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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Backup Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13725
Folder ID Number: 13725-004

Folder Title:
Pennsylvania GOP Fundraiser 7/24/90 [OA 8314]

Stack:	Row:	Section:	Shelf:	Position:
G	26	20	6	6

(Lange/Cawley)
July 23, 1990
5:30 P.M.
[PHILAGOP.DOC]

PRESIDENTIAL REMARKS: PHILADELPHIA G.O.P.
FRANKLIN PLAZA HOTEL
TUESDAY, JULY 24, 1990
12:00 P.M.

Thank you. [Senators John Heinz and Arlen Specter]. Congressmen Curt Weldon and Larry Coughlin. Republican National Committeewoman and my close friend, Elsie Hillman. Herb Barness, your new Committeeman. Anne Anstine, State Chair. And Barbara Hafer, Pennsylvania's next Governor. //

You know, we live in a remarkable age.

Isn't it wonderful, how everywhere you look in the world, you see centralized bureaucracies crumbling -- the removal of discredited, monolithic leadership -- and the inevitable rejection of the stagnant, tired dogma of the past?

[[But I'm not here to talk about the Democrats. //]]

It's easy to understand why the Republican party held its very first national convention here in Philadelphia -- and why this was once the nation's capital. For three centuries now, Philadelphia has shown the world the true meaning and measure of freedom.

Here, William Penn founded a colony -- considered an unusual, even impossible experiment back then -- where people of diverse ethnic and religious backgrounds could live peacefully together, free to work and worship as they chose.

And here, just over a mile from where I stand, the Declaration of Independence and the American Constitution were

signed. Documents the free world has always revered -- that now inspire people newly-free, from Managua to Gdansk.

Those documents find meaning in the spirit of the people that sustain them. So the appointment of a Supreme Court Justice becomes one of the most serious responsibilities facing any President. The Supreme Court must be guided by independent minds. Its members are appointed for life, largely to keep them above the flames of political passion.

So in nominating Judge David Souter for Senate confirmation to fill the seat vacated by Justice William Brennan, I believe I'm recommending an individual with a strong, incisive, independent devotion to interpreting the Constitution. He will not legislate from the bench -- in fact I believe he reflects the same convictions held by one of the first Justices of the American Supreme Court -- a Philadelphian named James Wilson -- whose writings denied adventurous pronouncements on policy by the Court.

And while I've nominated someone who I believe embraces the basic values shared by all Americans, no single issue or position has distracted me from the great responsibility of appointing a Justice true to the life and spirit of the Constitution. In that light, let me mention the key role Attorney General Dick Thornburgh has played in the search. What an outstanding job he's doing for the people of Pennsylvania, and the nation. //

As you know, this city's status as a focal point of freedom -- a center of intellectual, economic, and humanitarian

CF 1/23 Documentary History of the Supreme Court of U.S.; v. I; pt. I, p. 44. ALSO: The Oliver Wendell Holmes Devise: History of the U.S. Supreme Court, 1101 I, p. 225

development -- has been secured by three centuries of revolutionary ideas.

Today, in this room, that spirit continues -- carried on by those who believe in limited government, and the accountability of leaders. You're showing the people of Pennsylvania that there is a Republican alternative. **A new American independence** -- from big government, from burgeoning bureaucracies, from the invasive experiments of the big spenders.

There is room in the Republican Party for differences on some issues -- but on principles, we stand united. Because there is work to be done. **And we Republicans know what works.**

We believe that power has only one purpose: to help people. We believe that America transcends adversity, and finds her greatest strength, in diversity. We are, as we have always been, a nation of quiet strength. Tolerance. Faith. And freedom.

So we seek this new American independence for the sake of limited government that spends within its means -- and a new agenda of unlimited empowerment for the individual.

Right now, the Congress and I are working hard to put America's fiscal house in order -- to **put the spending policies that brought us to this point behind us.**

Last January, I called for a Federal budget of just under **189 billion dollars.** Well, since then, Congress has appropriated over **202 billion dollars.** In fact, seven of the eight Democrat appropriations bills have already surpassed the budget authority we requested.

Nexis - Washington Post 6-13-90 p. A6

And while one of these bills was being reported out of committee, the members started humming "The Battle Hymn of the Republic" -- true story -- and then they broke into a verse of "Glory, Glory, Hallelujah" that dissolved into laughter.

Well, as long as spending runs out of control in Congress, the joke is on the American people. **There will be no glory until the Congress shows some guts -- and stops spending money it doesn't have.** //

There's nothing patriotic or compassionate about building ever-larger, ineffective, centralized bureaucracies -- and adding to the deficit to pay for them.

All of us -- on both sides of the aisle, in all branches and levels of government -- need to stop looking for new ways to spend the people's money, stop measuring success by dollars spent and bureaucracies built -- and start measuring our actions by how well they empower people. Stop asking, "Are we spending enough" -- and start asking, "Is it working."

And all of us, Republicans and Democrats, deserve and should demand real budget reform -- through enhanced recission, a line-item veto, and a balanced budget amendment. Last Tuesday, only seven votes stood between victory and defeat in the House for that balanced budget amendment. Well, **this budget charade, these fiscal follies, must end.** //

In the hope for a better future, let me tell you about the recent past. We believe that nothing is more precious than America's children. So we put together Child Care Legislation to

put choice in the hands of all families, whether low- or middle-income. We want to help families get the kind of child care they want -- whether at home, at a church or synagogue, or from a local child care provider.

Well, the Senate passed a more restrictive child care bill, that takes choice out of the hands of parents, piles more red tape on providers, and builds a bigger day-care bureaucracy -- at **double the cost of our bill -- from 9 billion to 18 billion dollars.**

And then the House, deciding spending equals compassion, **outdid the Senate by tripling our request, to 29 billion dollars.** There you have a classic budget-busting bidding war. Another 20 billion dollars added to the deficit -- more than 10 percent of the projected '91 budget deficit -- in just one bill.

If you remember, I said "kinder and gentler" -- not "blinder and costlier." // But that wild spending habit is hard to break:

Our Emergency Assistance to Panama and Nicaragua -- after three long months, our 800 million dollar package had **doubled** in cost -- not with emergency aid, but with over **one billion dollars** of new, unrequested, unrelated domestic spending.

Our Educational Excellence Act -- designed to advance educational reform, reward achievement, and encourage accountability and choice -- started at a cost of 400 million dollars, but **increased to 1.4 billion dollars**, as costly and unrelated changes were piled on -- **more than tripling our**

original request.

Well, it's time we left the tradition of runaway spending behind. In the budget negotiations now underway, I'm encouraged by the kind of cooperation we're seeing from both sides of the aisle. I'm hopeful we can break away from this spending spiral -- reach a **real** budget agreement -- and bring about meaningful reform.

But there are clear differences between the parties -- and when the voters understand those differences, **we win**.

Do the voters want a party that rewards excellence in education and empowers local schoolboards and parents -- or the Democrats who've empowered the Washington bureaucracy to limit parental control in the lives of their children? We say, The Republicans.

Do they want the empowerment of a million new private homeowners -- or the same old Democrat welfare handouts that stifle hope and devastate our cities? We say, The Republicans.

And do they want the empowerment of choice in child care -- in private centers, in churches, in consortiums, in homes? Or do they want government-designed day-care centers to warehouse kids, run out of Washington? The answer is clear: The Republicans.

You know, American working men and women, in an eight-hour workday, work nearly three hours just to pay their tax bill. Every day -- your first three hours goes to taxes. [[Thinking about that can literally ruin your whole morning...]]

Remember that little old lady who used to run around yelling, "Where's the Beef?" **Well, we need legislators willing to ask, "Where's the Pork!" // And the courage to "Just Say No." //**

Here in Pennsylvania, and across the country, we need Republican leadership that understands the value of limited government -- and the power of the people themselves.

You've already got two Republican U.S. Senators. Now, Pennsylvania needs a Republican Governor. For education reform -- for mass transit and better highways -- and for better government. Government that wouldn't take a 348 million dollar surplus inherited from Dick Thornburgh's administration -- and turn it into a projected one **billion** dollar deficit. **Pennsylvania needs Barbara Hafer. //**

We need to keep the State Senate in Republican hands, under the leadership of Bob Jubelier [Joo-bih-LEER]. We need State Senators like Joe Rocks here in Philly, and outstanding new Republican challengers here and across the state. // And this year, we have a chance to give Republican leadership <u>back</u> to the State House of Representatives -- and make Matt Ryan the next Speaker.//

You know, Matt and John Perzel have been all over the state, recruiting outstanding candidates. And the candidates for <u>both</u> Houses are letting Pennsylvania know that there <u>is</u> an alternative to the invasive, destructive tax-and-spend policies of the past.

Some may define empowerment as giving government more power to control the people. But we in the Party of Lincoln understand that empowerment means individual freedom -- and that government exists to serve.

Those who still struggle in this society want opportunity, not paternalism. A hand up, not a hand out. Not the servitude of welfare and public warehousing -- but jobs, private property, and prosperity. **Nobody wants to be dependent. They want a new declaration of independence.**

So keep fighting for it, here in Philadelphia. Keep reminding the people of Pennsylvania that we stand for good government. They deserve nothing less.

Thank you. And may God bless the great Commonwealth of Pennsylvania.

# # #

Copy to POTUS
1/23 8pm

(Lange/Cawley)
July 23, 1990
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[PHILAGOP.DOC]

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I've nominated David Souter because I believe his combination of education, experience, and sound judgment will serve the Court well. He will be a strong ally for America in the battle against crime and drugs. **He is a man of great judgment -- I believe he will be a great Justice.**

In that light, let me mention the key role Attorney General Dick Thornburgh has played in the search. What an outstanding job he's doing for the nation, and the people of Pennsylvania. //

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[Of the eight appropriations bills that have passed the House, our Federal budget called for just under **188 billion dollars**. Well, Congress has appropriated over **202 billion dollars**.] In fact, <u>seven</u> of the <u>eight</u> Democrat-controlled House appropriations bills have already surpassed the budget authority we requested.

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Thank you. And may God bless the great Commonwealth of Pennsylvania.

# # #

Legislative Affairs Comments

commitment to funding only programs that **work**.

But until that day comes, we must continue to work for real budget reform -- through enhanced recission, a line-item veto, and a balanced budget amendment. Last Tuesday only 7 votes stood between victory and defeat in the House for that balanced budget amendment. The American people deserve a government that spends within its means. **This budget charade, these fiscal follies, must end.** //

Let me give you an example. Back in February, I requested $800 million in dire emergency funds for immediate assistance to the new governments of Nicaragua and Panama. These fragile democracies needed American help after being bankrupted by totalitarian regimes.

Well, it took Congress nearly three months -- more than 100 days -- to act. When the bill finally came back, it had doubled in cost -- not with emergency aid, but with over **one billion dollars** of new, unrequested domestic spending. For three months, the hard-won, fragile freedom of the brave people of Nicaragua and Panama swayed in the balance while Congress calculated how long it could hold the bill hostage -- and how much pork it could load on.

If you remember, I said "kinder and gentler" -- not "blinder and costlier." But that wild spending habit seems to affect everything the Democrats do:

The House Democrats tripled the cost with unnecessary, unrelated and expensive additions.

Our Excellence in Education Act --

X Our Crime Bill -- made more costly, and less effective.

We support the Senate bill - House hasn't acted yet - this may be counter-productive. We recommend this entire bill reference be removed

(*) Senate bill OK

Pennsylvania GOP

Tom Druce (717) 234-4901
Exec Dir, State Committee

Joe Waldholtz (412) 471-8312
Elsie Hillman's office (RNC Committeewoman)

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2ND STORY of Level 1 printed in FULL format.

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July 13, 1990, Friday, Final Edition

SECTION: FIRST SECTION; PAGE A6

LENGTH: 619 words

HEADLINE: House Panel Busts Budget . . . but Patriotically

SERIES: Occasional

BYLINE: Dan Morgan, Washington Post Staff Writer

BODY:

Legislators had busted President Bush's 1991 budget before, but never on such a patriotic note as yesterday.

