisan groundwork to blame the Democrats for the consequences of continued deadlock, administration officials and House Republicans moved to give the White House more leeway to choose what parts of government to keep running and what to stop should the Gramm-Rudman-Hollings law cuts begin to take effect Monday, the start of the new fiscal year.

The White House is considering invoking what officials described as the president's "inherent power" to protect the public safety to allow some services, such as air traffic control, to continue fully rather than absorb their share of the Gramm-Rudman-Hollings cuts. House Minority Whip Newt Gingrich (R-Ga.) and Rep. Bill Frenzel (R-Minn.) introduced legislation yesterday to give Bush such authority for seven days even if the White House claims it already has that power.

Previous presidents have claimed "inherent power" to keep vital government functions operating during earlier budget disputes when the government temporarily ran out of spending authority. Such a situation could arise Monday if Congress sustains a threatened Bush veto of a stopgap measure to provide temporary spending authority while the budget talks continue. But in addition to that situation, the White House is considering extending the "inherent power" claim to include power to alter the imposition of the across-the-board Gramm-Rudman-Hollings cuts, a move some Democrats yesterday suggested would be illegal.

In discussing what Bush might accept, Dole said in the morning, "He might be willing to look at alternatives in the growth area." When asked whether Bush had said he was prepared to take capital gains off the table, Dole said, "No, he didn't indicate that."

But a senior official said, "We're flexible. It depends on what you get We haven't got things on the spending side that would make us give up on growth incentives."

In his Akron speech, Bush said, "We're still waiting for the Congress to come up with enough real spending cuts—cuts that are enforceable, not just another empty promise of future savings And we're still waiting for Congress to commit to meaningful budget process reform—reform that builds real discipline into the budget process."

Using his harshest language to date, Bush lashed the Democrats for "holding up" an agreement and painted an apocalyptic picture of government in ruins should the budget cuts take effect next week. "A cutback of this scope is going to hit hard. And it's going to hit home," Bush said. "And it's going to hit many, many people."

Recounting the months of negotiations, Bush claimed he had "gone the extra mile" while the Democrats sought political advantage in delay.

"I made a concession demanded by the Democrat leaders to get Congress off dead center," he said. "And I put it all on the table. Even taxes. And I took a lot of political heat coming out of the Democratic Party and the Democratic leaders. They had a great bunch of joy out of all of that."

After "waiting in the wings," Bush said he is now prepared to take his message blaming the Democrats across the country. "I have a podium, too," he said. "I have a bully pulpit, too."

Democratic leaders were particularly stung by the president's contention that they had not come up with any proposals. "He is badly misinformed," said Senate Majority Leader George J. Mitchell (D-Maine). "The statement is untrue and the president's chief of staff, budget director and treasury secretary know it's untrue."

At a later speech in Chicago, Bush apologized "for misspeaking" and withdrew the remark. "I accept the fact that in private negotiations there have been such proposals," he said.

In fact, the negotiators traded proposals for nearly seven hours before breaking shortly after 2 a.m. yesterday.

They worked another four hours yesterday, while formulations for managing the Gramm-Rudman-Hollings cuts were debated at the White House. The administration has pointed to a decision by then-Attorney General Benjamin Civiletti in the Carter administration that concluded that a president had "inherent power" to protect the public health and safety regardless of legislation stating the executive branch cannot spend what Congress has not appropriated.

Civiletti's legal opinion was the basis for the Reagan administration's decision in 1981 to divide the government into those performing "essential services" and those performing non-essential services. The non-essential workers were sent home for a day at the beginning of the fiscal year in 1981 and 1982 when Congress temporarily stalled in passing a resolution to continue government spending.

Staff writer John E. Yang contributed to this report. Balz reported from Ohio.

Capital Gains Tax Cut

By Dan Balz and Ann Devroy

Washington Post Staff Writers

President Bush began softening his demand for a capital gains tax cut yesterday while publicly threatening to make Democrats the villains if a budget agreement is not reached and massive cuts in government programs are imposed beginning next week.

"If and when the ax falls, the Democratic Congress knows that it will be held accountable, and I will take that message to every state in the Union," Bush warned.

His comments at a political luncheon in Ohio were in sharp contrast to weeks of bipartisanship on the issue and drew an immediate rebuke from House Speaker Thomas S. Foley (D-Wash.), who said Bush's remarks were "damaging" to the talks.

