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**Remarks Prior to Discussions With Foreign Minister Hans-Dietrich Genscher of Germany**

March 1, 1991

As I mentioned earlier to the first wave, we are very grateful to Germany for its support for the operations in recently concluded Desert Storm. We've got to work together now, and we will, to help enhance the peace. And so, I think we're all in a better position to do that. And I just want you to know, and please convey to Chancellor Kohl that we're—as I'm sure Jim has told you—determined to play our part in all of this. So, it's a big problem, but anyway, one we've got to tackle.

Thank you all. It's been a great pleasure.

*Note: The President spoke at 10:35 a.m. in the Oval Office at the White House. In his remarks, he referred to Chancellor Helmut Kohl of Germany and Secretary of State James A. Baker III.*

**Remarks at a Meeting of the American Legislative Exchange Council**

March 1, 1991

Thank you so much for that warm welcome and welcome back to the White House. I just had a chat with Ellen Sauerbrey outside; and delighted to see her and all of you; Sam Brunelli, the Executive Director. And, of course, I'm delighted to be side-by-side today, as I have been for the last couple of years and especially the last few months, with our very able Secretary of Defense.

I know Dick feels, as I do, that when you get a nice reception like that, people are really expressing their gratitude to the fighting men and women of the United States halfway around the world. What a job they've done, and nobody, no individual deserves more credit for all of that than the man sitting over here behind me, our able Secretary of Defense. I will always be indebted to him and so will our country.

I understand that you've heard from Mary McClure and Deb over here—Deb Anderson, and Richard Haass will be speak-

ing to you in a minute. He has had a key role—is a key member of our National Security Council—every step of the way in what's happened over in the Gulf. So, you're going to be hearing from one upon whom I have relied heavily, upon whom General Scowcroft relies heavily. So you'll get the facts from him, and I'm sandwiched in between these two experts. [Laughter] But when I mention Deb and Mary, of course, I'm talking about two of your own—two State legislators, and both proof, if ever there was, of Finley Dunne's rule "Every now and then an innocent person gets sent to the State legislature." [Laughter]

So, I hope that you found these visits with our other—Dick Thornburgh and I don't know whether John Sununu has been over yet or not. I guess he has. And Jack Kemp is coming on. So we want you to hear in detail about our program—our legislative program, as well as what's transpired in the Gulf.

Like so many other fine members of our team, most of those you'll hear from have something in common with each of the talented people out here in the audience. Most of them know what it meant when—Sam Rayburn put it this way when he said he knows what it is to run for sheriff. And one of his criticisms of a lot of people around Washington was that they never ran for sheriff. Well, you know what it's like, and I know what it's like. And so I hope that you recognize that we have able people who have been elected; many able who have not. But we put great emphasis on the elective political process.

The presence of the veterans that we have of State politics—veterans of State politics is important because they kind of remind us all the time of the philosophical underpinnings of our administration. And I want to just renew in a very few minutes here my own commitment not only to federalism but also to the principle that the States are what we call the laboratories of democracy—forging ahead at the cutting edge of the world's greatest experiment in freedom and diversity.

It is, of course, an ongoing experiment, a continuing experiment. From parental choice in child care and education to tenant ownership in housing, from enterprise

zones to create jobs to what we call these drug-free zones to take back the streets, state and local governments are finding the new approaches to solving these problems—and looking not just at America's problems but also at our possibilities.

Just a little over a month ago, I went up to the Congress and reported on the state of the Union. And I called it then a "defining hour" for our nation, and I spoke of the promise of a renewed America. And I issued a call not merely for new government initiatives but for new initiative in government. And as has been true throughout our history, the wellspring of these new initiatives is likely to be the 50 dynamic State laboratories that are represented by all of you here today.

I've often said that the State legislatures are some of our most practical and resourceful leaders. Close to America's roots, close to the people—I think that's what does it—close to the concerns of the communities.

And that's why in that State of the Union Address I included a bold new proposal to select at least \$15 billion in Federal programs and then turn them over to the states in one single consolidated grant, fully funded, for hands-on management by the States.

And I want to thank Ellen and Sam, who sent me a letter just 2 days later telling us of your strong endorsement, your enthusiastic support for this proposal. Over the past months, we've worked with you and with the Governors and others in State and local government to select the programs that go into this turnover. We are committed to funding these programs, Sam, funding them for the next 5 years. And we are committed to moving power and decision-making closer to the people. Because at the bottom line, our idea of federalism comes down to four simple words: more flexibility and fewer mandates.

I think John was to speak to you about this earlier, but I did want to come by and thank you for your support and for all you're doing to make this initiative a success. We're getting some flak from predictable places on it, but I think on balance it's been received very, very well. And I can guarantee you we're going to fight for it.

I want to conclude by thanking this group particularly, but so many people across this country for the tremendous support for our men and women serving overseas. And I want to particularly single out those that are actually serving in the Gulf or in support of Desert Storm, to click off just a few ALEC members like Louisiana's Hunt Downer—was on active duty, supposed to be here—right here—Hunt, glad to see you. We're delighted you're here. Nevada's Jim Gibbons; and Mike Coffman from Colorado; Connecticut's Chris Burnham, a Marine captain who took his third oath of office while stationed in Saudi Arabia.

So, we've got "citizen legislators" today doing double duty as "citizen soldiers." And ladies and gentlemen, these are America at its very, very best.

So, thank you. I know you share this wonderful feeling that I have of joy in my heart. But it is overwhelmed by the gratitude I feel—not just to the troops overseas but to those who have assisted the United States of America, like our Secretary of Defense, like our Chairman of our Joint Chiefs, and so many other unsung heroes who have made all this possible. It's a proud day for America. And, by God, we've kicked the Vietnam syndrome once and for all.

Thank you very, very much.