First humming, then singing the chorus from "The Battle Hymn of the Republic," members of the House Appropriations Committee passed a $ 170 billion education, labor, health and human services spending bill that exceeded the White House budget request by $ 4.2 billion and reserved another $ 8.9 billion to pay for other programs to be added.

The humming started when the committee's top Republican, Rep. Silvio O. Conte (Mass.), called the measure "America's bill." When Conte kept on about the needs of the poor and disadvantaged in this period of hot dogs and the Fourth of July, committee ranks broke into "Glory, Glory, Hallelujah."

The singing died out quickly amid laughter, but the moment epitomized this summer's budget quandary. As "summit" talks on the budget deficit drag on, a united front of Republicans and Democrats in Congress is well on its way to presenting the White House with a stack of appropriations bills that reflect Congress's spending priorities, not the president's.

Four of the seven appropriations bill reported out of the committee have substantially exceeded the White House budget. Yesterday the full House, by a vote of 385 to 31, passed a $ 30.9 billion transportation bill that topped the White House figure by $ 4.2 billion.

July 12 two weeks ago

To keep the overall budget figure in line with the White House request, these domestic spending bills assume a dividend from much deeper cuts in defense spending than Bush wants, and use half-year-old estimates of the 1991 budget deficit that do not take into account the higher interest rates and economic slowdown of recent months.

But among Democrats and Republicans in Congress, a bandwagon appears to be developing to vote money for projects, programs and home districts and worry about the funding problems later.

Speaking on the House floor yesterday in support of the transportation bill, Rep. Tom DeLay (R-Tex.) said, "I grow a little weary of calling our bill full of pork . . . . To call our transportation system pork barrel would be like calling our own blood vessels and aortas pork."

start shaking the bacon out of the

remember WHERE'S THE BEEF. ? — let's start asking ourselves, Where's the Pork?

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DeLay noted that he is "one of the most conservative members of the House."

The bill cleared by the Appropriations Committee yesterday clearly reflected the sentiment to beef up spending on health and education. It increases federal spending on education to a record $ 26 billion, $ 3 billion more than the current year. Within that, financial assistance to needy students rises by $ 692 million, and programs for disadvantaged and migrant school children is increased by $ 1 billion.

In other parts of the bill, spending for AIDS rises by $ 200 million to $ 1.7 billion, and the National Institutes of Health garners $ 1 billion more than this year. At the same time, the committee reserved $ 8.9 billion to cover appropriations later in the session for programs wanted by Congress and the president. These include an expanded but still unauthorized 1991 Head Start pre-school program, a new program of child care, assistance to communities impacted by the AIDS epidemic, school improvement and breast and cervical cancer screening.

Along with funding these social needs, spending bills moving through the House also contain money for projects that Bush and many lawmakers see as essential to maintain a U.S. advantage in scientific research. The labor, health and education bill allocates $ 66.1 million to the NIH gene mapping program -- $ 36.8 million less than the president wanted. And the transportation bill included $ 12 million to begin developing a magnetic levitation train to replace traditional wheel-on-rail trains.

TYPE:
NATIONAL NEWS

SUBJECT:
BUDGET; HOUSE OF REPRESENTATIVES; POLITICAL PARTIES; ACQUIRED IMMUNE DEFICIENCY SYNDROME

NAMED-PERSONS:
GEORGE BUSH; SILVIO O. CONTE; TOM DELAY

LEXIS® NEXIS® LEXIS® NEXIS®

* p.5 : nearly $350 surplus ($348)

(Lange/Cawley)
July 18, 1990
7:25 P.M.
[PHILAGOP.DOC]

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[[But I'm not here to talk about the Democrats. //]]

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Here, William Penn founded a colony -- considered an unusual, even impossible experiment back then -- where people of diverse ethnic and religious backgrounds could live peacefully together, free to work and worship as they chose.

Here, a little over a mile from where I stand, the Declaration of Independence and the American Constitution were signed. Documents the free world has always revered -- that now inspire

people newly-free, from Managua to Gdansk.

But over the years since those documents were signed, Philadelphia has continued to make history. For here it was that leaders committed to the abolition of slavery did their work. Immigrants of every description were encouraged to begin new lives. The first principles shaping a code of conduct for American companies in South Africa were drafted.

In fact, this city's status as a focal point of freedom -- a center of intellectual, economic, and humanitarian development -- has been secured by three centuries of revolutionary ideas.

Today, in this room, that spirit continues -- carried on by those who believe in limited government, and the accountability of leaders. You're showing the people of Pennsylvania that there is a Republican alternative. **A new American independence** -- from big government, from burgeoning bureaucracies, from the invasive experiments of the tax-and-spenders.

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So we seek this new American independence for the sake of limited government -- and unlimited empowerment.

The other party has taken too much for granted, for too

long. They seem to believe voters will have infinite patience for the failed, tax-and-spend policies of the past.

Down in Washington, in the "House the Democrats Built," four of the seven Democrat appropriations bills have already busted our budget. And while ~~a Democrat~~ one member was praising one of these deficit-builders, calling it "America's Bill," the members started humming "The Battle Hymn of the Republic" -- true story -- and then broke into a verse of "Glory, Glory, Hallelujah" that dissolved into laughter.

Lexis Wash Post 6-13-90 pA6

Well, as long as tax-and-spend Democrats control Congress, the joke is on the American people. **There will be no glory until the Congress shows some guts -- and stops spending money it doesn't have and didn't earn.** //

There's nothing patriotic or compassionate about building ever-larger, ineffective, centralized bureaucracies -- and adding to the deficit to pay for them.

Right now, we're trying to work out a budget agreement. I told the Congress, and the American people, that I was willing to put everything on the table to keep those budget talks going.

But Congress is still looking for new ways to spend the people's money -- and new ways to get more of it. Still measuring success by dollars spent and bureaucracies built. Still asking, "Is it enough?" instead of "Is it working?"

If we had a Congress as obsessed with reducing spending as it is with gaining revenues, we wouldn't be in this mess. If we had a Republican-controlled House and Senate, we'd have a

commitment to funding only programs that **work.**

But until that day comes, we must continue to work for real budget reform -- through enhanced recission, a line-item veto, and a balanced budget amendment. Last Tuesday only [7] votes stood between victory and defeat in the House for that balanced budget amendment. The American people deserve a government that spends within its means. **This budget charade, these fiscal follies, must end.** //

Let me give you an example. Back in February, I requested $800 million in dire emergency funds for immediate assistance to the new governments of Nicaragua and Panama. These fragile democracies needed American help after being bankrupted by totalitarian regimes.

Well, it took Congress three long months -- 108 days -- to act. When the bill finally came back, it had **doubled** in cost -- not with emergency aid, but with over **one billion dollars** of new, unrequested domestic spending. For three months, the hard-won, fragile freedom of the brave people of Nicaragua and Panama swayed in the balance while Congress calculated how long it could hold the bill hostage -- and how much pork it could load on.

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Our Crime Bill -- made more costly, and less effective.

THE WHITE HOUSE
WASHINGTON

Our Foster Care program -- less than 50 cents of every dollar spent actually maintains a child in foster care, in spite of our appeals to Congress for cost reform.

And our Child Care legislation -- **tripled** in cost, to take choice out of the hands of parents, pile more red tape on providers, and build larger, federally-controlled day-care centers to warehouse kids.

You know, the average American, in an eight-hour workday, works nearly three hours to pay their tax bill. Every day -- your first three hours goes to taxes. [[Thinking about that can literally ruin your whole morning...]] And with every tax increase since World War II, the Congress has spent $1.58 for each new dollar in revenue.

Remember that little old lady who used to run around yelling, "Where's the Beef?" Well, we need legislators willing to ask, "Where's the Pork!" // And the courage to "Just Say No." //

Here in Pennsylvania, and across the country, we need Republican leadership that understands the value of limited government -- and the power of the people themselves.

You've already got two Republican U.S. Senators. Now, Pennsylvania needs a Republican Governor. For education reform -- for mass transit and better highways -- and for better government. Government that wouldn't take a 350 million dollar surplus inherited from Dick Thornburgh's administration -- and turn it into a projected one **billion** dollar deficit.

Pennsylvania needs Barbara Hafer. //

We need to keep the State Senate in Republican hands, under the leadership of Bob Jubelier. We need State Senators like Joe Rocks here in Philly, and outstanding new Republican challengers here and across the state. // And this year, we have a chance to give Republican leadership back to the State House of Representatives -- and make Matty Ryan the next Speaker. //

You know, Matty and John Perzel have been all over the state, recruiting outstanding candidates. And the candidates for both Houses -- and all of you here today -- are letting Pennsylvania know that there is an alternative to the invasive, destructive tax-and-spend policies of the Democrats.

They define empowerment as giving government more power to control the people, and their lives. But we in the Party of Lincoln understand that empowerment means individual freedom -- and that government exists to serve.

Those who still struggle in this society want opportunity, not paternalism. A hand up, not a hand out. Not the servitude of welfare and public warehousing -- but jobs, private property, and prosperity. Nobody wants to be dependent. They want a new declaration of independence.

So keep fighting for a new American independence from the big spenders, here in Philadelphia. Keep reminding the people of Pennsylvania how we stand for good government. They deserve nothing less.

Thank you. And God bless the great state of Pennsylvania.

OFFICE OF
PRESIDENTIAL ADVANCE

COVER PAGE

TO: Carolyn

FROM: Dakie Harrison

TOTAL NUMBER OF PAGES: 3
(including cover page)

DATE: 7-23-90

TIME: _____

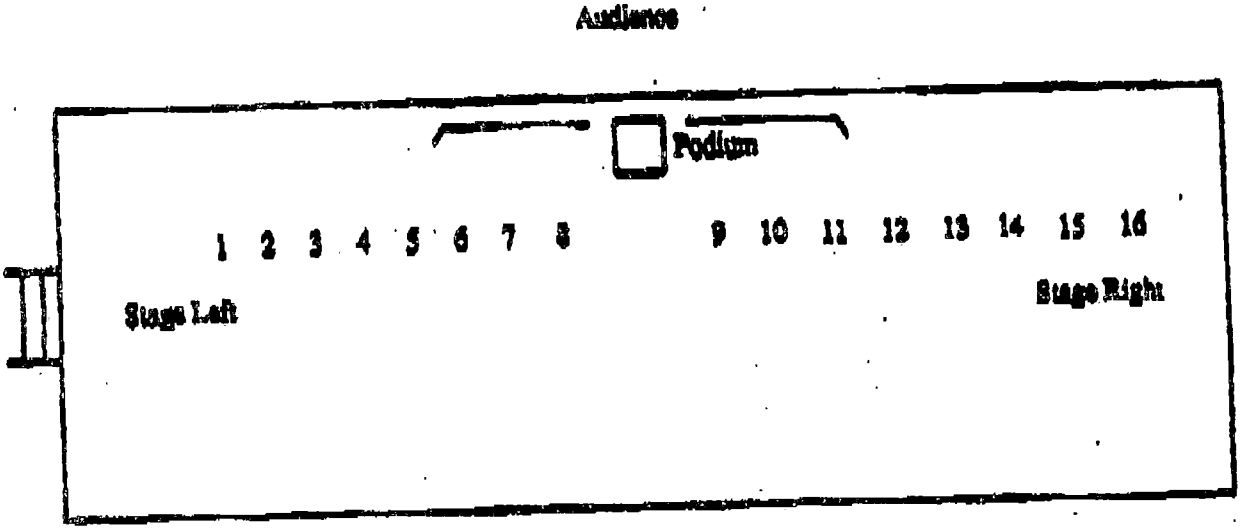
MESSAGE:

Headtable Diagram
for PA GOP Fundraising
Luncheon

IF YOU HAVE ANY QUESTIONS OR PROBLEMS WITH THE TRANSMISSION PLEASE CALL.