The president's apparent shift on the tax issue came after a morning meeting with Republican congressional leaders during which House Minority Leader Robert H. Michel (R-Ill.) asked him to consider "capital formation" proposals rather than the capital gains tax cut that

he has adamantly pushed for over the 11 weeks of budget haggling. Following the White House meeting, Senate Minority Leader Robert J. Dole (R-Kan.) said Bush was willing to compromise on the tax cut issue.

Sources close to the budget talks said yesterday that while the White House "still prefers" the capital gains cut, the positions of the two GOP leaders in Congress "now makes that difficult." Within the last week, both Michel and Dole publicly suggested that Bush drop the capital gains tax cut proposal in an attempt to break the deadlock in the budget negotiations with Congress.

A senior administration official said, "At the end of the day, the president will give up capital gains if he gets decent enough spending cuts, enforcement discipline and some kind of capital formation element." One of the administration's objectives in the budget talks has been adoption of measures to encourage savings and other means to increase formation of pools of capital for investment.

Among the growth incentives See FISCAL, A28, Col. 1

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ACCORD ON BUDGET MAY INVOLVE INDEX FOR CAPITAL GAINS

How Indexing Might Work

A person in the 28 percent tax bracket buys stock for \$50,000 in January, 1986 and sells it for \$75,000 in January 1990.

UNDER CURRENT LAW

Capital gains tax would be paid on the full profit.

Sale price	\$75,000
Less: Purchase price	50,000
Taxable profit	\$25,000
Tax	\$ 7,000

WITH INDEXING

Profit would be adjusted for inflation between purchase and sale; here, 16 percent of the purchase price, or \$8,000.

Sale price	\$75,000
Less: Purchase price	50,000
Profit	25,000
Less: Inflation factor	8,000
Taxable profit	\$17,000
Tax	\$ 4,760

OPTIMISM ON TALKS

White House Signals It Could End Insistence on Cut in Tax Rate

By SUSAN F. RASKY

Special to The New York Times

WASHINGTON, Sept. 26. — Under pressure from moderate Republicans in Congress, White House budget negotiators today signaled a willingness to drop their demand for an actual cut in the capital gains tax rate and instead accept a plan that would index capital gains for inflation.

The variation on President Bush's demand for cutting taxes on the profits on investments would allow investors who sell assets to exclude from their income taxes the portion of their profits solely attributable to inflation.

"Indexing is becoming their new bottom line," said a Democratic official who spoke on condition of anonymity. But he added that Democrats still viewed this arrangement as one that would primarily benefit upper-income taxpayers, and said the tax break would have to be offset by higher taxes on the wealthy.

Unlocking the Impasse

Nonetheless, negotiators from both parties said that they remained optimistic and that there had been more movement in the talks over the last two days than there had been in weeks.

Some political strategists see the indexing proposal, or some derivative of it, as a way to unlock the budget impasse. Indexing capital gains could allow the President to say he had lowered taxes, but in a somewhat watered-down form that could also permit the Democrats to say they had prevented a disproportionately large windfall for the very rich.

Despite this shift and other signs of progress on other issues in the budget negotiations, Mr. Bush and the Democrats intensified their public posturing over who is responsible for blocking agreement on a budget deal and who should get the blame if automatic spending cuts take effect as scheduled on Monday.

Bush Sticks to His Plan

Even as White House budget negotiators were signaling a shift on capital gains in their private meetings with Congressional negotiators, Mr. Bush continued publicly to stick to his original plan for an outright cut in the capital gains rate. Campaigning for Republican candidates in Akron, Ohio, he threatened to stump all 50 states to argue that his proposal to cut the capital gains rate was not the real sticking point.

The real problem, he said, is recalcitrant Democrats who "have not come forward with a package" even after the late House took "political heat" for refusing to consider new taxes.

And if and when the ax falls, the

Continued on Page A18, Column 1.

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White House Hints Compromise On Capital Gains Plan in Budget

Continued From Page A1

Democratic Congress knows that it will be held accountable," the President asserted. "I will take that message to every state in the Union. It is their fault for holding up a budget agreement."

While saying he had "suffered the slings and arrows" that are part of the political process, he added: "But I have a podium, too. I have a bully pulpit, too. And I'm going to see that not only one side of this story is printed, one Democrat after another knocking my socks off on Capitol Hill."