*Note: The President spoke at 11:08 a.m. in Room 450 at the Old Executive Office Building. In his remarks, he referred to Ellen Sauerbrey, national chairperson of the American Legislative Exchange Council; Secretary of Defense Dick Cheney; Mary A. McClure, Special Assistant to the President for Intergovernmental Affairs; Debra Anderson, Deputy Assistant to the President and Director of the Office of Intergovernmental Affairs; Richard N. Haass, Special Assistant to the President for National Security Affairs; Brent Scowcroft, Assistant to the President for National Security Affairs; Attorney General Dick Thornburgh; John H. Sununu, Chief of Staff to the President; Secretary of Housing and Urban Development Jack Kemp; and State legislators Hunt Downer, Jim Gibbons, Mike Coffman, and Chris Burnham.*

## Nomination of Warren J. Baker To Be a Member of the National Science Board

April 22, 1988

The President today announced his intention to nominate Warren J. Baker to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1994. This is a reappointment.

Since 1979 Mr. Baker has been president of California Polytechnic State University in San Luis Obispo, CA. Prior to this, he was a professor and vice president of academic affairs at the University of Detroit, 1976-

1979; assistant professor of civil engineering, 1966-1967; and associate professor, 1967.

Mr. Baker graduated from the University of Notre Dame (B.S., 1960; M.S., 1962) and the University of New Mexico (Ph.D., 1966). He was born September 5, 1938, in Fitchburg, MA. Mr. Baker is married, has four children, and currently resides in San Luis Obispo.

## Remarks at a White House Briefing for the American Legislative Exchange Council

April 22, 1988

*The President.* Thank you all very much, and a special thank you to your chairman, Senator Owen Johnson, to your executive director, Connie Heckman, and there happens to be a fellow, I think, down here that—a longtime old friend who founded this organization, Don Totten. And, well, welcome to the White House complex. The White House complex—they call it that because nothing in Washington is ever simple. *[Laughter]*

Now, I've been warned recently about starting so many of my talks with a joke or two—sort of along the lines of a story that Lincoln used to tell. It concerned two Quaker ladies who were discussing Lincoln and Jefferson Davis and the progress of the Civil War. And the first lady said, "I think Jefferson will succeed." And the second asked, "Why does thee think so?" She said, "Because," the first one, "Jefferson is a praying man." "And so is Abraham Lincoln a praying man," said the second lady. "Yes," replied the first lady, "but the Lord will think Abe is joking." *[Laughter]*

Well, I'm not joking when I say that every one of the eight times I've met with you these 8 years I've wished more like you were in our Congress. And yet I'm also glad you're where you are: leading our conserva-

tive revolution in the State legislatures of America. Yes, when we talk about federalism here in Washington, we're really talking about putting the States more and more in charge. And that means that if what we conservatives believe in, if the principles that we stand for, are to succeed and prevail, we will need more conservatives like you in our State legislatures.

Already you're leading not only the States but the Federal Government as well in an agenda of hope for the future. In areas like tort reform, drug legislation, AIDS testing and research, welfare reform, privatization, and education reform, you've been way out in front of the pack. In fact, when I look at all you've done—and in areas like welfare reform, for example—I can't help wondering about that old argument for federalism. It used to be said that if we gave the States more power they'd show that they had the maturity to handle as well as Congress handles its power. Talk about faint praise. *[Laughter]* Well, we'd be lucky if Congress had your maturity, your foresight, and your wisdom.

Nowhere is this more true than in spending. Most of you have to balance your budgets. It's a requirement of your State consti-

tutions. Everyone knows that's not the case here in Washington. It should be. But Congress usually won't act without a little friendly prodding, and you can do that. Thirty-two States have passed resolutions calling for a constitutional convention to draft a balanced budget amendment. As my good friend Ed Feulner, president of the Heritage Foundation, wrote recently about the prospects of making it 33, in Ed's words: "With 33 States on board, Congress would feel enormous pressure to take control of the situation, lest it be cut out of the process, as a convention would do." Now, I prefer Congress to deal with the issue directly. But if they don't, a good nudge in the right direction will get their attention.

Getting the Federal Government's fiscal house in order is part of the unfinished business of our revolution. And despite the odds, I'm convinced that, one way or another, it'll be done. You see, on this issue, as on so many others, we've changed the terms of national debate. Eight years ago, who would have thought that Democrats would run for President saying they were against deficits. They remind me of a story about Mae West, the movie star. She was on the set one day with another actress who was on edge because she thought Mae West was upstaging her. Finally, this other actress turned to the director and said West's timing was all wrong, and to West she said, "You forget I've been an actress for 40 years." West replied, "Don't worry, dear. I'll keep your secret." *[Laughter]*

But you'd never know it to hear those fellows on the other side who want to pick up the lease here when mine runs out, but we're in the longest peacetime expansion on record. Inflation is under control. A greater proportion of Americans are at work today than ever before in our history. After a falling roller coaster ride of almost a decade, real family income has risen strongly ever since our recovery began. Our expansion is creating hundreds of thousands of new jobs a month, and taken as a whole, these jobs pay better than the jobs already in the economy. Far from deindustrializing, as those other fellows say our nation is doing, many of our manufacturing industries are running near capacity. Far from losing out in world competition, which they

also claim is the case, we're exporting now more than ever before in our history.

But the danger in all the false doomsday talk about our national economy is that it will stampede us to do the wrong things, things that really make things bad. And that's the trouble with the trade bill now working its way toward my desk. I'd like to be able to sign trade legislation this year. I've worked in good faith with Congress to produce an acceptable bill. Such a bill would open markets and improve America's competitiveness. And while the legislation working through Congress does enhance our negotiating authority in the ongoing international trade talks and helps us protect intellectual property rights, both good measures, it contains provisions that are unacceptable.