TELEPHONE NUMBER: _____

PHILADELPHIA, PENNSYLVANIA
Wyndham Franklin Plaza Hotel
Fundraising Luncheon for Pennsylvania GOP
Dais Diagram
Tuesday, July 24, 1990



1. Mario Mele
   State Finance Chairman
2. Invocation Speaker
3. Rep. Harold Mowery
   Candidate for Lt. Governor and State House Member
4. ~~Drew Lewis Jr.~~ Ernest Preate – State Attorney General
5. ~~Anne Anstine~~ — Drew Lewis
   ~~State Chairman~~
6. ~~Gen. Ernest Preate~~ — Anne Anstine, State Chairman
   ~~State Attorney General~~
7. Senator John Heinz
8. Herbert Barnes
   National Committeeman
9. Senator Robert Jubelirer
   President, Pro Tem of Senate
10. THE PRESIDENT
11. Barbara Hafer
    Gubernatorial Candidate and State Auditor General
12. Rep. Mathew Ryan
    Republican Leader of State House
13. Elise Hillman
    National Committeewoman
14. Senator Arlen Specter
15. Ron Castille
    District Attorney for Philadelphia
16. William Lamb
    Vice Chairman of State Party

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF ADMINISTRATION

Bob Holstee
(717) 783-3085

Att'y General Ernie Preate's office
Contact for info on Ernie

JULY 23, 1990

MEMORANDUM

TO: Langer

FROM: CC

RE: Dollar figures per POTUS comments — Philly GOP

I. CHILD CARE

-- The Administration proposed new child care legislation that would cost about $9B over 5 years.
-- The Senate-passed bill is roughly double this: $18.5 B;
The House-passed bill is almost triple: $29 B

-- Kolstad speech:

When we proposed new child care legislation, based on our belief that there is nothing more precious than America's children, we asked for $9 billion in funding, spread over 5 years. We proposed a bill that put choice in the hands of all families, whether low- or middle-income, by helping them get the kind of child care they wanted -- at home, at church, or from a local child care provider. The Senate passed a child-care bill at double the money -- $18 billion -- and the House outdid the Senate by tripling our request -- to $29 billion. In short, we started at $9 billion and the last word from Congress was $29 billion.

II. EDUCATION

-- Kolstad speech:

In April of 1989, our Administration sent to Congress the Educational Excellence Act. Our proposals would advance education reform, reward achievement, and encourage educational choice -- yet as the bill moved through the

Congress, some of its most sensible & cost effective programs were scrapped for tired, old & expensive Democratic substitutes. Almost one billion dollars worth of unnecessary, unrelated, and costly changes were heaped on top of our original $400 million bill -- totalling $1.4 billion, more than triple our orignal request.

III. WHOLE BUDGET

-- OMB is calling me back.

[Tom Bruce: X 3080]

2:00
Mon - 7/23

Mark:

① MATT RYAN (not Matty)

② ERNIE PREATE (Pree-ate)
Attorney General

Very active in war on drugs;

- wrote, sponsored & enacts 20+ newly reformed drug laws
- won big expansion in anti-drug programs
  - $90M in new money, including funds for "Operation Pearl" — where POTUS is going after lunch.
- has expanded municipal Task Force programs. The matches federal funds, then pays for the overtime work of local police officers serving on these Task Forces. & Very effective — lots o' arrests. Also — state takes responsibility for cops liability insurance; now, different counties & jurisdictions can share their manpower & have them insured. (Otherwise, ~~they~~ they're insured only on their own turf.)

Daniel Casse from ONDCP says Preate has never missed an opportunity to criticize the administration's drug program — and, in fact, did so on one occasion on the WH lawn.

SCULLY

FOREIGN POLICY

In February and March of 1990, the President requested $800 million in emergency assistance for the governments of Panama and Nicaragua. Congress did not complete action on the measure until May 24th. At a time when the economies of these nations were run into the ground and the treasuries bankrupted by the Sandinista and Noriega regimes, a delay in providng U. S. assistance added to the frustration of the new democratic governments in implementing economic recovery programs.

What did Congress do in the meantime? They added $.6 billion to the FY 1990 deficit by adding over $1.3 billion for unrequested domestic discretionary programs.

Were the additions dire emergencies? Let's look at a few examples:

Byrd? No	$185 million for an FBI building that is not expected to be built for five years.
Neal Smith	$6 million for a wildlife park in Iowa (a provision that was not in either the House- or Senate-passed bills and was snuck in, in conference).
Bumpers	Language requiring the expenditure of $2.3 million for a catfish farm in Stuttgart, Arkansas. No acres free
Inouye	$750,000 to buy a ferry vessel for American Samoa.
Bradley	$500,000 earmarked for a lead storage battery recycling project in New Jersey.
Traxler	$1.8 million for renovating a Great Lakes research vessel in Michigan (not in either the House- or Senate-passed bills).
Montgomery No	$371,000 earmarked for a research office in Starksville, Mississippi.

No Names

NOAA Ocean

In March of 1989, President Bush requested supplemental funds for such programs as Veterans' Medical Care. It took Congress three months to complete action on the "dire emergency" supplemental. Among the unrequested programs funded in the bill was $75 million for a telescope in West Virginia.

3120 Janet Hall

SCULLY

Foster Care Administrative Cost Reforms

In the FY 1987 and FY 1988 President's Budgets, the Administration proposed appropriations language to stem the skyrocketing costs of foster care administrative costs, pending later corrections to authorizing statute. Neither appropriation nor authorizing corrections were made by the Congress, and as a result foster care administrative costs continue out of hand. By FY 1991, administrative and training costs will represent over 50 percent of foster care expenditures. Less than 50 cents of every dollar spent on foster care will directly maintain a child in foster care. The Federal Government reimburses expenditure claims of the District of Columbia of $22,050 per child for administrative expenses, and $5,149 for maintenance payments — it costs over four times as much to administer the program as to maintain a child in foster care.

to bureaucrats

For FY 1991, the Administration has again proposed appropriations language to stem the hemorrhage pending authorization language corrections. Let us hope that the Congress finally addresses this crisis.

2,800 % cost growth since 1980.

NO ERISA

SULLY

"DIVERTING" TAXES TO FUND RAIL PENSIONS

1932 Roosevelt reform

The rail pension program administered by the Railroad Retirement Board, is the only private sector pension included in federal law and administered by a federal agency. When it was verging on bankruptcy in 1983, the rail pension was allowed to keep the federal income taxes applied to the previously tax-exempt private pension benefits. Recognizing the unprecedented nature of allowing federal taxes to subsidize a private sector pension, Congress "limited" the diversion to $877 million or 5 years - whichever came first. But then, Congress extended this subsidy in 1987 and again in 1989, claiming , in what is a classic example of "blue smoke and mirrors", that it doesn't cost the government to continue the subsidy because it's just a payment from one fund to another. Never mind that the taxpayer's money is being used in place of private sector pension contributions. Now the rail sector is again seeking Congressional extension of the tax diversion to the pension fund through October 1991.

Since 1983, the income tax subsidies diverted from the federal government to the Railroad Retirement Board have totaled $1.2 Billion, with the proposed extension for 1991 costing an additional $550 million.

— Pres. sent up reform to

(1) Private under ERISA like all other in losing, or

(2) Reduce federal pension.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
ROUTE SLIP

TO Tom Scully	Take necessary action	___
	Approval or signature	___
	Comment	___
	Prepare reply	___
	Discuss with me	___
	For your information	___
	See remarks below	___
FROM Larry Matlack	DATE July 10, 1990	

REMARKS

The President's FY 1990 budget and legislative program was very slim for the Labor Department. There were no major changes proposed in Building a Better America except for deleting the Reagan Administration's proposal to phase out TAA (if you can believe that). In addition, we were successful in beating back the egregious pension and unemployment compensation provisions proposed in reconciliation. Hence, we don't have a lot to offer.

Note that the item on EEOC cites three years of Congressional recalcitrance to make the numbers and effect larger than they would be if only the time on the Bush watch were cited.

The Davis-Bacon item is only recent. Last year the Administration was on record supporting a Stenholm proposal, but did not introduce its own bill. The Davis-Bacon reform bill for FY 1991 was transmitted in late April. Congress hardly has had time to act on it (except to re-introduce reforms of its own that would make the program worse than it is now.)

Scully

HEAL

Despite repeated attempts to reform or phase-out HHS ' default-plagued Health Education Assistance Loan Guarantee Programs (HEAL), the Congress has yet to take the suggested actions to reduce the government's future exposure to defaults arising from this ill-designed loan scheme.

HEAL -- A Cute Name Attached to a Dog of a Program

Since its inception in 1976 as a Federal loan guarantee program of last resort for health professions students, HEAL has insured over 100,000 loans, lending out over $1.8 billion. Structured as a Ponzi scheme, HEAL relies on default-insurance premiums from new loans to pay off defaults associated with old loans. This maintains the facade of a self-financing arrangement, which invites the Federal government to continue insuring loans. Defaults from each year's loans have been out-running premiums since early in the program's history; if HEAL were to continue, it would go bankrupt in FY92.

Attempts to Reduce Federal Liability Rebuffed

Many of the Reagan Administration's budget requests suggested methods for improving HEAL, including requiring risk-sharing by lending and educational institutions. The Congress repeatedly refused to take action to avoid the now-impending insolvency, which the Administration was forecasting even then. The FY91 President's Budget recommended that the Government's future liability from this fatally-flawed program be reduced through the initiation of an orderly phase-out of HEAL. To date, the Congress has not adopted the Administration's proposal.

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LAW

The Documentary History of the Supreme Court of the United States, 1789–1800

Volume One
Part 1
Appointments and Proceedings

With a Foreword by Warren E. Burger,
Chief Justice of the United States

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COLUMBIA UNIVERSITY PRESS
NEW YORK 1985

James Wilson: Appointment as Associate Justice in 1789

Born in 1742 and raised on a farm in the shire of Fife, Scotland, James Wilson nonetheless was well prepared for the intellectual challenges that lay ahead of him. Wilson, whose parents wanted him to become a minister, received instruction in Latin, Greek, mathematics, penmanship, and rhetoric at the local parish school. After graduating at the age of fourteen, he obtained a scholarship to attend the University of St. Andrews. At the university's College of Saint Salvator, he studied Latin, Greek, mathematics, logic, moral philosophy, ethics, and natural and political philosophy and probably became familiar with the literature of the Scottish and English enlightenment. After he finished four years of study at Saint Salvator's, Wilson, still determined to become a minister, enrolled in Saint Mary's College, the school of divinity at the University of St. Andrews.[1]

Wilson's university career ended abruptly, however, with the death of his father. As the oldest son among seven children, Wilson had to help support his family. He became a tutor and seems to have remained one until his brothers could take over some of the burden of providing for the family. Wilson moved to Edinburgh in the spring of 1765, where he began a course in bookkeeping and accounting. But it was not long before Wilson concluded that, for a person of his education and low social rank, greater opportunities existed in America. Friends and relatives of the Wilson family already had crossed the ocean, and Wilson planned to make his way to Pennsylvania, where some had settled, as soon as he could. In the fall of 1765, Wilson's ship arrived in New York, and soon thereafter he continued on to Philadelphia.[2]

Wilson received an appointment as tutor at the College of Philadelphia, but he apparently decided that the study of law would lead to greater advancement in Pennsylvania. With financial help from his cousin, Robert Annan, Wilson in 1766 began to read law in the office of John Dickinson.[3] Less than a year later, Wilson moved to Reading, seat of Berks County, and began to practice law there. In November, 1767, he expanded his practice by gaining admission to the bar of neighboring Lancaster County. Two years later, the Supreme Court of Pennsylvania admitted Wilson to its bar. Meanwhile his practice in Reading continued to grow, but Wilson thought that even better prospects existed at Carlisle, in Cumberland County, so he moved there in the fall of 1770. At Carlisle his law practice thrived, he bought a home, and on November 5, 1771, he married Rachel Bird, whom he had been courting for several years.[4]

Soon after his marriage, Wilson became immersed in patriot politics. His appointment in July, 1774, as head of the Carlisle committee of correspondence and election to the first provincial conference at Philadelphia launched his participation in the events leading up to the revolution. In 1774, Wilson revised and published a manuscript he had written in 1768, *Considerations on the Nature and Extent of the Legislative Authority of the British Parliament,* in which he concluded that in no instance did Parliament have



James Wilson by Jean Pierre Henri Elo
Courtesy National Museum of Ameri
chase.

