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MOSCOW FOR PS/SECRETARY OF STATE
IRAQ/KUWAIT: PRESIDENT'S ADDRESS TO CONGRESS
SUMMARY

1. A CONFIDENT AND DETERMINED ADDRESS WHICH MAKES CLEAR THE UNITED STATES' DETERMINATION TO DO WHATEVER MAY BE NECESSARY TO REVERSE IRAQ'S INVASION OF KUWAIT.

DETAIL

2. PRESIDENT BUSH ADDRESSED A JOINT SESSION OF CONGRESS THIS EVENING (11 SEPTEMBER) ON THE IRAQ/KUWAIT CRISIS (TEXT FAXED TO EMERGENCY UNIT, FCO).
3. HE REPEATED THE FOUR US OBJECTIVES - IRAQ'S COMPLETE, IMMEDIATE AND UNCONDITIONAL WITHDRAWAL FROM KUWAIT, RESTORATION OF KUWAIT'S LEGITIMATE GOVERNMENT, THE STABILITY OF THE GULF AND THE PROTECTION OF US CITIZENS ABROAD. HE SAID THAT THESE OBJECTIVES WERE ENDORSED BY THE UN AND SHARED BY MOST COUNTRIES. HE PRAISED THE PERFORMANCE OF THE UNITED NATIONS, SAYING THAT, BY IMPOSING MANDATORY SANCTIONS AND AUTHORISING THE USE OF ALL MEANS NECESSARY TO ENSURE COMPLIANCE, IT HAD BACKED UP WORDS WITH ACTION. HIS SUMMIT MEETING WITH PRESIDENT GORBACHEV HAD SHOWN THAT THE SOVIET UNION SHARED THE RESOLVE TO COUNTER IRAQ'S THREAT TO PEACE. HE ADDED A FIFTH (AND NEW) OBJECTIVE, THE CREATION OF A NEW WORLD ORDER IN THE POST COLD WAR ERA. HE SAID THAT THE GULF CRISIS OFFERED A RARE OPPORTUNITY TO MOVE TOWARDS AN HISTORIC PERIOD OF COOPERATION. QUOTE HOW WE MANAGE THIS CRISIS COULD SHAPE THE FUTURE FOR GENERATIONS TO COME UNQUOTE.
4. HE SAID THAT AMERICA AND THE WORLD MUST DEFEND COMMON VITAL INTERESTS, SUPPORT THE RULE OF LAW AND STAND UP TO AGGRESSION. QUOTE AND WE WILL UNQUOTE. IN PURSUIT OF THESE GOALS, AMERICA WOULD NOT BE INTIMIDATED. HE REFERRED ALSO TO ECONOMIC INTERESTS AT RISK, SAYING THAT THE US WOULD NOT PERMIT THE WORLD'S OIL RESERVES TO BE DOMINATED BY QUOTE ONE SO RUTHLESS UNQUOTE. HE SAID THAT NO-ONE SHOULD DOUBT US CREDIBILITY,

RELIABILITY OR STAYING POWER.

5. THE PRESIDENT REFERRED TO IRAQ'S DETENTION OF FOREIGN NATIONALS, SAYING THAT IT WAS A MOCKERY TO CALL THEM GUESTS: QUOTE THEY ARE HOSTAGES AND THE WHOLE WORLD KNOWS IT UNQUOTE. HE QUOTED THE PRIME MINISTER (WHOM HE REFERRED TO AS QUOTE OUR DEPENDABLE ALLY UNQUOTE - A PERSONAL ADDITION TO HIS WRITTEN TEXT) ON NOT BARGAINING OVER HOSTAGES. QUOTE OUR HEARTS GO OUT TO THE HOSTAGES AND TO THEIR FAMILIES. BUT OUR POLICY CANNOT CHANGE, AND IT WILL NOT CHANGE UNQUOTE.

6. THE PRESIDENT WENT ON TO RAISE THE BURDEN-SHARING. HE SAID THAT, WHILE THE US WAS PREPARED TO DO MORE THAN ITS SHARE, QUOTE WE INSIST THAT OTHERS DO THEIR SHARE AS WELL UNQUOTE. HE DESCRIBED THE RESPONSE OF MOST FRIENDS AND ALLIES AS GOOD. HE ALSO REFERRED TO THE HEARTENING RESPONSE TO THE REFUGEE PROBLEM. HE SAID THAT THERE WAS SUPERB COOPERATION FROM THE OIL-PRODUCING COUNTRIES IN MAKING UP LOST IRAQI AND KUWAITI SUPPLIES, BUT HE ALSO CALLED FOR ENERGY CONSERVATION AND DIVERSIFICATION. QUOTE OUR FAILURE TO DO THESE THINGS HAS MADE US MORE DEPENDANT ON FOREIGN OIL THAN EVER BEFORE.

7. THE PRESIDENT SAID HE COULD NOT PREDICT HOW LONG IT WOULD TAKE FOR IRAQ TO WITHDRAW FROM KUWAIT: SANCTIONS WOULD TAKE TIME. ALL OPTIONS WOULD BE KEPT UNDER REVIEW AND IRAQI AGGRESSION WOULD NOT BE ALLOWED TO STAND. THE PRESIDENT POINTED OUT THAT US INVOLVEMENT IN THE GULF PRE-DATED IRAQ'S INVASION AND WOULD SURVIVE IT. THERE WOULD BE A LASTING ROLE FOR THE US IN THE GULF - DETERRING AGGRESSION, ASSISTING FRIENDS IN SELF-DEFENCE, AND CURBING PROLIFERATION OF CHEMICAL BIOLOGICAL BALLISTIC MISSILE AND NUCLEAR TECHNOLOGIES. HE REPEATED THAT THE US HAD NO QUARREL WITH THE IRAQI PEOPLE - ONLY WITH ITS DICTATOR AND HIS AGGRESSION. QUOTE IRAQ WILL NOT BE PERMITTED TO ANNEX KUWAIT. AND THAT'S NOT A THREAT, ITS NOT A BOAST, THAT'S JUST THE WAY ITS GOING TO BE UNQUOTE.