Put simply, on key provisions in the trade bill, the Democratic leadership in Congress has caved in to pressure from organized labor. The plant-closing restriction in the bill would make American industry less competitive—not the way to go if you want to reverse the trade imbalance and save jobs. In fact, the restriction would cost jobs. One example of how—since our recovery began, most net new jobs in the United States have come from companies that were 5 years old or less, entrepreneurial companies, both very large and very small. Europe, on the other hand, has had little entrepreneurship and almost no new—net new jobs.

Recently one of our leading experts on job creation asked why. And he found some straightforward answers including, as he's written, that "regulations are so much more onerous in Europe than in the United States, eliminating much of the flexibility that is bread and meat for entrepreneurs." And what regulations hurt entrepreneurs and their job-creating powers most? In his words, "Europeans face a host of rules governing their right to close down facilities, fire workers, and relocate operations." So, this is how the supporters of the plant-closing restriction would help America's workers—by copying Europe in ways that have led to Europe actually losing jobs between 1980 and today, the same period in which we have created over 15 million new jobs.

One Washington lobbyist recently said of my veto threats: "I think he's crying wolf." Try me! [Laughter] If this bill is unloaded on my desk, I'll stamp it reject and ship it back to where it was made. By the way, that same lobbyist added that he was sure that, in his words, "the administration doesn't want to go into the next election without a trade bill." Well, if they want a trade bill, it's time they took out those provisions that have nothing to do with improving American trade.

I hope Congress will produce a good trade bill this year. Indeed, I want Congress to produce a good trade bill, and I'll work to secure it. But that depends on the leadership in both Houses. Are they willing to put national interest above special interest? If so, we can all join together to help keep America strong and growing.

Let me close by saying thank you for all you've done and all you will do, and with an appeal to each of you. This is my last meeting with you as President. You're not only today's leaders of our revolution in the States, you are the next generation on the Federal level. So, never forget how much we've done and how fast. Just a few years ago, most of us would have said that it would take decades to make as much progress as we've made in just 8 years. There's still much left to do. But if you persevere, it can be done. America is depending on you. The hopes of our young people are depending on you. And the cause of freedom is depending on you. In a way that few are ever privileged to know, the whole world is in your hands. So, again, I just want to say a heartfelt thank you to all of you, and God bless you.

*Senator Johnson.* Mr. President, we're very honored that you've met with us again as you have in the past. We're grateful for your longstanding support which you've rendered to ALEC. We'd like to take this opportunity today to present you with a token of our appreciation, and at this time I'd like to ask Don Totten to step forward—your old friend, and our first chairman. He was going to unveil that picture. He doesn't have to unveil it—[laughter]—but I'll go

through the motions as we rehearsed it.

*Mr. President,* for 8 years we've joined with you in striving for limited government, lower taxes, and more effective judicial and educational institutions. We're deeply appreciative of your achievements and your longstanding relationship with ALEC from your days as Governor of California to the present time. It's with great admiration and appreciation that we present you with this portrait, which you will receive for the Ronald Reagan Presidential Library, along with a set of 50 of the State flags in honor of your service to the country and your service to federalism. Thank you, and God bless you.

*Mr. Totten.* Mr. President, you've been an inspiration to us all, especially ALEC. We look forward to when you, constitutionally, can run again. [Laughter]

*The President.* I thought that picture looked like somebody familiar that I should know when I came in. [Laughter] Well, I thank you all very much, and thank you for that.

I have to say one more thing. When I used that figure 33 of States that would go for a constitutional convention, maybe I ought to tell you that 33 was my lucky number. [Laughter] It was my number on my jersey when I played football. I was the 33d Governor. And even when we were buying a ranch—and I was on pins and needles as to whether we were going to get it—and friends of ours down in Los Angeles kind of handling the thing called me up on the phone one day, and he said, "I just thought you would like to know that on today, the 3d of December, at 3:33 p.m. this afternoon, escrow closed. The ranch is yours." [Laughter] Tony Dorsett, the great star of the Dallas football team, somehow got wind of this and my feeling about it. So, I now have a Dallas football jersey with the number 33 on it—[laughter]—after they'd won the Super Bowl.

Okay, well, thank you all very much.

*Note: The President spoke at 12:13 p.m. in Room 450 of the Old Executive Office Building.*

## Appointment of Gloria Ann Duus as a Member of the National Advisory Council on Indian Education

April 22, 1988

The President today announced his intention to appoint Gloria Ann Duus to be a member of the National Advisory Council on Indian Education for a term expiring September 29, 1990. This is a reappointment.

Since 1986 Mrs. Duus has been owner and president of Ya'hteesh Development Services in Yahtahey, NM. Prior to this, she was the program director for the Office of Navajo Women, 1984-1986, and a staff as-

stant in the Office of the Chairman/Vice Chairman, 1983-1984. She served as the project director for the Navajo division of education, 1981-1982.

Mrs. Duus graduated from the University of Utah (B.S., 1974) and Northern Arizona University (M.S., 1982). She was born March 6, 1951, in Brigham City, UT. She is married, has three children, and resides in Yahtahey, NM.

## Nomination of Francis Anthony Keating II To Be an Associate Attorney General

April 22, 1988

The President today nominated Francis Anthony Keating II to be Associate Attorney General at the Department of Justice. He would succeed Stephen S. Trott.

Mr. Keating is currently serving as an Assistant Secretary of the Treasury (Enforcement), a position he has held since 1985. Prior to this Mr. Keating served as the United States Attorney for the Northern District of Oklahoma, 1981-1985. He was a member of the Oklahoma Senate, 1974-

1981, and he was elected a member of the Oklahoma House of Representatives in 1972. From 1971 to 1972, Mr. Keating was State prosecutor for Oklahoma. He also served as a Special Agent for the FBI, 1969-1971.