"The hang-up is not capital gains. The hang-up is with the Democrats on Capitol Hill. And we're still waiting for the Congress to come up with enough real spending cuts."

Democrats Respond Quickly

Furious Democratic leaders, noting that they had exchanged a series of budget offers with Administration negotiators over the last 24 hours, quickly moved to counter Mr. Bush's charges and hurl some of their own.

"He should get off Air Force One and the campaign trail and join us," said Representative William H. Gray 3d of Pennsylvania, the House Democratic whip. "We ask him to stop acting like a party chairman and start acting like a President."

The House Speaker, Representative Thomas S. Foley of Washington, called Mr. Bush's comments "damaging to the negotiating process and not helpful to the result." But he was particularly critical of the President for "the suggestion that he is somehow waiting on the outside for other people to reach an agreement."

"He is a party to the negotiations," Mr. Foley said.

How the Talks Are Divided

The spectacle of Mr. Bush attacking the Democrats while his Treasury Secretary, budget director and chief of staff huddled with them over the bargaining table illustrated that the most important division in the budget battle was not between Democrats and Republicans, but between the White House and Congress. And even as the political charges were flying, Congressional leaders and the White House officials seemed to be edging closer to a final compromise.

The high-level talks in the Capitol are expected to continue late into the night, but if no agreement is reached Democrats will have to decide whether to proceed with a House vote on Thursday on a stop-gap spending measure that would keep the Government running after Sept. 30 and delay the automatic spending cuts that would take effect on Oct. 1.

Democrats are also considering an alternative strategy to push their own budget plan through Congress. All proposals under consideration in the talks aim to cut \$50 billion from the deficit in 1991 and \$500 billion over five years.

Differences Are Narrowed

The plan that party strategists say the Democrats contemplate would return to a position they held before the latest narrowing of differences. It would closely resemble an offer they made last week, and cut more from military spending, less from domestic programs and raise more in new taxes than Republicans would accept.

According to officials close to the budget talks, the negotiators substan-



George Tames for The New York Times

"We ask him to stop acting like a party chairman and start acting like a President," said William H. Gray 3d, House Democratic whip, at news conference.

tially narrowed their differences on spending cuts in military and domestic programs in a nine-hour session that ended in early Wednesday morning. Still at issue are the components of the tax portion of the package, intended to raise about \$130 billion in new revenue over the next five years.

Besides the issue of capital gains taxes, Republicans want the package to include extension of a number of popular tax breaks scheduled to expire at the end of this year. While the tax breaks have support in both parties, the money they would cost the Treasury would have to be offset with deeper spending cuts or other tax increases.

Democrats, mindful that a cut in the capital gains tax rate enjoys strong support among some factions in their own party, have floated their proposal for a narrowly defined version of the cut aimed at promoting long-term investment in small, high-risk businesses. Officials familiar with the proposal say it would provide a capital gains tax break only for future investments, thus reducing the revenue loss to the Treasury.

Focus on Automatic Cuts

For lawmakers not directly involved in the negotiations, the threat of automatic spending cuts starting on Monday, initially totaling some \$85 billion, remained the primary focus of concern.

In the Senate, lawmakers voted to include their own salaries and those of top officials in the executive branch, including Vice President Dan Quayle, in the automatic cuts from which they would otherwise be exempt.

In the House, Representative Newt Gingrich of Georgia, the Republican whip, said he would introduce legislation giving the President authority to exempt essential services involving public health or safety from the automatic cuts.

Bush Orders Sale Of Stockpiled Oil

Modest-Size Release Aimed at Curbing Prices

By Dan Balz and Mark Potts
Washington Post Staff Writers

CHICAGO, Sept. 26—President Bush today ordered a modest release of oil from the Strategic Petroleum Reserve and said he was prepared to take additional steps to stop speculators "who might try to drive up the price of oil."

White House officials called the release of 5 million barrels a test of the 590 million-barrel reserve, in anticipation of larger releases if shortages develop later this year. But they said they expected it would help dampen "unwarranted speculation" in world oil markets, which yesterday sent the price of crude oil to \$38.67 a barrel on the New York Mercantile Exchange, more than double its \$16.47 price last July.

"At home and abroad, let me caution those who might take advantage of the current crisis in the Persian Gulf, those who might seek profit by subverting the sanctions or—here at home—those speculators who might try to drive up the price of oil," Bush said in a speech at a Republican fund-raiser here.