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James Wilson by Jean Pierre Henri Elouis (1755-1840). Watercolor on ivory, ca. 1792. Courtesy National Museum of American Art, Smithsonian Institution, Museum Purchase.

legislative authority over the Colonies—a radical position even in 1774. Wilson's reputation grew, both in America and England, as a result of this publication. After the meeting of the provincial conference, Wilson returned to Carlisle, where he was chosen as a delegate to the next Pennsylvania provincial convention. Following the adjournment of this second meeting in January, 1775, he helped organize the Cumberland

militia. His efforts were rewarded by a commission as colonel of the Fourth Battalion of Cumberland County Associators. On May 6, 1775, Wilson was elected to the Second Continental Congress. There, on July 2, 1776, Wilson and two other Pennsylvania delegates—out of seven—cast their votes for independence.[5] Wilson's experience in the Continental Congress included service on a number of committees where he revealed his preference for a stronger national government. He favored cession of the states' western claims, the adoption of revenue and taxation powers for Congress, and the institution of a national appellate prize court.[6]

Wilson's service terminated in September, 1777, when the Pennsylvania Assembly did not reappoint him as a delegate. Wilson had bitterly opposed passage of the very democratic state constitution of 1776, and the new majority in the Assembly had not forgotten it. In February, 1777, the Assembly had removed Wilson from the congressional delegation but then could find no one to replace him, so Wilson had been reinstated. In September, however, Wilson's departure was final.[7]

In the summer of 1778, Wilson sold his property in Carlisle and moved to Philadelphia, where, he thought, his major interests would prosper. He threw himself into the practice of law, money-making schemes of various kinds, and politics. Wilson defended a number of tories accused of treason and developed a theory of what constituted treason in the eyes of the law and what proof was necessary to convict someone of that offense. His concept that two witnesses to the same overt act were required to prove guilt—a concept that eventually made its way into the American Constitution—provided greater safeguards to American citizens than Englishmen enjoyed. Wilson also represented many clients in admiralty cases; as a result, he became more and more convinced of the need for a federal court with power over the state courts. In 1780 Wilson, with Robert Morris and Thomas Willing, was instrumental in the creation of the Bank of Pennsylvania. Although the first Bank of Pennsylvania failed in September, 1781, Wilson and Morris already had begun efforts to organize a national bank. Their endeavors were successful, and the Bank of North America was chartered by the Confederation Congress in December, 1781. The state of Pennsylvania also granted the Bank a charter, but opposition to the national bank prompted the Pennsylvania Assembly to revoke the charter in 1785. When the Bank came under attack in 1785, the directors asked Wilson to defend the institution. He wrote *Considerations on the Power to Incorporate the Bank of North America,* in which he developed arguments in favor of the implied powers of the Confederation Congress to create a bank and the obligation of contracts. In 1787 Pennsylvania reinstituted the Bank's charter.

At the same time that Wilson was engaged in law practice and politics, he became more and more involved in land speculation and other business ventures. He soon owed a large amount of money to the Bank of North America, as well as to many individuals. While Wilson expected to make a profit from these activities, he also believed that he was working for his country's interest by promoting settlement schemes. In 1782, John Dickinson, the President of Pennsylvania's Supreme Executive Council, appointed Wilson to represent the state when the Confederation Congress considered conflicting claims between Pennsylvania and Connecticut over lands in the Wyoming Valley of Pennsylvania. The congressional commissioners supported Pennsylvania's claim.[8]

With a change in the political makeup of the Pennsylvania Assembly, Wilson was elected to the Confederation Congress in January, 1783. Although Wilson continued to be a delegate, with a few interruptions, until the Congress expired, he lost patience

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with its inept maneuverings and inability to take significant action to strengthen the bonds among the states. He paid close attention, however, to Congressional activity regarding western lands and looked out for his own interests as well as Pennsylvania's. During this period, Wilson could tend to the many nongovernmental activities that attracted him. He was president of the St. Andrews Society, a social and philanthropic organization composed of Scotsmen, from 1786 to 1796. He was an insatiable reader of political theory, history, and philosophy, and Philadelphia society soon recognized his preeminence in these fields. In 1786 the American Philosophical Society, the most prestigious learned society of the day, elected Wilson a member.[9]

In light of Wilson's political activities and learned reputation, it is not surprising that the Pennsylvania legislature chose him as a delegate to the federal convention in 1787. By this time Wilson's views on government had become clearly defined in his own mind. He advocated a strong national government, democratically elected by the people of the United States. In the convention he supported popular election of both branches of the legislature, as well as the executive. He openly opposed property qualifications for voting and restrictions on the admission of new states to the union. For the purposes of the new union, Wilson believed that the national government should be supreme, that the states should be virtually nonexistent. During his service in the Continental Congress and the Confederation Congress, Wilson had become acutely aware of the need for a national judiciary. In the constitutional convention, he not only favored a supreme court with judges appointed by the president but also moved the adoption of a measure giving Congress the power to establish inferior federal courts. Wilson also was a staunch supporter of judicial review. As a member of the Committee of Detail, he helped prepare a draft of the Constitution.[10]

Although the federal convention did not adopt all of Wilson's views, he was tireless in his efforts to obtain ratification of the Constitution. Elected a delegate to the Pennsylvania ratifying convention, he became the major spokesman for adoption. As the federalist delegates formed a solid majority, the result was not greatly in doubt. On December 12, 1787, the Pennsylvania Convention ratified the Constitution, 46 to 23.[11]

To cap his governmental activities during these years, Wilson fought for approval of a new constitution for the state of Pennsylvania. Modeled on the Constitution of the United States and written principally by Wilson, the new constitution represented the conservative reaction to the very democratic Pennsylvania constitution of 1776. Wilson's opposition to the 1776 document had earned him many enemies. His espousal of many democratic principles of government, both in the federal Constitution and in the new Pennsylvania state constitution, did little to change his image as an exponent of the conservative interests in Pennsylvania.[12]

As the new national government was being formed, Wilson made known his aspirations to be chief justice of the Supreme Court.[13] His disappointment on being nominated an associate justice can only be surmised. Nonetheless, he threw himself into the work of the Court and its concomitant circuit riding with characteristic industry.

Although attending the circuit courts was a time consuming duty, Wilson found time to engage in other activities. In the winter of 1790, the College of Philadelphia appointed him its first professor of law. The lectures, delivered that winter and the winter following, treated many significant issues in political philosophy and jurisprudence, and Wilson expected that they would establish him as America's foremost legal mind. But the lectures were not even published in his lifetime. Wilson entertained even greater expectations when he requested President Washington and the Pennsylvania legislature

to commission him to produce a full digest of the laws of the United States and of Pennsylvania. The Pennsylvania legislature accepted his offer and Wilson began the digest, but never finished it. Wilson even found time to marry again, six years after the death of his wife Rachel. In the spring of 1793, he met and courted Hannah Gray who was less than twenty years old. On September 19, they were married, and she accompanied him on the remainder of the eastern circuit.[14]

As the years passed, however, Wilson began to spend more and more time trying to keep his financial empire afloat. He missed various sessions of the circuit court when he felt compelled to return to Philadelphia to look after his economic interests. Misgivings about Wilson's financial dealings surely must have influenced Washington's appointment of a chief justice when a vacancy occurred in 1795 and then again in 1796, for he passed over Wilson each time. Disappointment and constant worrying about how to pay his debts took a severe toll on Wilson's health, and he was less and less able to fulfill his judicial duties.[15] To escape his creditors, in the spring of 1797, Wilson left Philadelphia, hid in Bethlehem for a short time, continued on to Burlington, New Jersey, and there was arrested and jailed. Wilson managed to satisfy the judgment against him and immediately fled south. But disaster awaited him in North Carolina, too. Pierce Butler[16] had initiated legal proceedings against Wilson, who owed him $197,000, and Wilson was again put in jail.

Wilson's son, Bird, succeeded in arranging his release, but conditions hardly improved for Wilson. For the remainder of the spring and summer of 1798, Wilson, too weak and lethargic to act, lived in a hot, depressing room at the Horniblow Tavern, with only his wife for a companion. Insulated from criticism and talk of impeachment, Wilson spoke of extricating himself from his troubles, but nothing could be done. In July Wilson contracted malaria, and, in August, he had a stroke. Barely recognizable as the man whose intellectual achievements had contributed so much to the future of his country, broken in mind and body, Wilson died on August 21, 1798.[17]

1. Charles Page Smith, *James Wilson: Founding Father, 1742-1798* (Chapel Hill: University of North Carolina Press, 1956), pp. 3-16.

2. Ibid., pp. 17-21.

3. Ibid., pp. 21-24. John Dickinson (1732-1808) had been tutored privately before studying law with John Moland, a leading member of Philadelphia's bar. He later studied law in the Middle Temple, before returning to Philadelphia in 1757 to practice. *DAB.*

4. Smith, *James Wilson,* pp. 29-42. By the time of Rachel (Bird) Wilson's death in 1786, she had borne six children. Ibid., p. 212.

5. Ibid., pp. 51-61; *DAB.*

6. Smith, *James Wilson,* pp. 98-99; Bourguignon, *First Federal Court,* p. 93; *DAB.*

7. *DAB.*

8. Smith, *James Wilson,* pp. 116-28, 140-77.

9. Ibid., pp. 187-214.

10. Ibid., pp. 225, 251. Robert G. McCloskey, "James Wilson," in *The Justices of the United States Supreme Court 1789-1969: Their Lives and Major Opinions,* ed. Leon Friedman and Fred L. Israel, 4 vols. (New York: R. R. Bowker, 1969), 1:87-89; *DAB.*

11. McCloskey, "James Wilson," pp. 89-90; *ROC,* 2:22; *DAB.*

12. Smith, *James Wilson,* pp. 297-304; *DAB.*

13. See "Commentaries," James Wilson to George Washington, April 21, 1789.

14. *DAB;* Smith, *James Wilson,* pp. 308-14, 342-67. In 1802, following the death of James Wilson, Hannah (Gray) Wilson married Dr. Thomas Bartlett. She died in London, England, on March 14, 1808. Marcus D. Raymond, *Gray Genealogy,* (Tarrytown, New York: 1887), p. 192; American Antiquarian Society, "Index of Deaths in *Massachusetts Centinel* and *Columbian Centinel,* 1784-1840," typescript, 12 vols. (Worcester, Mass., 1952).

15. McCloskey, "James Wilson," pp. 94-95; Smith, *James Wilson,* pp. 354, 361, 372-83.

16. Smith, *James Wilson,* pp. 383-85. Pierc
DAB.

17. Smith, *James Wilson,*, pp. 386-88; *DA*
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Nomination by George W
September 24, 1789

[*For nomination of James Wilson,*
dated September 24, 1789, and pu

Nomination Received by S
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Confirmation by Senate —
September 26, 1789

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Notification to President
September 26, 1789

[*George Washington received a co*
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Washington Papers, DLC).]