Mr. Keating graduated from Georgetown University (B.A., 1966) and the University of Oklahoma Law School (J.D., 1969). He was born in Tulsa, OK, is married, and has three children.

## Statement on Signing the Prescription Drug Marketing Act of 1987

April 22, 1988

I am today signing H.R. 1207, the "Prescription Drug Marketing Act of 1987," with mixed feelings.

On the one hand, I support the expressed goal of this legislation, which is to reduce potential public health risks that may result from the distribution of mislabeled, subpotent, counterfeit, or adulterated prescription drugs in the secondary source market, the so-called "diversion market." The inves-

tigations and prosecutions involving counterfeit and diverted drugs that have been conducted by the Department of Justice during the past few years have demonstrated that the principal factor facilitating the illegal activity that this bill is designed to combat is the almost total lack of traceability of drug products in the diversion market. This bill, to some extent, provides a response to this problem.

Minister Nakasone outlined his plan to take vigorous action to stimulate domestic growth in Japan. This action includes the step just taken by the Bank of Japan to begin operations to lower short-term interest rates. The Ministry of Finance supports this action. Other short and medium-term policy actions to stimulate growth will include: support for the governing Liberal Democratic Party's proposals for near-term enactment of a comprehensive economic package, including unprecedented front-loading of public works expenditures and fiscal stimulus measures amounting to more than 5 trillion yen; further measures to liberalize Japanese financial markets; and redoubled efforts to implement the recommendations for structural reform in the Maekawa Report.

The President and Prime Minister agreed that outstanding trade issues between the two countries need to be resolved expeditiously. In this connection, they referred to the specific discussion of trade policy matters in their respective departure statements.

The President and Prime Minister agreed that a further decline of the dollar could be counterproductive to their mutual efforts for stronger growth in their economies and for reduced imbalances. In that connection, they reaffirmed the commitment of their governments to continue to cooperate closely to foster stability of exchange rates.

*Note: The Group of Seven (G-7) were the seven countries that participated in the annual economic summit meetings.*

### Nomination of Michael A. McManus, Jr., To Be a Member of the Board of Directors of the Communications Satellite Corporation May 1, 1987

The President today announced his intention to nominate Michael A. McManus, Jr., to be a member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1990. This is a reappointment.

Mr. McManus is currently the vice president for strategic planning/consumer products, for Pfizer, Inc., in New York City. Previously he was the executive vice president

of the Revlon Group, 1985-1986. From 1982 to 1985, Mr. McManus served in the White House as an Assistant to the President.

Mr. McManus graduated from the University of Notre Dame (B.A., 1964) and Georgetown University (J.D., 1967). He served in the United States Army from 1968 to 1970. Mr. McManus was born May 11, 1943, in Boston, MA. He is married and resides in New York, NY.

### Nomination of Jerry Lee Calhoun To Be a Member of the Federal Labor Relations Authority, and Designation as Chairman May 1, 1987

The President today announced his intention to nominate Jerry Lee Calhoun to be a member of the Federal Labor Relations Authority for a term of 5 years expiring July 29, 1992. This is a reappointment. Upon confirmation, he will be designated Chair-

man.

Mr. Calhoun is currently the Chairman of the Federal Labor Relations Authority. He was Acting Assistant Secretary of Defense for Force Management and Personnel, August 1985-December 1985; Deputy As-

sistant Secretary, Civilian Personnel Policy and Requirements, 1981-1983; and manager of industrial-labor relations, the Boeing Commercial Airplane Co., 1978-1981.

Mr. Calhoun graduated from Seattle Uni-

versity (B.A., 1967) and the University of Washington (M.A., 1975). He was born September 9, 1943, in Ludlow, MS. Mr. Calhoun has two children and resides in Washington, DC.

### Nomination of Noreen C. Thomas To Be a Member of the National Advisory Council on Educational Research and Improvement May 1, 1987

The President today announced his intention to nominate Noreen C. Thomas to be a member of the National Advisory Council on Educational Research and Improvement for a term expiring September 30, 1988. She would succeed Wallie Cooper Simpson.

Since 1979 Mrs. Thomas has been a first and second grade teacher at the Evergreen Elementary School in Mountlake Terrace,

WA. Prior to this she was a teacher at the Cedar Way Elementary School and taught for a total of 29 years in the Edmonds School District.

Mrs. Thomas graduated from Washington State University (B.A., 1957). She was born August 13, 1935, in Port Angeles, WA. Mrs. Thomas is married, has one child, and resides in Edmonds, WA.

### Nomination of Joni Tada To Be a Member of the National Council on the Handicapped May 1, 1987

The President today announced his intention to nominate Joni Tada to be a member of the National Council on the Handicapped for a term expiring September 17, 1988. She would succeed Joseph Dusenbury.

Mrs. Tada founded the Christian Fund for

the Disabled in Agoura, CA. She has written two books and is known for her artwork, movies, books, radio programs, seminars, and public meetings.

Mrs. Tada was born October 15, 1949, in Baltimore, MD. She is married and resides in Woodland Hills, CA.

### Remarks at a White House Briefing for Members of the American Legislative Exchange Council May 1, 1987

Let me say a special thanks to your executive director, Connie Heckman, and to your chairman, Representative Roy Cagle. This is the seventh time that I've met with you since coming to Washington in 1981. It's always a pleasure meeting with ALEC members. ALEC members and I've been

soldiers fighting a common battle for—well, ever since my days as Governor of California.

I should confess one little secret of mine. Ever since coming to Washington, I've had mixed feelings about these annual ALEC get-togethers. Each year I look out at all of

you outstanding legislators, and I can't help thinking: Why can't the Congress look like this? [Laughter] But even so, you ALEC members have been allies these last 6 years. You helped us as we fought to bring down tax rates twice, to cut needless regulations, and to get control of government spending.