Bush said that although world oil markets are tight because of the cutoff of production from Iraq and Kuwait, "there is sufficient oil to meet current needs."

But world markets have failed to take into account additional oil production from other countries that help to offset the production lost from Iraq and Kuwait, he said. "There is no justification for the intensive and unwarranted speculation in oil futures," he said.

Bush said that while he had authorized the release of just 5 million barrels, "I'm prepared to take additional steps, if necessary, to ensure that America stays strong right here at home."

The move comes amid a rising chorus of calls from Congress, oil economists and others for the administration to use the reserve to dampen prices that have been boosted sharply in recent days by oil-market speculation about future shortages.

Although Bush said last week he would consider a reserve drawdown to dampen price speculation, he and Energy Secretary James D. Watkins have repeatedly resisted using the reserve as a price lever, promising to consult with allies through the International Energy Agency. The IEA has not called for a stock drawdown, and said earlier this week that none was warranted.

Critics of pressure to release oil

See OIL, A36, Col. 1

Baker Assails Iraqi Demand To Embassies

Death Threatened For Giving Refuge

By John M. Goshko
Washington Post Staff Writer

NEW YORK, Sept. 26—Secretary of State James A. Baker III today rejected as "repugnant" an Iraqi demand for a list of non-diplomats who have taken refuge in the U.S. Embassy in Baghdad that carried a warning that anyone hiding refugees could be executed.

Baker, here to attend the U.N. General Assembly, confirmed reports that Iraq had sent such a notice to the embassy. "We've received a note to that effect," Baker said. "It falls under the heading of the principle of the three R's, I think: We've read it, it's repugnant and we reject it."

When reporters asked if he meant the United States would refuse to give names, Baker replied: "That's absolutely right." He added:

"So, having rejected it, I think you would conclude that it doesn't affect the policy approach the United States is following nor does it affect, quite frankly, our view that all countries should observe the basic standards of international norms in dealing with diplomats."

Iraq's ambassador to Washington, Mohamed Mashat, was summoned to the State Department tonight on the matter, officials said. Earlier, Mashat denied that Iraq was "threatening anyone" by the demand.

Other U.S. officials, who asked not to be identified, said they could not predict with certainty the seriousness of the Iraqi threat. However, they added, the State Department tends to think that Iraqi President Saddam Hussein's government is unlikely to take

See GULF, A36, Col. 1

U.S. to Sell Oil From Its Reserve To Ease Prices

By MATTHEW L. WALD

President Bush, complaining that there is "no justification" for the recent run-up in oil prices, announced last night that the United States would sell five million barrels from its Strategic Petroleum Reserve, as a test.

The sale is a token amount in the oil market, and will have little impact on total supplies since the United States imports that much oil every 18 hours. But after weeks of speculation in the industry and among economists about whether the reserve would be used, industry experts said last night that the announcement would be, in effect, a warning that market participants who are tempted to pay high prices for oil could end up holding barrels that are soon worth less.

Hint of Further Sales

Indeed, President Bush hinted that if prices did not stabilize, he would consider larger sales from the reserve, presumably in a coordinated effort with America's industrial partners that also hold oil reserves.

"I'm prepared to take additional steps, if necessary, to insure that America stays strong here at home," President Bush said in a speech at a fund-raising dinner last night for an Illinois Senate candidate.

The Administration's decision to tap the oil reserve seems to have been motivated as much by politics as by economics. The sharp rise in oil prices during the late 1970's, political analysts

Continued on Page D16, Column 1

From President to Politician: Bush Attacks the Democrats

By MAUREEN DOWD
Special to The New York Times

10/30/90

OKLAHOMA CITY, Oct. 29 — It is not easy to run against the Government you are running. It is not easy to carve up Democrats as "big taxers" when you've been huddling with the Democrats in Washington to raise taxes.

It is not easy to say you need more Republicans in Congress to help push your agenda when the White House-approved budget deal was passed mostly with Democratic votes.

But, as George Bush knows, consistency is the hobgoblin of politics. With a bipartisan budget agreement finally in place, President Bush came to the National Cowboy Hall of Fame today and declared that it was High Noon for Democrats.