STATE

To stay experimentation in things social and economic is a grave responsibility. Denial of the right to experiment may be fraught with serious consequences to the Nation. It is one of the happy incidents of the federal system that a single courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country. This Court has the power to prevent an experiment. We may strike down the statute which embodies it on the ground that, in our opinion, the measure is arbitrary, capricious or unreasonable. We have power to do this, because the due process clause has been held by the Court applicable to matters of substantive law as well as to matters of procedure. But in the exercise of this high power, we must be ever on our guard, lest we erect our prejudices into legal principles. If we would guide by the light of reason, we must let our minds be bold.

—BRANDEIS, Louis D., in *New York State Ice Co.* v. *Liebmann,* 285 U.S. 262, 311 (1932).

* * *

Man, fearfully and wonderfully made, is the workmanship of his all perfect creator: A state, useful and valuable as the contrivance is, is the inferior contrivance of man; and from his native dignity derives all its acquired importance. When I speak of a state as an inferior contrivance, I mean that it is a contrivance inferior only to that, which is divine: Of all human contrivances, it is certainly most transcendantly excellent. It is concerning this contrivance that Cicero says so sublimely, "Nothing, which is exhibited upon our globe, is more acceptable to that divinity, which governs the whole universe, than those communities and assemblages of men, which, lawfully associated, are denominated states."

Let a state be considered as subordinate to the people: But let everything else be subordinate to the state.

—WILSON, James, in *Chisholm* v. *Georgia,* 2 U.S. (2 Dall.) 419, 455 (1793).

* * *

By a state I mean, a complete body of free persons united together for their common benefit, to enjoy peaceably what is their own, and to do justice to others. It is an artificial person. It has its affairs and its interests: It has its rules. It has its rights: And it has its obligations.

—WILSON, James, in *Chisholm* v. *Georgia,* 2 U.S. (2 Dall.) 419, 455 (1793).

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THE

Oliver Wendell Holmes

DEVISE

HISTORY OF THE SUPREME COURT OF THE UNITED STATES

VOLUME I

from existing moorings, a federal union implied a compact by sovereign entities. In the nature of things, the contractants alone were competent to participate in the direction and exercise of powers yielded to the central organization. The direct operation of the latter upon individuals was inadmissible. No less admissible would be immediate representation of the people at large in the machinery of government, and so a responsibility of government to them. The intermediacy of the states was essential. The most extreme position in opposition was that already taken by Hamilton. A federal government he conceived to mean an association of independent communities into one: "two sovereignties cannot coexist within the same limits."[126]

In spite of their infatuation with historical example, the ardent nationalists were disinclined to face up to the fact that a long history supported the pretensions of the states to the lofty estate claimed by them. By way of special traverse, Wilson offered a reading of the Declaration of Independence to render irrelevant events antecedent to it. The Declaration, he claimed, had been an assertion of the political independence of the colonies as united and not of the colonies severally.[127] The answer to this was that upon separation from Britain the states had preferred establishing themselves as thirteen separate sovereignties instead of incorporating into one. The federal power had been formed for defense—against foreign nations and to protect the small states from the larger.[128] It was in the circumstances of confederation and the provision made to preserve the equality and independency of the states that the measure of their capacities and relations *inter se* were to be found. Inevitably, resort was had to the contract theory of government, then as much a matter of general conviction as was the "maxim" of the separation of powers. The application of this theory by the small states was countered by a variety of subtleties on the manifold types of contracts and the differences between them.

These forays into the realm of jurisprudence are interesting chiefly for what they reveal of opinion respecting the Articles and their political intent. They did not reach the true source of anxiety—that the plan voted in Committee would put the small states at the mercy of the large; that the very identity of the states would be snuffed out if they lost their role as intermediaries between the individual and the general government. There were dire predictions of failure if the Convention did not, as Ellsworth put it, "engraft" a general government on that of the individual states.[129]

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[126] *Ibid.*, 287 (Madison), and at 294 (Yates), 301 (King).

[127] *Ibid.*, 324 (Madison); Hamilton agreed.

[128] *Ibid.*, 340–41 (Madison), speech of Luther Martin.

[129] *Ibid.*, 407 (Madison).

But the motion before the house, whatever political-philosophical implications it bore for Madison and for other delegates, raised questions of a more practical nature. Would the hardly won struggles to establish and maintain the independency and integrity of the bench be imperilled? Was it compatible with these deep-seated traditions that a judge have anything to do with a statute except it be *sub judice*? Could a judge be party to the aborting of an enactment, or was he confined to what the lawbooks said he could do with a statute, or, as had been conceded generally in Convention, could he strike it down for repugnance to the Constitution?

The arguments of expediency in favor of Wilson's motion derived strength from the fact that at this time the judges were fettered in their handling of legislation by the canons of statutory construction inherited from England.[161] Under these rules, interpretation was less an art than an exercise in logic or grammar. If there had ever been much room for a court to indulge its own ideas of policy, it had shrunk to mere closet size once the hegemony of Parliament was settled. This was not without its effects in America, where legislatures were pretending to the same prerogative enjoyed by their prototype.

It is against this background of existing precedent concerning what judges could do with statutes that Wilson's comments must be viewed. Whether or not he expected that the exigent rules about statutory construction would be carried over to the exposition of the Constitution, it is manifest he anticipated no adventurous pronouncements on policy by the bench. This is inferable from his assertion that statutes might be infected with unconstitutionality and yet not to the degree that the judges could avoid them—a claim gainsaid by no one. Mason, indeed, agreed with Wilson; the purport of Gerry's remark about making statesmen of judges, as well as of Martin's speech in opposition, was to the same intent.

The motion to associate the judicial in the veto was defeated 4–3, two states being divided.[162] We cannot know what decided the issue—a rigorous view of separation, Ellsworth's intimation that the judges were free to employ standards other than the Constitution in the "revi-

[161] The standard books of reference at this time were, of course, Coke, *Littleton*, where various rules are scattered through Coke's own commentary, and Matthew Bacon's *Abridgment, s.v.* Statutes. Blackstone's rules of construction in *Commentaries*, Introduction, I, 85, were chiefly abstracted from Coke, *Littleton*, Coke's *Fourth Institute* and various cases in Coke's *Reports*. The continuing hegemony of Coke's precepts is obvious from J. Kent, *Commentaries on American Law* (1826), I, Lecture XX (hereafter cited as Kent, *Commentaries*). Examples of the rules of construction as applied by American courts, *supra*, c. III.

[162] Farrand, *Records*, II, 71 (*Journal*).

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[163] *Ibid.*, 73–74 (Madison).

[164] *Ibid.*, 80 (Madison).

[165] *Supra*, p. 210.

[166] Farrand, *Records*, II, 316 (Madison). This was in the course of discussing the power of Congress "to declare the law and Punishment of Piracies and Felonies committed on

the latter were made binding upon the "judges in the several States" instead, as earlier resolved, upon "the Judiciaries of the several States." This had the effect of making personal the injunction, and laying it as well upon state as upon national judges functioning within any state.

The Committee did not explicitly grant jurisdiction to the Supreme Court to adjudicate matters arising under the Constitution itself. This, perhaps, may have been deemed to pass *sub silentio*. Nevertheless, to the literal minded it left without manifest implementation those provisions which the report lifted from the Articles of Confederation, viz., the clause which forbade the states to legislate on certain particulars,[196] and the clauses relating to full faith and credit,[197] privileges and immunities of citizens, and extradition.[198]

THE FINAL WEEKS

THE DEBATES IN the final weeks of the Convention had a somewhat different cast from those which preceded them. As the offering of the Committee of Detail was scrutinized and clause upon clause was rolled through the wringer of disputation, an increasing awareness of tough political reality pervaded the proceedings. Allusions to philosophers and to the past experience of mankind, that had lent the earlier discussions the quality of a search for enlightenment, were much less often made. Only the obsession with the British constitution continued, little abated. Most significantly, the mandate that something "adequate to the exigencies of the union" must be perfected was in the way of being eclipsed by the question latent from the very beginning—will this instrument be politically acceptable? Since there were thirteen respondents, each to answer, regional and particular state interests kept making themselves heard. The delegates were returning to their constituents and had to look to their reckonings. The spirit of accommodation for which much had been sacrificed in July was menaced by shortening tempers and by growing recusancy in a quarter not to be anticipated—Gerry, Mason and Randolph. All three had in varying degree been on the nationalist side.

The judiciary article suffered little if at all from these tensions. But before it was reached, late in August, there were motions which, if carried, would have been contaminating to the judicial function, and would have impaired the independency of this department. When the veto power was up for discussion, Madison and Wilson sought to confer upon the judges of the Supreme Court an independent and concurrent

[196] Articles of Confederation, Art. VI.

[197] *Ibid.*, Art. IV.

[198] Both in Art. IV.

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[199] Farrand, *Records*, II, 298 (Madison). Mercer of Maryland, who first attended the Convention August 6 and was not present after August 17, disapproved of the doctrine that judges as expositors of the Constitution should have authority to declare a law void. Mercer, of course, had no firsthand knowledge of the previous exploration of the question. During his fleeting visit at Philadelphia, he expressed opinions on a great variety of matter. Jefferson had a low opinion of Mercer's capacities; *cf.* his letter to Madison, Apr. 25, 1784, *Papers of Jefferson*, VII, 118.

[200] Farrand, *Records*, II, 295 (*Journal*). The vote was 8–3.

[201] *Ibid.*, 335–37 (*Journal*), 342–44 (Madison).

[202] *Ibid.*, 335 (*Journal*).

[203] On Aug. 22, *ibid.*, 367 (*Journal*). The Chief Justice was left on the Council, but the peculiar functions assigned him in the original resolution were eliminated. This Council was to advise the President in matters respecting the execution of his office

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[197] *Ibid.*, Art. IV.
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power to veto legislative enactments.[199] The familiar arguments were repeated for and against, and once more the power of the court to pass upon the constitutionality of legislation was urged as the limit of judicial authority. The motion was beaten.[200] Three days later (August 18) Ellsworth suggested and Gouverneur Morris moved (August 20) the creation of a President's council.[201] On this the Chief Justice of the Supreme Court would have a seat, and he would preside in the absence of the President. The Chief Justice's duties were to include the recommendation of alterations and amendments to the "Laws of the United States as may in his opinion be necessary to the due administration of Justice, and such as may promote useful learning and inculcate sound morality throughout the Union."[202] This proposal to make the Chief Justice a sort of *custos morum*, with the rest of the elaborate resolution, was referred to the Committee of Detail. A greatly attenuated resolve was reported back.[203] This came to nothing after Mason's substitute of a council formed on a regional basis was rejected.[204]

If there had been some outward manifestation of preoccupation with "liberty," the Convention's uncompromising stand against extrajudicial employment of the bench might be attributed to respect for Montesquieu's warning that unless the power of judging was held separate from the executive and legislative "there can be then no

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[199] Farrand, *Records*, II, 298 (Madison). Mercer of Maryland, who first attended the Convention August 6 and was not present after August 17, disapproved of the doctrine that judges as expositors of the Constitution should have authority to declare a law void. Mercer, of course, had no firsthand knowledge of the previous exploration of the question. During his fleeting visit at Philadelphia, he expressed opinions on a great variety of matter. Jefferson had a low opinion of Mercer's capacities; *cf.* his letter to Madison, Apr. 25, 1784, *Papers of Jefferson*, VII, 118.

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[204] The report of the Committee of Detail was not acted upon. On August 31 all postponed matter was referred to a Committee of Eleven—one member from each state present. Technically the report on the Council was not "postponed" since no vote had been taken. On September 4 the Committee reported including a clause (eventually in Art. II, sec. 2) authorizing the President to require the opinion, in writing, of heads of executive departments. *Ibid.*, 473, 495 (*Journal*).

On September 7 the House had reached the section of the report dealing with the President. When the clause on requiring opinions from heads of departments was reached, Mason, seconded by Franklin, moved to postpone and asked an instruction for the Committee to prepare a clause establishing a Council based on regional representation. The motion to postpone was voted down. *Ibid.*, 541–42 (Madison).

charge that no provision was made adopting the common law, Hamilton replied[123] that the New York constitutional article on this had made the common law subject to legislative repeal. This article had been inserted merely to remove doubts regarding "the ancient law" that might have been occasioned by the Revolution. Consequently this could not be considered a part of a declaration of rights.