When others were saying that our tax cuts meant more inflation and less growth, you helped us counter with the truth: that the American people know better than the Federal Government how to spend their own money. When the big spenders were saying that government costs couldn't be controlled, all across the Nation, you showed that they could, by controlling State government costs. By your example and voice, you've helped change America's course and start the great American journey of hope, climbing once again up the mountains and to the stars.

Yet in the last 6 years, inflation and interest rates fell from record highs—interest to the lowest rate in a decade and inflation to the lowest in a quarter of a century. And in the past decade, America has created more jobs than Japan and Europe combined. The American spirit of enterprise has soared as new businesses have created new jobs by the millions. And most important of all, the American family has been taken off the endangered species list. [Laughter] We've reversed the decade-long falling roller coaster made of real family income. Since our recovery began, families have more each and every year, as have individuals. And as one authority on demographics has said, "What this means is that the middle class is strong and should remain healthy."

Of course, our critics won't hear any of this. They've talked about a declining middle class and about what they call reindustrialization—or deindustrialization. That means that American manufacturing is in decline, too. Well, our critics have spent 6 years getting things wrong. During our recovery, American manufacturing productivity has shot ahead at the fastest pace in 20 years and, overall, our manufacturing productivity is way above that of our next closest international competitor. Not only that, but in the last 4 years, American manufacturing output has soared almost 30 percent, and we've added more jobs in manufacturing

than either Europe or Japan.

Our critics have spent a lot of time trying to find a cloud to go with the silver lining. [Laughter] The silver lining has been one of the longest peacetime expansions in the past 40 years. But in the process, they've been getting things so mixed up that they remind me of that teacher who asked her students which is more important, the Sun or the Moon? And one little boy raised his hand and said, "The Moon, because the Sun's around during the day when you don't need it. [Laughter] And if it wasn't for the Moon, it'd be totally dark at night." [Laughter]

Well, I said that you've been an ally in all the battles of the last 6 years. But today, in area after area, you're more than an ally, you're a leader. Congress talks about international competitiveness. But when it comes to doing something about one of the biggest drags on our competitiveness, a tort system that's going up in flames, Congress has fiddled away. You're the ones who brought in the firetrucks. Just last year, at least 37 States enacted reforms in their liability laws. We can debate the details, but isn't it time for Congress to follow your lead and declare that lawyers should do as doctors swear to do in the Hippocratic Oath? They should "abstain from every voluntary act of mischief."

You've been in the lead in helping the poor as well. Enterprise zones are one example. Again, while Congress fiddled, you went to work. In the last 6 years, despite congressional inaction, 31 State legislatures passed enterprise zone programs into law. From New Jersey to California, 25 States have actually designated the zones. Today, in hundreds of communities, enterprise zones are bringing investment, hope, and jobs for the poor by the thousands.

Now, we've sent our welfare reform package up to the Hill. As with enterprise zones, our guiding principle is to lessen dependency and increase opportunity. And this time, from the very start, you're out in front. Knowing what you don't know is the beginning of wisdom. The Federal Government does not know how to get people off of welfare and into productive lives. We had a war on poverty—poverty won.

[Laughter] But when we went around the Nation looking, we found States and communities that do know how. So, we don't plan to serve up another program from Washington. We want to give States and communities the room to experiment, room to find out more about what works. Our welfare reform proposal asks a simple question: In looking for a solution to the poverty problem, isn't it time Washington got a dose of humility and turned to you for help?

You've been leading in education reform, as well. You've been ahead of the Federal Government in recognizing that the SAT scores didn't go down in the sixties and seventies because we failed to spend on education. Year after year, we spent more than ever before. Quality slipped because we got away from teaching mastery of the basics of reading, writing, and arithmetic. We got away from teaching the basics of our national heritage. And we got away from teaching simple standards of right and wrong. It's time to take standards seriously again. Young people expect adults to correct them and tell them what is right and what is wrong.

And there's one other area where it's time for Washington to follow your lead: getting control of government spending. You've made the hard decisions in the States. It's time to do the same thing here in Washington. The answer to the deficit isn't more taxes. Congress should cut the Federal budget and leave the family budget alone. Ever since the middle of the seventies, when Congress shoved the President out of the way and took over the budget process almost entirely, deficits have been soaring. In the last few weeks, we've seen how Congress works. They've begun to talk about abandoning Gramm-Rudman-Hollings deficit reduction targets and about raising taxes. And at the same time, they've passed two outrageous spending bills over my veto. One bill included funding for a mass transit project that, in the end, will cost \$6 a passenger-ride to build. It would be cheaper to put them all in taxicabs. [Laughter]

But that's not enough for Congress. There's a supplemental appropriation coming down the pike that has five more highway projects worse than those that

made me use my veto pen before. The others were only partially Federally-funded; these are entirely Federally-funded. Isn't it time to give the President what 43 Governors have: the power to cut wasteful projects item by item, a line-item veto?

And we also need a balanced budget amendment to the Constitution. Here again, you can be in the lead. Time and again, Congress has failed to pass a balanced budget amendment. When it comes to spending, three words they never want to hear are, "Just say no." [Laughter] Well, State legislatures have it in their power to make Congress say no to deficit spending. Thirty-two States of the 34 necessary have called for a constitutional convention to enact a balanced budget amendment. Doesn't it make sense for State legislatures to give Congress a clear choice: Pass a balanced budget amendment on their own or have a constitutional convention pass one for them? That would be among the most eloquent statements of the principle of federalism in the last 200 years, and it's about time.

