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THE PRESIDENT'S STATE OF THE UNION ADDRESS

FACT SHEET

The President in his State of the Union Address spoke about America's unique place in the world and about his plans for restoring growth in America's economy. He challenged the Congress to pass his economic growth package by March 20.

Previously, the President had identified five tests for evaluating proposals for restoring economic growth:

- Does the proposal stimulate the investment necessary to create jobs?
- Does it bolster real estate values and increase home sales?
- Does it give Americans confidence they will be able to afford the cost of raising a family, including meeting their education and health care expenses?
- Does it increase America's capacity to compete in the global economy?
- Does it control wasteful government spending and work to reduce the Federal deficit?

The President's agenda meets these tests. In his State of the Union address, the President outlined three broad themes:

- Securing a New World Order;
- Getting the Economy Moving: The Short-Term Agenda; and
- Securing America's Future: The Longer-Term Agenda.

The following is a summary of the initiatives announced by the President.

I. SECURING A NEW WORLD ORDER

The President noted the historic American victory in the Cold War, and paid tribute to the "roll call of honor" -- the long list of servicemen and women who fought faithfully for freedom. He also acknowledged the role of the American taxpayer in bearing the brunt of the burden of providing resources to fight the Cold War. While threats still exist, the President observed that Operation Desert Storm demonstrated the good that can come from the "prudent use of power".

The President said that, with Communism gone, plans for cutting military spending can be accelerated. He announced that he has approved an additional \$50 billion in defense savings through fiscal year 1997.

The President has told President Yeltsin that the United States is prepared to respond in kind if Russia eliminates all land-based multiple warhead ballistic missiles and reduces its strategic nuclear forces. Specifically, the United States would eliminate all Peacekeeper missiles and reduce the number of warheads on Minuteman missiles to one. We would also reduce the number of warheads to be deployed on our Trident submarine force by about one-third and would convert a substantial portion of our strategic bombers primarily to conventional use.

The President also announced the following steps that the United States will take unilaterally:

A. Limiting Production of the B-2 Bomber.

After completing the 20 B-2 stealth bombers for which airframe procurement has begun, we will stop further production. There were 75 B-2 bombers in the previous plan. Because of the changes in the Soviet threat, America's strategic bomber force is less likely to face the sophisticated air defenses for which the B-2 was designed. Current bomber forces, including B-1B and B-52 aircraft, can be adapted to ensure adequate capabilities for strategic nuclear and conventional missions. Proposed savings are \$14.5 billion through 1997.

B. Cancelling the Small ICBM Program.

The small ICBM will be terminated. The guidance system for existing Minuteman III missiles will be improved and the service life of these missiles will be extended. Projected savings are \$1 billion through 1997.

C. Ceasing Production of New Warheads for Sea-Based Ballistic Missiles.

The Department of Energy will cease production of W-88 warheads for Trident missiles. This will be the first time since 1945 that the United States has no nuclear weapons in production.

D. Halting Purchases of Advanced Cruise Missiles.

Procurement will be terminated after 1992 at a total of 640 missiles, instead of the planned 1,000 missiles. This reflects reductions in the strategic target base and in the strategic threat. Projected savings are \$1.3 billion through 1997.

E. Stopping New Production of Peacekeeper Missiles.

For the second year in a row, the President will recommend no funds for the production of additional Peacekeeper missiles.

The President noted that he has consulted on these cuts with the Joint Chiefs of Staff and is acting on the recommendation of Secretary Chaney. He observed that, with the proposed cuts, by 1997 we will have reduced defense expenditures by thirty percent since he took office. The President underscored his resolve to resist further reductions as inconsistent with America's security interests and world leadership responsibilities. He declared that "as long as I am President we will continue to lead in support of freedom everywhere."

II. GETTING THE ECONOMY MOVING: THE SHORT-TERM AGENDA

The President declared that "we can bring the same courage and sense of common purpose to the economy that we brought to Desert Storm. And we can defeat hard times together." He identified a series of immediate actions necessary to get America back to work. He is taking several actions on his own authority. Other actions require the cooperation of Congress.

A. Actions the President Is Taking on His Own Authority.

The President has previously proposed several major growth-oriented legislative initiatives, such as his banking reform and energy bills, and he has urged the Congress to act on them. There is, however, much the Administration can and will do on its own to promote economic growth. For example, the Administration will continue to take steps to alleviate the