Apart from these strictures, Hamilton's posture toward the inclusion of a bill of rights was substantially identical with that of James Wilson. The Constitution was designed merely to regulate the political interests of the nation, and a minute detailing of particular rights was not applicable as it would be in a constitution which regulated every species of personal and private rights. Hamilton believed that a bill of rights, to the extent demanded, was not only unnecessary, but might even be dangerous. It was absurd to make provision against abuse of authority which was not given. To do so, further, would imply a power to make proper regulation of such things as the press. In other words, handles would be supplied for a doctrine of constructive powers by indulgence of an injudicious zeal for a bill of rights.[124]

It is impossible to convey by paraphrase and brief quotation the qualities which make *The Federalist* a great book, particularly since so small a segment has here been so cursorily surveyed. There are few writings in the political literature of modern centuries that approach it in the loftiness of its tone, few that equal it in literary distinction. One can to this day still feel how portentous, how immediate was the issue to which the letters were addressed, for there is an urgency in the writing which has survived the event. Locke or Montesquieu, the household gods of the time, may have left posterity more to ponder; neither left his own people a heritage of more enduring vitality than did *Publius.*

With the publication of *The Federalist* the great period of propaganda came to an end. Never before and never again was there such soul-searching over the judiciary and its role in the structure of government as occurred in this nine-month period in 1787–88. In this protracted and far-flung exchange of hostilities, those Framers who took up their pens in defense or in repudiation of their deeds, if they did not all contribute greatly to political philosophy, at least added to the emotional pressures. Two of them, Dickinson and Williamson, whose writings have not been discussed, had nothing significant to say about the judiciary. Dickinson, writing as *Fabius*,[125] produced a tract larded with learning, but the fire had gone out of the *Pennsylvania Farmer* of pre-Revolutionary days. The address of Hugh Williamson of North Carolina

[123] *Ibid.*, 578.
[124] *Ibid.*, 579–80.
[125] Ford, *Pamphlets*, 163–216.

was reprinted in New York, but
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There remains to be notice
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[126] Ford, *Essays*, 397–406. Remark
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[127] Farrand, *Records*, III, 106–27
It was entitled "Observations on th
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Discussions." Farrand conjectures
represents a speech prepared for de
livery when Pinckney presented hi
plan, plus some later additions.

The pamphlet was offered for sal
in New York on Oct. 18, 1787, in th
New York *Daily Advertiser*. Madison
on October 14, sent Washington
copy saying that Pinckney professe
the print was for the perusal of h
friends (*Doc. Hist. Const.*, IV, 329)
Washington replied that Pinckney wa

the directions of the second Process Act, for it gave meaning to the term "common usage" that governed the taking of depositions pursuant to a *dedimus*. There was free resort to such on interrogatories by rule or by agreement of the parties, sometimes with express stipulation that the evidence was to have the same effect as if the parties had personally testified. Ironically enough, considering the impassioned declamations of Senator Maclay against the chancery discovery procedure, the papers for the Pennsylvania Circuit disclose resort to it, and in one case a defendant defeated alleged diversity jurisdiction in law after it was revealed from plaintiff's answer to a bill for discovery that there had been a collusive conveyance to the lessor of the plaintiff in ejectment.[149]

One aspect of procedure not yet touched upon relates to the regulations set out in the Judiciary Act. That of most frequent occurrence was the matter of proper allegations respecting diversity. As we shall later have occasion to observe, it was not until 1798 in *Bingham v. Cabot II*[150] that the Supreme Court held that it was necessary to set forth the citizenship or alienage of the parties to bring a case within the jurisdiction of the Circuit Court. Initially the practice appears to have been very sloppy, and because Supreme Court decisions were long unavailable, it continued to be so. It was the responsibility of counsel to set out jurisdictional facts or to challenge such, and it was not the business of a court on its own motion to amend the mistakes of the pleaders. Both Wilson[151] and Iredell[152] advanced the proposition that a court was bound to take notice of a question of jurisdiction, or, more broadly, that it was the proper guardian of its jurisdiction, but this was each time in a different context, and we have found no evidence that at any Circuit the court ever raised the question of lack of diversity *sua sponte*. As for the bar, some of the difficulties with section 11 of the Judiciary Act stemmed from uncertainty over the intendment of the words "citizen of a state."

The difficulties were of two sorts. In common law jurisdictions it was unusual that plaintiffs identify themselves in pleadings by more than name, although as a result of the ancient Statute of Additions[153] the identification of defendants by the addition of places by towns, counties

[149] Maxwell's Lessee v. Levy, 2 Dallas 381 (1797).

[150] 3 *ibid.*, 382. The addition of "II" is to distinguish this removal from the earlier case of the same name.

[151] Ketland q.t. v. The *Cassius*, 2 *ibid.*, 365 (1796).

[152] Maxfield's [*sic*] Lessee v. Levy, 4 *ibid.*, 330, 337 (1797). This is the same case as that cited in n. 149, *supra*. Whether Iredell or Dallas is responsible for the change of name is unanswerable.

[153] St. 1 Hen. V, c. 5; and see the commentary in Coke, *Second Institute*, 665.

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Some light was cast upon the questi
Circuit for the Pennsylvania April term
complainant alleged he was a British sub
to the jurisdiction averred that compl
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reasons why he considered himself to b
example of the "loose practice" in tha
also submitted to a jury which found in f
In New York the lack of diversity was

[154] *Supra*, c. III.

[155] 2 Dallas 294 (1792).

[156] Duffield v. Greenleaf, Ms. Final Record Book Circuit Ct. Massachusetts Dist. 1790–1799, *sub* October term 1797; Pringle v. Russell *et al.*, *ibid.*, *sub* October term 1798.

#'S TO RUN BY SCULLY x5178

2:30p.m. Monday. 7/23

kind of child care they want -- whether at home, at a church or synagogue, or from a local child care provider.

Well, the Senate passed a more restrictive child care bill, that takes choice out of the hands of parents, piles more red tape on providers, and builds a bigger day-care bureaucracy -- at **double the cost of our bill -- from 9 billion to 18 billion dollars**.

And then the House, deciding spending equals compassion, **outdid the Senate by tripling our request, to 29 billion dollars**. There you have a classic budget-busting bidding war. [Another 20 billion dollars added to the deficit over the next five years -- more than 10 percent of the projected '91 budget deficit -- in just one bill.] suggest add'l, but: 20 = boost over 5%/5 @ 4%/1yr

If you remember, I said "kinder and gentler" -- not "blinder and costlier." But that wild spending habit seems to have affected everything on the Hill, until now:

Our Emergency Assistance to Panama and Nicaragua -- after three long months, our $800 million package had **doubled** in cost -- not with emergency aid, but with over **one billion dollars** of new, unrequested, unrelated domestic spending.

Our Educational Excellence Act -- designed to advance educational reform, reward achievement, and encourage accountability and choice, started at a cost of 400 million dollars, but **increased to 1.4 billion dollars**, as costly and unrelated changes were piled on -- **more than tripling our original request**. OK OK by Scully's office — Margaret Moore

Today, in this room, that spirit continues -- carried on by those who believe in limited government, and the accountability of leaders. You're showing the people of Pennsylvania that there is a Republican alternative. **A new American independence** -- from big government, from burgeoning bureaucracies, from the invasive experiments of the tax-and-spenders.

There is room in the Republican Party for differences on some issues -- but on principles, we stand united. Because there is work to be done. **And we Republicans know what works.**

We believe that power has only one purpose: to help people. We believe that America transcends adversity, and finds her greatest strength, in diversity. We are, as we have always been, a nation of quiet strength. Tolerance. Faith. And freedom.

So we seek this new American independence for the sake of limited government that spends within its means -- and a new agenda of unlimited empowerment for the individual.

Right now, the Congress and I are working hard to put America's fiscal house in order -- and **put the spending policies that brought us to this point behind us.**

After I sent up a budget for the coming fiscal year totalling just under 187.7 **189 billion dollars**, Congress appropriated over 202.5 **202 billion dollars.** In fact, seven of the eight Democrat ~~for the 8 bills that passed House~~ appropriations bills have already surpassed the budget authority we requested.

Mr. Kuster
Hon
Mrs. Moore
OMB
X5178

And while one of these bills was being reported out of committee, the members started humming "The Battle Hymn of the

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LAW

JUSTICES AND PRESIDENTS

A Political History of Appointments to the Supreme Court

Second Edition

Henry J. Abraham

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Washington, DC 20500

New York Oxford
Oxford University Press
1985

preme Court of the United States (as well as, of course, all lower federal judges) and that of a simple majority of the Senate to *consent* to such nominations (presumably, but not necessarily, having tendered *advice* along the way); or, failing to grant such consent, to reject, or to refuse to take action on, a Presidential nominee.

Although the question of the *methodology* to be employed for judicial appointments was subjected to intensive floor debate at the Constitutional Convention during twelve days spread over June, July, August, and September of 1787, be it noted that *criteria* for such appointments were neither debated nor did they appear to loom as a matter of either significance or puzzlement. Those few delegates who vocalized the issue of criteria at all, did so by assuming *viva voce* and *sub silentio* that *merit,* as opposed to favoritism, should and, indeed, would govern quite naturally. The central issue *cum* controversy concerned the degree of power to be vested in the executive and/or the degree of legislative participation. The above-quoted provision, finally agreed on as a result of debates on September 6, 7, and 15, represented a compromise between those who, like Benjamin Franklin, James Madison, and John Rutledge, feared "monarchical" tendencies in strong solo executive prerogatives on the issue and called for a potent legislative role, and those who, like James Wilson, Alexander Hamilton, and Gouverneur Morris, favored broadly independent executive appointive powers. It was the latter group that did most of the compromising, resulting in the largely James Madison-fashioned ultimate adoption of ART. II, SEC. 2, the provision having remained unchanged to this day. Nor is it likely to be changed.

If it may be validly considered as having been raised at all, the issue of judicial qualifications was addressed, however briefly, on June 5 by Doctor Franklin, who pointed to the Scottish mode of appointment "in which the nomination proceeded from the lawyers, who always selected the ablest of the profession in order to get rid of him, and share his practice among themselves."[2] If any concern about qualifications was subsequently expressed by delegates, it came all but inevitably in connection with the con-

at the very outset of his Presidency. He was delighted to oblige, but his choice of the forty-three-year-old McLean, a native of Ohio and one-time judge of the Ohio Supreme Court (from the same judicial circuit as Trimble), was dictated by the contemporary partisan politics concerning personalities as well as the range and degree of federal authority that reflected the intraparty struggle among the Democrats. An ambitious aspirant to high office, McLean had been Postmaster General since the days of the Monroe Administration. He had given the impression of being friendly to both the John Quincy Adams and Jackson forces during the election of 1828, cultivating many prominent Jacksonians without unduly antagonizing the Adams wing. Jackson, who had kept McLean on in his former post, did not really trust him; indeed, he felt actively threatened by McLean's foot dragging in patronage matters, especially when the latter resisted his requests to replace Adams supporters with Jackson loyalists in the postal service. Yet Jackson also realized that McLean was immensely popular in the West and he feared the consequences of a public clash so early in his incumbency. Thus, when McLean promised not to pursue his political ambitions while a member of the Court, Jackson tendered him the nomination—although not without some misgivings. The Van Buren forces in the Administration were delighted to see the man they considered an adversary safely shelved, for McLean had been a member of the Calhoun faction in the government.

To no one's great astonishment, McLean did not hold to his promise.[5] While *on* the bench he became a Presidential candidate four times: in 1832 as an Anti-Mason; in 1836 as an Independent; in 1842 as both a Whig and a Free-Soiler; and in 1856 as a Republican (he had officially joined the Republican party). No doctrinaire he![6] But McLean served on the Court for thirty-two years—one of the longest tenures on record—having remained there until his death in 1861—unpredictable and independent to the end.