8. THE PRESIDENT THEN WENT ON TO SAY THAT AMERICA'S ABILITY TO FUNCTION EFFECTIVELY AS A GREAT POWER ABROAD DEPENDED ULTIMATELY ON ITS DOMESTIC PERFORMANCE. HE SAID THAT THE GULF CRISIS HAD SHOWN THAT THE US WAS MORE ECONOMICALLY VULNERABLE THAN IT SHOULD EVER BE, AND CALLED FOR IMMEDIATE ACTION TO ADDRESS THE BUDGET DEFICIT. SPECIFICALLY, HE ASKED CONGRESS TO ENACT (A) GROWTH-ORIENTED TAX MEASURES (TO INCLUDE A CAPITAL GAINS TAX CUT), (B) A PRUDENT MULTI-YEAR DEFENCE PROGRAMME, (C) MEASURES TO INCREASE DOMESTIC ENERGY PRODUCTION AND CONSERVATION SO AS TO REDUCE DEPENDENCE ON FOREIGN OIL AND (D) A FIVE YEAR PROGRAMME TO REDUCE PROJECTED DEBTS AND DEFICITS BY US DOLLARS 500 BILLION NOT LATER THAN 28 SEPTEMBER. HE ADDED THAT, TO THE EXTENT THAT

DEFICIT REDUCTION REQUIRED NEW REVENUE MEASURES, THEY SHOULD NOT THREATEN ECONOMIC GROWTH OR LEAD TO QUOTE PUNISHING INCOME TAX RATES UNQUOTE.

9. IN HIS RESPONSE FOR THE DEMOCRATS, REPRESENTATIVE GEPHARDT BROADLY ENDORSED THE PRESIDENT'S PRESENTATION ON THE GULF CRISIS. QUOTE THE PRESIDENT HAS ASKED FOR OUR SUPPORT. HE HAS IT UNQUOTE. HE GAVE MORE EMPHASIS TO BURDEN-SHARING, SINGLING OUT JAPAN AND GERMANY AS POWERFUL AND PROSPEROUS ALLIES WHO SHOULD CONTRIBUTE TO DEFEND THEIR OWN VITAL INTERESTS IN THE GULF. IN COMMENTING ON THE BUDGET DEFICIT, HE SAID THAT WORKING FAMILIES SHOULD NOT HAVE TO SHOULDER THE BURDEN. HE ALSO CALLED FOR A DEFENCE POLICY WHICH WAS MORE RELEVANT AND RESPONSIVE. THE US MUST BE ABLE TO AFFORD WEAPONS SYSTEMS SUCH AS THOSE REQUIRED FOR DESERT SHIELD BUT DID NOT REQUIRE COSTLY SYSTEMS (STAR WARS, B-2 BOMBER, MX MISSILES) DESIGNED TO WIN THE COLD WAR.

COMMENT

10. THIS WAS AN IMPRESSIVE AND CONFIDENT PERFORMANCE BY THE PRESIDENT. HIS SPEECH BROKE LITTLE NEW GROUND (AN EXCEPTION WAS HIS HINTS ABOUT INITIATIVES ON ENERGY POLICY). BUT IT CAN HAVE LEFT IRAQ IN NO DOUBT ABOUT THE UNITED STATES' DETERMINATION NOT TO ALLOW THE ANNEXATION OF KUWAIT TO STAND. IF THERE WAS ANY COMFORT HERE FOR SADDAM HUSSEIN IT MAY HAVE BEEN IN THE EXTENT TO WHICH THE PRESIDENT HAD TO DWELL ON THE BUDGET PROBLEMS AND HIS ASSERTION THAT THE UNITED STATES' ABILITY TO FUNCTION AS A GREAT POWER ABROAD DEPENDED ON THE STATE OF ITS ECONOMY. BUT THIS WOULD BE TO CLUTCH AT STRAWS. THE PASSAGE ON THE BUDGET DID NOT DILUTE THE PRESIDENT'S CENTRAL MESSAGE.

11. THERE WAS NO THREATENING OR BLUSTER IN THE PRESIDENT'S APPROACH BUT A QUIET DETERMINATION TO DO WHATEVER MIGHT BE NECESSARY TO REVERSE IRAQ'S AGGRESSION. THE PLAIN LANGUAGE IN WHICH HE MADE CLEAR HIS REFUSAL TO BOW TO BLACKMAIL OVER THE HOSTAGES WAS CLEARLY HEARTFELT. THE UNAMBIGUOUS MESSAGE FROM CONGRESS - EVIDENT IN THE STANDING OVATION ACCORDED TO THE PRESIDENT ON HIS ARRIVAL AND DEPARTURE, AND IN THE WARM APPLAUSE WHICH FREQUENTLY PUNCTUATED HIS ADDRESS - WAS THAT CONGRESS AND, BY EXTENSION, THE AMERICAN PEOPLE FULLY SUPPORT THE PRESIDENT'S POLICIES.

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