The constitutional foundations for federalism have been seriously eroded in recent decades. The fault is on both sides of the Federal-State line. Time and again, the National Government has intruded into the domain of the States. Too many State leaders have traded sovereignty for a few pieces of Federal silver. Our welfare reform proposal is one of the practical steps that we're taking to restore that balance. I know you agree; there's no more important battle to finish than that of restoring government to the people. And that's what federalism is all about.

In the last 6 years, working together both here in Washington and in the State capitals, we conservatives have changed America's course. We've opened up doors of opportunity and hope for all the American people. We've restored America's strength. But the job isn't done—far from it. In the months ahead, we'll need your support on welfare reform, on restoring values to education, and on stopping legislation that would stop our expansion. I mean big spending and protectionist legislation. So, let's roll up our sleeves and get on with it.

And thank you all, and God bless you all.

Room 450 of the Old Executive Office Building.

Note: The President spoke at 1:17 p.m. in

### Proclamation 5645—Loyalty Day, 1987 May 1, 1987

By the President of the United States  
of America

#### A Proclamation

For nearly 30 years, Americans have celebrated May 1 as Loyalty Day. This is a day to reaffirm our loyalty to our land of liberty and to recall with pride and gratitude the generations of our countrymen who preserved our freedom by their loyalty to America.

Loyalty to our country means being faithful to our heritage of liberty and justice for all. During this Bicentennial year of the Constitution, let us make our observance of Loyalty Day one of reflection on all the profound good that our experiment in individual liberty and limited government has meant for the United States of America and for the hope of the world. Let us rekindle in every heart the unshakeable strength and purpose that was our forefathers'. Let us ask the Author of Liberty, as did they, to bless and protect the United States. In these ways we will, in loyalty, fulfill our sacred trust to "secure the Blessings of Liberty to

ourselves and our Posterity."

To foster loyalty and love of country, the Congress, by joint resolution approved July 18, 1958 (72 Stat. 369, 36 U.S.C. 162), has designated May 1 of each year as "Loyalty Day."

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim May 1, 1987, as Loyalty Day and call upon all Americans and patriotic, civic, fraternal, and educational organizations to observe that day with appropriate ceremonies. I also call upon all government officials to display the flag of the United States on all government buildings and grounds on that day.

In Witness Whereof, I have hereunto set my hand this first day of May, in the year of our Lord nineteen hundred and eighty-seven, and of the Independence of the United States of America the two hundred and eleventh.

RONALD REAGAN

[Filed with the Office of the Federal Register, 4:39 p.m., May 1, 1987]

### Message to the Congress Reporting on the National Emergency With Respect to Nicaragua May 1, 1987

To the Congress of the United States:

I hereby report to the Congress on developments since my last report of November 10, 1986, concerning the national emergency with respect to Nicaragua that was declared in Executive Order No. 12513 of May 1, 1985. In that Order, I prohibited: (1) all imports into the United States of goods and services of Nicaraguan origin; (2) all ex-

ports from the United States of goods to or destined for Nicaragua except those destined for the organized democratic resistance; (3) Nicaraguan air carriers from engaging in air transportation to or from points in the United States; and (4) vessels of Nicaraguan registry from entering United States ports.

1. The declaration of emergency was

made pursuant to the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act, 50 U.S.C. 1701 *et seq.*, and the National Emergencies Act, 50 U.S.C. 1601 *et seq.* This report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c).

2. The Office of Foreign Assets Control of the Department of the Treasury issued the Nicaraguan Trade Control Regulations implementing the prohibitions in Executive Order No. 12513 on May 8, 1985, 50 Fed. Reg. 19890 (May 10, 1985). There have been no changes in those regulations in the past 6 months.

3. Since my report of November 10, 1986, fewer than 30 applications for licenses have been received with respect to Nicaragua, and the majority of these applications have been granted. Of the licenses issued in this period, most either authorized exports for humanitarian purposes, covering medical supplies, food, and animal vaccines, or extended authorizations previously given to acquire intellectual property protection under Nicaraguan law.

4. The trade sanctions complement the diplomatic and other aspects of our policy toward Nicaragua. They exert additional pressure intended to induce the Sandinistas to undertake serious dialogue with representatives of all elements of the Nicaraguan democratic resistance and to respond favorably to the many opportunities available for achieving a negotiated settlement of the

conflict in Central America. The trade sanctions are part of a larger policy seeking a democratic outcome in Nicaragua by peaceful means.

5. The expenses incurred by the Federal Government in the period from November 1, 1986, through April 30, 1987, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Nicaraguan national emergency are estimated at \$187,007, all of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Customs Service, as well as in the Office of Foreign Assets Control, the Office of the Assistant Secretary for Enforcement, and the Office of the General Counsel), with expenses also incurred by the Department of State and the National Security Council.

6. The policies and actions of the Government of Nicaragua continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to apply economic sanctions against Nicaragua as long as these measures are appropriate and will continue to report periodically to the Congress on expenses and significant developments, pursuant to 50 U.S.C. 1641(c) and 1703(c).

RONALD REAGAN

The White House,  
May 1, 1987.

### Announcement of the Appointment of Max L. Friedersdorf as the United States Representative to the Conference on Disarmament May 1, 1987

The White House today announced the appointment of Max L. Friedersdorf by Secretary of State Shultz to be United States Representative to the Conference on Disarmament in Geneva. He will succeed Donald S. Lowitz.

Mr. Friedersdorf is currently serving as United States Consul General to Bermuda.