There was no doubt whatever of the political loyalty of Jackson's next selection for the Court. When in 1829 Bushrod Washington died, also after thirty-one years of service, the President turned to Henry Baldwin, aged fifty, a popular Pennsylvania Con-

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gressman. Long an aggressive and enthusiastic supporter, Baldwin had been instrumental in bringing Pennsylvania into the Jacksonian fold in the election of 1828. The President, alive to Baldwin's services, had rewarded him immediately after the election by nominating him to the Cabinet post of Secretary of the Treasury. But that nomination was blocked in the Senate by Vice-President John Calhoun, chiefly because of Baldwin's avowed championship of a high-tariff policy that was anathema to Calhoun and his supporters. The Calhoun forces then attempted to scuttle Baldwin's nomination to the Court too, but they succeeded only in delaying it for two days. On January 6, 1830, the Senate approved him by a vote of 41:2, the sole dissenters being the two Senators from South Carolina, Calhoun's home state, Robert Y. Hayne and William Smith. The latter had just declined nomination for the Washington vacancy on the Court because he wanted to stay in the Senate to "defend federal rights against nationalization." Jackson would give Smith another chance to mount the Court after his defeat for reelection to the Senate in 1834, when Justice Duval resigned in 1835, but Smith again declined.[7] By choosing a Pennsylvanian rather than a Virginian, Jackson in a sense "atoned" for John Adams's selection of a Virginian (Bushrod Washington) for the seat held by a Pennsylvanian (James Wilson) in 1798—although that was not a major consideration in the selection. Loyalist that he was, Baldwin, too, would vote "wrong" on the Court on a number of crucial issues championed by Jackson. He even committed the unpardonable sin of siding with the "pro-Bank" forces during Jackson's great struggle over rechartering the Bank of the United States. Still, Baldwin's "deviations" during his fourteen years on the Court were minor in the eyes of the Jacksonian Democrats in comparison to those of McLean and Jackson's next nominee, James M. Wayne.

After Baldwin's appointment in 1830, the Supreme Court's membership remained stable for five years—a relatively long period in view of the vagaries of age and health. During that time Jackson reorganized his Cabinet and began his assault on the Bank of the United States. Presumably party policy had now been clarified and, although Jackson could not eliminate all party fac-

Hampshire, Secretary of the Navy under Jackson, and Secretary of the Treasury under Van Buren), and judicial (as a judge on New Hampshire's Supreme Court). Few men had come before the Senate with such extensive credentials; and his confirmation was so taken for granted that Polk gave him a recess appointment in September, which was confirmed as soon as the Senate reconvened the following January. A long-time supporter of the governmental and jurisprudential commitments of Chief Justice Taney, Woodbury embraced Taney's conviction that, rather than looking eternally to the British judicial system, the legal profession in the United States should develop an "American" legal system. But barely six years later death cut short his promising career.

Meanwhile Polk still had the old Baldwin vacancy to fill. Because Secretary of State Buchanan would not take the position, the President turned to a jurist on the lower Pennsylvania bench, George W. Woodward. Although a member of a distinguished family and a proved Democrat, Woodward had acquired a reputation as an extreme "American nativist" and was staunchly opposed by several Democratic Senators, among them Simon Cameron of his home state. Cameron's resolute opposition and the negative votes of five other Democrats along with a solid "no" vote by the Whigs resulted in Woodward's rejection 20:29 late in January 1846. The exasperated Polk let six months go by, and then *again* asked James Buchanan to take the job. Flattered and never one to be unduly decisive, the latter accepted–only to turn it down for the third time two months later! Next the President selected Robert Cooper Grier of Pennsylvania, the fifty-two-year-old President Judge of the Allegheny County (Pittsburgh) District Court.

It was now August 1846, and Henry Baldwin had been in his grave for twenty-eight months! It was about time to fill his seat, and the Senate responded by confirming Grier in less than a day. It was not a difficult task for the upper house, for Grier was a conservative Democrat and a cautious constitutionalist who was generally acceptable to all factions of the party. His long service on the bench proved to be predictably low key, and his performance was average. He loved being on the Supreme Court and re-

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Polk's successor, General Zachary Taylor, was the third Whig President. Taylor was firm, forthright, and honest, but this professional soldier was ill qualified and ill prepared for the political process. He lived only sixteen months after his inauguration in March 1849 and was the second of four Presidents to date who made no appointments to the Supreme Court. His successor, Vice President Millard Fillmore (the last Whig President, who brought the first galvanized bathtub into the White House in 1851), worked hard and with considerable determination to preserve the endangered Union. He had but one chance to appoint a member of the Court, yet his choice was an excellent one: Benjamin R. Curtis. Three other attempts to fill a later vacancy were frustrated by the Senate.

Fillmore's initial opportunity came in the fall of 1851 when Justice Levi Woodbury died. The President gave much thought to a successor, for he was genuinely concerned about mounting attacks on the Court because of what abolitionists termed its pro-Southern stance in the slavery and fugitive slave issues. Accordingly, he wanted to find a man who had not only strength of character and the potential for judicial presence but also an understanding of contemporary history and politics. Moreover, he specified that the nominee had to be a Whig, a comparatively young man, and a New Englander.

All these criteria he found in Benjamin Robbins Curtis of Massachusetts, who came not only highly recommended but enthusiastically backed by the still enormously influential Daniel Webster (although Webster's first choice had been Rufus Choate, who declined to be considered). A renowned, skilled commercial lawyer—the *Massachusetts Law Quarterly* referred to the forty-one-year-

epublican record would be a basic requirement which he added geographic suitability. Other red not to matter; no discernible pattern of se- ıd in the eight nominations* Grant forwarded , it is hardly astonishing that all except one of rd Hunt) would vote contrary to the heart of slation growing out of the three Civil War rant presumably favored.

d ninth seat on the Court—a "gift" to Grant by dent nominated his Attorney General, the pop- in the Senate—outspoken, and independent Hoar was superbly qualified, but after seven d delay the Senate rejected him 24:33 on Feb- majority was furious with Hoar for his refusal ly partisan suggestions for lower-court nomi- ırs on behalf of a merit civil service system for ıent, and his opposition to Andrew Johnson's

e was still arguing over Hoar, Grant was pre- d opening: the aged and ill Robert C. Grier at colleagues' urgent pleas—they had sent the ephen J. Field to do their dirty work—and re- 0, after more than twenty-three years on the ht he might be able to strike a compromise ponents to the still-pending Hoar nomination etition signed by a large majority of both the se in favor of Lincoln's Secretary of War, the . Stanton. Grant was not happy with this nom- reasonably certain that it would help Hoar's the other vacancy. He was quite wrong: al- ıgerly approved Stanton by a vote of 46:11 on day after it officially received his name, it re- Hoar. Ironically, four days later the fifty-four-

ıat the President had so many opportunities to make Congress had restored the Court's membership to after the maligned Johnson's return to Tennessee. eight nominees, however, ultimately served on the

year-old Stanton succumbed to a coronary thrombosis—and the President still had two seats to fill!

Grant now acted quickly. Four days after Hoar's rejection, he sent to the Senate two nominations: for the Grier seat, William Strong of Pennsylvania, and for the "new" ninth, Joseph P. Bradley of New Jersey. Strong, whom Grant had actually wanted to nominate instead of Stanton, was a distinguished and experienced state jurist who had been very much in the running for the Chief Justiceship of the United States in 1864. Enthusiastically backed by Hoar, by many prominent Pennsylvanians of both major political parties, and by incumbent members of the Court, the sixty-two-year-old Strong was easily confirmed by the Senate within ten days, the nine opposition votes coming chiefly from Southerners who felt their region should have received the nod.

Things did not go so smoothly for the scholarly, thoughtful Bradley, five years Strong's junior. Also backed by Hoar, and certainly Grant's most highly qualified appointee, he had been initially recommended for the post by Justice Grier himself—even though Grier was a Democrat and Bradley a Republican. Before he was finally confirmed six weeks later by a vote of 46:9, Bradley came under heavy fire from Eastern "hard money" interests who quite correctly regarded him as dedicated to a "soft money" economic philosophy. Yet Bradley had excellent business connections and, although he had no previous judicial experience, he had practiced a variety of law for many years, obtaining considerable prominence as one of the foremost railroad attorneys in the nation. He would not disappoint the conservative business community during his more than two decades on the bench, nor would he let Grant and the Republicans down in the legal tender controversy. And as a member of the Electoral Count Commission in the disputed Presidential Election of 1876 he cast the decisive 8:7 ballot in the cases of each of twenty disputed electoral votes, thereby awarding the election to Republican Rutherford B. Hayes over Democrat Samuel J. Tilden.[1]

Assuredly, Bradley was Grant's most fortuitous appointment in terms of ability and party loyalty. But he was not a happy choice in terms of advancing civil rights legislation—as exemplified

mally nominate any one of them; he seemed to enjoy the suspense. Finally, recognizing that the time for experimenting and game playing was over, he yielded to continuing clamor from the Midwest and settled on another Ohioan, the rather undistinguished, noncontroversial, quietly efficient, well-liked Morrison Remick Waite.

The Senate confirmed him 63:0 on January 21, 1874, two days after he was nominated, and, now more than eight months after Chase's death, the Court had its first Justice ever to be confirmed by a unanimous, formal roll call. The fifty-eight-year-old attorney had been recommended to the President at the very outset of his quest for a successor to Chase. Grant had, in fact, known Waite when the latter served, with others, as Counsel before the Geneva Arbitration Commission of 1871 that considered the *Alabama* claims and deposits. An expert in real estate and titles, Waite was not too well known beyond Ohio; he had no judicial experience; and he had never argued a case in the U.S. Supreme Court. But he was respected as hardworking, able, and conscientious, a citizen of great integrity and considerable expertise in constitutional law. Widely called His Accidency because of his seventh-fiddle nomination and described by Justice Field as a "man that would never have been thought of for the position by any person except President Grant . . . an experiment which no President has a right to make with our Court,"[4] Waite nonetheless developed into an effective and tactful leader of a difficult and contentious Court. He deservedly earned the "near great" rating accorded him in the light of history by most Court observers.

Yet if Grant had expected Waite to lead the way in the liberal interpretation of the Civil War amendments, he was badly mistaken. The new Chief Justice, like Bradley and Strong, gave a restrictive rather than liberal construction to the amendments, particularly to the Fourteenth Amendment, whose "due process of law" and "privileges and immunities" clauses became the special targets of illiberal reading. Thus, Waite, echoing the devastating *Slaughterhouse Cases*[5] of three years earlier, wrote in 1876 that the Fourteenth Amendment "adds nothing to the rights of one citizen as against another. It simply gives an additional guarantee

against any encroachment by the States u
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Granger Cases of 1877,[7] which wrought a r
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hardworking, and pleasant, Brown became a worthy member of the Court. Deserving perhaps more than the "average" ranking accorded him, he demonstrated genuine independence while still generally adhering to the philosophy of economic conservatism of the day. Although he was on the Peckham-Brewer-Fuller majority side in the notorious 1905 *Lochner* decision striking down New York State's maximum-hour law for bakers,[21] he had been the author of the 1896 majority opinion—with Brewer and Peckham in dissent—upholding a maximum-hour law for miners in Utah.[22] Today he is best remembered for quite another opinion—*Plessy* v. *Ferguson*,[23] handed down in 1896, written for an 8:1 Court (with Harlan I alone in dissent): it enshrined the "separate but equal" racial doctrine in constitutional law for the next six decades.