With a crack in his voice and the sort

backs on police officers and the American dream, to pushing through "pork barrel bonanzas" like a Lawrence Welk tourist attraction in North Dakota.

Some Bush advisers feared that it would smack of cynicism to take a bitter and brutal tone toward the Democrats as the spend-and-tax party so soon after working with them on a budget deal that included new taxes, and that the tactic would backfire.

Some also wondered if it was a dubious bit of imagery to begin his cross-country message that the Republicans are the party of the working class by starting the day with a \$25,000-per-couple fund-raising event for Senator Pete Wilson, the Republican candidate for governor of California, in San Francisco.

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Bush on Attack Against Democrats

Continued From Page A1

considered faint praise in Republican circles. "George Bush on his worst day is a whole lot better than Michael Dukakis on his best day," Mr. Price told the crowd at the cowboy museum, adding supportively to the man who was supposed to be giving him a boost, "Your friends in Oklahoma are standing by you through thick and thin."

The Insider Is Outside

Although the President's bipartisan budget deal-making has given him the image of the quintessential "inside-the-Beltway" President, Mr. Bush attempted to play the outsider. He invoked Harry S. Truman's name, complained about "inside-the-Beltway bickering" and commented at every chance: "God I'm glad to be out of Washington. I'm thrilled to be out of Washington."

In a desperate bid to give the wavering Republicans back their national voice, as he stumps around the country in the last eight days before mid-term elections, Mr. Bush lacerated liberals, who he said are "still peddling that tired old saw about Republicans and the rich."

"Well, you and I both know that that is hogwash, and we're not going to let them get away with that anymore," Mr. Bush said. "I'm taking this message all across the country: We are for the working people in this country."

Saying the various proposals to reduce the deficit were "the good, the bad and the ugly," Mr. Bush accused the Democrats of pushing him into tax increases — even though the President himself issued the first explicit statement conceding that he would have to break his "no new taxes" pledge.

"To get an agreement, we had to pay a ransom to get the \$350 billion in

For the next week or so, the budget truce is forgotten.

spending cuts," the President said. "And the American people have had to pay a price for divided government."

He tried to tar the Democrats, who believe they have regained their national voice as champions of the middle class and poor, as "big spenders" who tried to pack the budget agreement with pork.

"At the same time, this President and these Republican members were doing our level-best to curtail spending, Congress voted to spend a half a million dollars to create a Lawrence Welk tourist attraction," Mr. Bush said. "And we all like Lawrence Welk, 'dah-dee-dah,' you know how he is. But I cite this as a symptom of the problem." Mr. Bush was referring to Congress's approval last week of a \$500,000 grant for Strasburg, N.D., to build a German-Russian museum at the farm where the famous band leader was born.

By not turning in a budget in April, the President said, the Democratic-controlled Congress put the country "on the brink of an economic downturn."

'A House of Lords'

"The Democrats choked the throttle, pulled the throttle back of a slowing economy, while they hunted for every last morsel of partisan advantage," he said. "All in the name of politics and of higher taxes. And we're not going to let them get away with it."

He said that the Democrats in Congress had become "America's biggest

and most entrenched special interest."

"The Democratic Congress is a confusion of committees and turf-conscious chaos," he said. "The House intended to be closest to the people has become a House of Lords."

Speaking with reporters at the San Francisco airport this morning, Mr. Bush was asked why Americans should not feel betrayed that he had caved in on raising taxes.

"Because I think people know that this Congress is controlled by the taxers, by the liberal Democrats," he said. "And they also know that we needed to try to get something done, and they also know that a President is elected to compromise at times, only rarely. But he's also elected to govern. American people are fair. They know I'm against taxes."

Mr. Bush also defended his chief of staff, John H. Sununu, and budget chief, Richard G. Darman, against criticism that they have rent the party and isolated the President.

"They are strong, and they are able," Mr. Bush said. "And any time you've got to do some heavy lifting on behalf of the President, you're bound to get caught up in a little crossfire."

Budget Package Has Money For Independence Hall Roof

PHILADELPHIA, Oct. 29 (AP) — The budget package approved by Congress over the weekend includes \$654,000 to pay for a new roof on Independence Hall and for repairs on the sidewalks and benches on Independence Mall, Representative Thomas Foglietta announced today.

"Independence National Historical Park is the most famous historical site in this country," said Mr. Foglietta. Independence Hall attracted 1.4 million visitors last year.