He previously served for 2 years as President Reagan's Assistant for Legislative Affairs and as legislative strategy coordinator and served in similar capacities for Presidents Nixon and Ford. Mr. Friedersdorf also worked as an administrative assistant for former Congressman Richard L. Roudebush (R-IN) for 10 years, was staff director of the

## Remarks on Lighting the National Christmas Tree December 11, 1986

Well, to all of you at the White House, to all those listening on the Ellipse, and to the millions more joining us this evening by way of radio and television: Good evening, and welcome to the lighting of the National Christmas Tree. A special word of greeting to some special people with me here at the White House, members of the Washington, DC, Big Brothers and Big Sisters programs. In these programs, grownups give of their time to youngsters, each adult getting together regularly with a boy or girl—a little brother or a sister—taking him or her to the park or zoo, or on a camping trip, or maybe just answering questions about life. My friends, I can't tell you how honored Nancy and I are to welcome you here this evening to this, the home that belongs to all Americans. For in this Christmas season, you remind us all of the greatest gift we can give to each other is the gift of ourselves.

Now, my friends, beyond the White House lawn—South Lawn, across the street on the Ellipse, in the darkness, there stands a tall shaggy shape—our National Christmas Tree. In a moment Byron Whyte will join Nancy and me in pressing the button, and that dark shape will come alive, blazing with color and light. But before we light the tree, let's just talk for a moment about why Christmas trees have become such an important part of the Christmas celebration.

For some Christmas just marks the birth of a great philosopher and prophet, a great and good man. To others, it marks something still more: the pinnacle of all history, the moment when the God of all creation—

in the words of the creed, God from God and light from light—humbled himself to become a baby crying in a manger. To everyone Christmas is a time of happiness and cheer, a time of peace and good will and glad tidings.

And this brings us to the custom of the Christmas tree. For the ancestors from whom we inherited this Christmas tree believed that the glad tidings of Christmas were of such power, of such beauty and life-giving force, that they affected not only the human heart but extended to all creation. And in decorating trees, Christmas trees, they expressed their belief that on one special day of the year nature itself seems to join the angel choirs and little children and all mankind in a great and solemn celebration. The song puts it so well: "O Christmas tree, O Christmas tree, your boughs can teach a lesson. That constant faith and hope sublime, lend strength and comfort through all time."

Well, I've spoken long enough for a wintry evening like this. It's time to push the button used by every President since Calvin Coolidge in lighting our National Christmas Tree. And Nancy and Byron, let's see if we can't turn this cold dark evening into one of light and warmth.

All right. Push the light.

*Note: The President spoke at 5:45 p.m. in the Diplomatic Reception Room at the White House during the annual Christmas Pageant of Peace. Eight-year-old Byron Whyte of Prince Georges County, MD, a participant in the Big Brothers program, helped light the tree.*

## Remarks at a White House Briefing for the American Legislative Exchange Council December 12, 1986

Thank you very much. [Applause] Please. Well, I can't—[laughter]—I can't top that. Thank you. Well, thank you all very much, and welcome to Washington. Roy, Connie, it's good to see you again and great to be meeting with ALEC's newly elected State legislators. All the more so because I started out in State government myself. In fact, on the way over here, I was thinking back to my first campaign in California. Jack Warner of Warner Brothers, where I had been under contract for a number of years, heard that I was running for Governor. I understood that he said: "No, no. Jimmy Stewart for Governor; Ronald Reagan for best friend!" [Laughter]

More than once during that campaign I was reminded of a remark, also, that was made by his older brother, Harry Warner—and that was back when talking pictures first started to come in, in the twenties. And Harry Warner said, "Who the heck wants to hear actors talk?" [Laughter] Actually, I don't think he said "heck," but Presidents aren't allowed the same license as studio executives. [Laughter]

Well, it really is great to have you here. Whenever I'm talking to ALEC, I feel like I'm among family and can let my hair down a little. Let me take a moment here to thank you, Roy, and all of you here at ALEC for the warm letter of support that you sent me. I can tell you truthfully, you really made my day. I can't possibly thank you enough for the support that you've given this administration or for the tremendous work you're doing in your home States. And I want to congratulate you on your outstanding program of drafting model legislation covering everything from tort reform to juvenile justice and to balanced budgets and to drugs.

On that last issue I just want to take a moment to tell you the profound effect that your efforts, and the efforts of many concerned citizens like you, are having. It wasn't so long ago, I remember that Nancy was speaking to a school class in Oakland,

California. And a student asked a question—little girl said, "What should we do when someone offers us drugs?" And Nancy answered, "Just say no." Well, during the campaign this fall, wherever we'd go, there'd be hundreds and hundreds of young people packing the rallies. And I would always take a moment at the beginning of my speech to tell them that I had a message from my roommate—[laughter]—and that she'd asked me to deliver it to them. And the message was: When it comes to drugs—for yourself, for your family, your community, and your country—just say no. Well, it was heartwarming, because those young people would come to their feet and say along with me a big loud "No," and then begin chanting: "Just say no! Just say no!" And I found out since Nancy spoke to that school class in Oakland more than 12,000 Just Say No clubs have sprung up in schools all across the country. Believe me, for those of us who had to think twice before even stepping onto a campus back in the sixties, well, we've come a long way, baby. [Laughter]

But another change that would have been inconceivable just 6 years ago, and almost impossible without the help of all of you in this room, is the revolutionary new tax reform that is the law of the land. America now has the most modern tax code in the industrialized world—one that is pro-growth, pro-opportunity, and profairness. And it's designed to keep America expanding and prospering through the end of the century. One of the most important aspects of tax reform, however, isn't economic, but it's psychological. It's the complete discrediting of high marginal rates, and a new consensus is formed that when it comes to taxes, flatter is better. Poor Karl Marx. [Laughter] You know, in the "Communist Manifesto" he called for a heavy, progressive or graduated income tax—and I'm quoting him—"in order to destroy a middle class." Well, I'm sorry to disappoint old Karl, but with the first phase of tax reform

less than a month away, the prognosis for the great American middle class couldn't be better.

When I signed the tax bill I pointed out that when our Founding Fathers designed this government, of and by and for the people, they never imagined the income tax as we've come to know it. As a matter of fact, back then, in 1913, when it was being debated right here in Washington, one Senator was literally laughed out of politics because in the debate he stood up and said that if they passed this thing that they were talking about, it was conceivable that someday the government could even be taking as much as 10 percent of what a citizen earned. [Laughter] And that sounded so ridiculous in those days that, as I say, he was just ridiculed out of office. Well, they understood that private property—those Founding Fathers of ours—is one of the most important of civil rights, the most fundamental protection of the individual and the family against the excessive and always growing demands of the state. They knew that without economic liberty, political freedom may be no more than a shadow. In the last 20 years we've witnessed an expansion and strengthening of many of our civil liberties, but our economic liberties have all too often been neglected and abused.

The tax cuts of 1981 and this year's tax reform are the first important steps back to economic liberty. But there is much more to be done. We shouldn't forget that deficit spending represents a form of indirect taxation, and all Americans pay for it with slower growth and often, higher future taxes. It's become clearer every year when budget time rolls around that the budget process in Washington is completely broken down. Well, it's time we fix it. And the solution is the line-item veto and the balanced budget amendment. And you don't balance a budget by laying heavier and heavier tax burdens on the American people; that doesn't balance the budget, it just sinks it. And there's only one way to balance the budget, and that's spending restraint. And just like with tax reform, you and the State legislatures are going to have to carry a lot of water on the balanced budget amendment. And this time you've

got an added advantage.

Most of you operate within the constraints of a balanced budget every day. You know how it works, and you've seen how effective it can be in checking the automatic impulse of many legislators to spend more and more of the taxpayers' hard-earned money. Increasingly, the real action in the country is going to be coming from the States. The Christian Science Monitor put it this way: "Decentralization of power could be one of the most long-lasting effects of the Reagan Presidency." I'd be very proud if that were so. And a recent statement by Governors Dick Thornburgh and John Sununu put it like this: "Washington has changed under the President, but an even bigger change is going on right now in the States, in the cities, in America's communities, and in America's neighborhoods."

Well, so it is that yet another fundamental, long-lasting, and dramatic change has taken place. Power has stopped flowing to Washington and begun to flow back where it belongs—to the States. This country is great, and our freedom is sure as long as we continue to have a federation of sovereign States. And to those who, over the last half century in Washington, have worked and worked trying to make the States administrative districts of the Federal Government—no way, that's no way to preserve what the Founding Fathers gave us. Well, if there is a revolution that is taking place here in Washington, it is that we have continued to try and limit the scope of the Federal Government. So, now it's time for resources, initiatives, and public initiative to shift back to the States still more definitely, still more dramatically; in other words, to alter the balance of power permanently in favor of levels of government that are closer to the people.

As you may know, the working group on the family recently reported to me. We're still studying the report, and we'll have much more to say about it later. But for the moment, I want to read you a passage from its opening section. It's some food for thought, so to speak. They say it's time to reaffirm some home truths that the commitment of love, loyalty, and hard work

that parents make to their children is the bedrock of our society. A profamily policy is one that would support those who make this commitment and not undermine and be hostile to them or send a message that we're neutral. Just common sense, I guess, much like tax reform or balanced budgets. But how far do we have to travel before our government policy really reflects this home truth?

And now finally, let me just add a few words about the controversy concerning Iran, or haven't you heard about it? [Laughter] As I said in my radio speech last Saturday, there's no doubt mistakes were made, and I'll not be satisfied until all the facts are before the American people. That's what we've pledged to do, and we can be proud that the constitutional process is working. But let me say this: We cannot and we will not let this stop us from getting on with the business of governing. [Applause] Thank you. And you're right; there's too much yet to do and too many items on the agenda are not completed. When it comes to com-

pleting our conservative revolution, I'll just quote an earlier American and say, "We have not yet begun to fight."

You might want to use this sometime. It's a story about Winston Churchill near the close of the Second World War. He was visited by a delegation from the Temperance League and chastised by one woman who said, "Mr. Prime Minister, I've heard that if all the whiskey you have drunk since the war began were poured into this room, it would come all the way up to your waist." Churchill looked dolefully at the floor, then at his waist, and then up to the ceiling. And he said: "Ah, yes, madam. So much accomplished and so much more left to do." [Laughter]

Well, thank you all again. God bless you all. Thank you.

*Note: The President spoke at 1:05 p.m. in Room 450 of the Old Executive Office Building. In his opening remarks, the President referred to Roy Cagle, national chairman of the council, and Connie Heckman, executive director.*

### Statement on the Political Situation in Poland December 12, 1986

Five years ago, on December 13, 1981, the people of Poland were subjected to martial law. Once again, as so often in their proud history, Polish patriots faced a cruel setback in their quest for human rights. That day will be remembered as a dark day in the heroic but tragic history of Poland. It is a day of painful memories for the families of Solidarity members who suffered much these past 5 years—many lost lives, were jailed, or had to live in hiding, separated from their wives, husbands, and children. My heartfelt thoughts remain with them. America will never be indifferent to the future of Poland. Special ties of kinship, worship, and love of liberty, and the contributions of Poles to American independence and progress, remind us forever that our peoples share a faith in freedom, spiritual

strength, and human dignity.

After the imposition of martial law in 1981, the United States sought ways to express our solidarity with the Polish people. We welcome the recent amnesty of most political prisoners. This important step, however, does not solve all problems facing Poland today. They can be overcome only with the participation and support of the Polish people. We hope, therefore, that the amnesty will be an important first step toward a meaningful dialog between the Polish people and their government. To encourage this process, we decided to enter into dialog with the Polish Government. We truly hope that future developments will allow improvement in the relationship between both governments. On this anniversary, we commemorate the sacrifices and