Justice Joseph P. Bradley, who had served so ably and influentially on the Court for twenty-two years, died in January 1892. Harrison, determined that the crucial Third Circuit (Pennsylvania, New Jersey, and Delaware) continue to be represented on the high bench, resolved to find a Pennsylvanian—especially since that state had not been so represented since Justice Strong retired in 1880. (Bradley, of course, was from New Jersey, but Harrison had convinced himself that New Jersey had no desirable candidate to offer.) The resolve may have appeared easy to carry out, yet any Pennsylvanian of the President's choice would have to overcome the almost certain opposition of U.S. Senator Matthew Quay, that state's Republican "boss," who had been very instrumental in Harrison's election, but whose potent political machine was now at bitter odds with the President, largely over patronage issues. Quay also had his own candidate: J. H. Brown, an amiable, well-known attorney, eagerly backed by Pennsylvania's well-oiled Republican organization. Harrison, however, was not amused. Nor would he accept two other machine suggestions that would have received Quay's blessings: the aged Justice Edward Paxton and Justice Henry William, both of the Pennsylvania State Supreme Court, both of whom enjoyed extensive support from the legal fraternity as well as from local, state, and national figures.

Instead, the President turned to a relatively unknown Pitts-

nomic *laissez-faire* advocates on the Court, not only smoothly fitting into the Fuller Court's approach to public policy, but going well beyond it in terms of judicial activism on behalf of vested property rights based on the "freedom of contract" doctrine. A diligent worker, Brewer wrote almost 600 opinions during his twenty-one years on the bench, only one-tenth of these in dissent. His philosophy could be summarized in excerpts from a famed commencement address he delivered to the June 1891 graduating class at Yale:

> . . . The demands of absolute and eternal justice forbid that any private property, legally acquired and legally held, should be spoliated or destroyed in the interests of public health, morals, or welfare without just compensation [which, of course, he wanted the judiciary rather than the legislature to determine]. . . . From the time in earliest records, when Eve took loving possession of even the forbidden apple, the idea of property and sacredness of the right of its possession has never departed from the race . . . [for] human experience . . . declares that the love of acquirement, mingled with the joy of possession, is the real stimulus to human activity.[20]

Brewer's labors assuredly merited the high "average" rating granted him by the Court's observers; President Harrison had every reason to be pleased with his nominee, even if he did not entirely agree with all of his ideas.

The President did not have to wait long to realize his hopes for a place for Brown. After twenty-eight years of distinguished service, Justice Samuel F. Miller died on October 14, 1890, thus giving Harrison his second appointment in little more than a year. For two months he went through the motions of considering other worthy candidates; but there was never any doubt that he would nominate the prominent, conservative admiralty lawyer from Detroit, who at the time of his selection was a judge of the U.S. District Court for Eastern Michigan. Earlier he had served as Federal Marshal and as Assistant U.S. Attorney in the same jurisdiction and as Judge of the Wayne County Circuit Court. He was confirmed without a record roll call in a matter of days. Blessed with a commendable judicial temperament, intelligent, expertly trained,

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Instead, the President turned to a relati

Herbert Clark Hoover, the man who succeeded Coolidge in 1929, was a highly qualified, capable public servant. But despite every good intention, he was a failure as President. If the experts have bestowed on him a rating of "average" rather than "below average" or even "failure," it is very likely because they considered the "Great Engineer" abused, for the realities of his record were grim indeed. From West Branch, Iowa, Hoover had been a brilliant engineer and management expert, a masterful War Food Administrator, and a highly successful Secretary of Commerce under Harding and Coolidge. Yet he was simply incapable of coping with either the political process or, surprisingly, with the social and economic problems of his day. An apostle of "rugged individualism" and *laissez-faire* economics—a nineteenth-century man—he, too, was uncomfortable with the multiple demands of multiple interest groups and was pathologically opposed to strong federal action. After the stockmarket crash of October 1929, he had the inexorably bad luck to be saddled with the Great Depression. His experience theoretically qualified him to deal with the Depression but, sadly, his attempts to check it were belated, ineffectual, and unconvincing. Moreover, he consistently made little of this catastrophe, bridled at criticism, and was practically incapable of admitting to error. And his few halting attempts at establishing viable public relations in a time of crisis were disastrous. At the end, still pleading that "prosperity is just around the corner," he had begun to stoop to name-calling, categorizing his political detractors in a manner that ill befitted his position and character—notwithstanding some recent efforts at reconstructionist interpretations. In sum, Hoover provided little or no effective leadership. Nonetheless, years later he reemerged as a respected *éminence grise* of the governmental process under Presidents Truman and Eisenhower, especially with regard to institutional reorganization.[79]

Hoover appointed three outstanding individuals to the Supreme Court: Charles Evans Hughes, a Chief Justice with few peers; Benjamin N. Cardozo, one of the greatest men of the Court; and Owen J. Roberts, an able and conscientious jurist. Even John J. Parker, his so unfairly rejected nominee, was a jurist of outstanding credentials who unquestionably would have left a commenda-

ble record as a member of the Court. Indeed sistence on demonstrated merit, Hoover's crite more difficult to ascertain than those of most c did favor prior judicial experience, which al save Roberts possessed in considerable measure concerned with real politics and, with the exc the records of his candidates represented the moderate-to-progressive, conservative busine which he was comfortable. He respected thei or upper-class educational and social backgrou mindedness. Geography and religion became case of Cardozo.

Because Hoover lived to a ripe ninety yea nessed the performances of his three appointe survived by a wide margin of time, but he also morphosis of the Court in 1937. It is not clea felt about the change, but it *is* known that he, of the bitter lessons of the realities of gove under stress, regarded it as inevitable and Cardozo, of course, had never been his kind c ultimately came to pronounce Cardozo's appoi est act of his career. Hughes and Roberts, lished a record before the 1937 switch with tainly could live.

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ble record as a member of the Court. Indeed, other than an insistence on demonstrated merit, Hoover's criteria for selection are more difficult to ascertain than those of most other Presidents. He did favor prior judicial experience, which all of his appointees save Roberts possessed in considerable measure. He was, of course, concerned with real politics and, with the exception of Cardozo, the records of his candidates represented the kind of Republican moderate-to-progressive, conservative business orientation with which he was comfortable. He respected their upper-middle-class or upper-class educational and social backgrounds and their public mindedness. Geography and religion became an issue only in the case of Cardozo.

Because Hoover lived to a ripe ninety years, he not only witnessed the performances of his three appointees, all of whom he survived by a wide margin of time, but he also witnessed the metamorphosis of the Court in 1937. It is not clear how Hoover really felt about the change, but it *is* known that he, having learned some of the bitter lessons of the realities of government and politics under stress, regarded it as inevitable and probably necessary. Cardozo, of course, had never been his kind of jurist, although he ultimately came to pronounce Cardozo's appointment as the proudest act of his career. Hughes and Roberts, however, had established a record before the 1937 switch with which Hoover certainly could live.

The President's initial opportunity came with the resignation of the fatally ill Chief Justice Taft on February 3, 1939. On Taft's bedside table lay a touching message from his eight colleagues, beginning: "We call you Chief Justice still, for we cannot quickly give up the title by which we have known you for all these later years and which you have made so dear to us."[80] Within five hours after having received Taft's resignation, President Hoover—who had paid the dying Taft a bedside visit—named Charles Evans Hughes to replace him—with Taft's advance blessing and to the surprise of many observers, including the press, which had confidently expected the elevation of Stone. Actually, already in late January—given Taft's obvious terminal illness—Attorney General William D. Mitchell had sought the assistance of Justices Van

initially looked to the South for a replacement for the late Tennessee jurist. His choice devolved on a well-known and well-liked North Carolina Republican, Judge John J. Parker of the U.S. Court of Appeals for the Fourth Circuit. His rejection (see Ch. 3, *supra*) by the narrow vote of 39:41 is now all but universally regarded not only as unfair and regrettable but as a blunder. It was the last Senatorial veto of a Supreme Court nominee until the aborted promotion of Abe Fortas to Chief Justice and the Haynsworth and Carswell rejections four decades later.

The failure to win confirmation for Judge Parker resulted in President Hoover's selection of Owen J. Roberts, a fifty-five-year-old Pennsylvania Republican from a to-the-manner-born Philadelphia family. As the federal government's special prosecutor in the Teapot Dome oil scandals, he had achieved national recognition and praise; he had also served well as a Special U.S. Deputy Attorney General during World War I in connection with espionage and sabotage cases, and in the Justice Department of Pennsylvania. A judicious and modest person but an able and strong advocate, he was an eagerly sought out practitioner of the law, especially in the corporate field, where he was close to the then very powerful Pennsylvania Railroad. His nomination was broadly applauded—support came from all parts of the political spectrum. Conservatives looked to his long-standing business connections and liberals to his demonstrated humanitarian concerns. Thus, he commanded the vocal support of such key anti-Parker Republican Senators as Arthur Vandenberg (Michigan) and Charles L. McNary (Oregon) as well as of perpetual Republican mavericks Borah, La Follette, and Norris. Roberts was confirmed by acclamation literally one minute after the Judiciary Committee, with its unanimous endorsement, sent the nomination to the floor of the Senate on May 21, 1930.

Yet Justice Roberts would lastingly please neither political wing. There was an almost terpsichorean quality about this benign, conscientious jurist who established a probably difficult-to-equal record of inconsistency in his voting on the bench. Beginning his Court career of fifteen years as a "centrist" or "neutralist" with certain articulated liberal policy notions, he soon rather

steadfastly embraced the "Four Horsemen"
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steadfastly embraced the "Four Horsemen" approach to governmental functions and powers—with important exceptions.[86] Yet it was Roberts who, along with Hughes, executed the 1937 switch that changed the course of constitutional law in our time. The Chief Justice had probably been prepared to effect that switch considerably earlier, but for reasons of strategy and maximum unity preferred to wait until Roberts would join him. Yet having been so instrumental in the change, Roberts began to revert to his former posture once the last of the Four Horsemen, James McReynolds, had retired in 1941. In many ways a sympathetic and noble citizen, Roberts tended to vacillate jurisprudentially, making evaluation difficult. Although he was considerably more able than "average," the rating usually accorded him by Court observers, Justice Roberts's performance makes any other categorization difficult to sustain. His resignation in 1945 was based largely on his disenchantment with what he regarded as wholesale deviations from established legal precedents by the Stone, or "Roosevelt," Court. If that was indeed the case, Roberts had had a hand in facilitating that policy.

On January 15, 1932, Oliver Wendell Holmes, Jr., now almost ninety-one but still alert and cheerful, bowed to old age and precarious health and resigned. More than three decades of an incredibly productive and towering judicial career thus came to an end. How to replace the "judicial philosopher of the age"? Hoover, striking out on his own, let it be known that he would like to see a "non-controversial western Republican" as the Old Yankee's successor. But almost at once the Chairman of the Senate's Judiciary Committee, George W. Norris, made it plain to the President that he and his fellow committeemen, largely Democrats and Progressive Republicans, would insist on a judicial statesman in the progressive Holmes mold. Others were rather more specific: the entire faculty of the Law School of the University of Chicago urged Hoover to nominate Benjamin Nathan Cardozo, Chief Judge of the New York Court of Appeals—a man widely regarded as one of America's most brilliant jurists, one who might already have been on the U.S. Supreme Court had it not been for Taft's sustained opposition to him during the 1920s. The Deans of the prestigious

The government of the Union, . . . is, emphatically, and truly, a government of the people. In form and in substance it emanates from them. Its powers are granted by them, and are to be exercised directly on them, and for their benefit.

—MARSHALL, John, in *M'Culloch* v. *Maryland,* 17 U.S. (4 Wheat.) 316, 404–405 (1819).

* * *

The preamble declares domestic tranquility as well as liberty to be an object in founding a Federal Government and I do not think the Forefathers were naive in believing both can be fostered by the law.

—JACKSON, Robert H., *Terminiello* v. *Chicago,* 337 U.S. 1, 34 (1949).

* * *

The question is, in truth, a question of supremacy; . . .

—MARSHALL, John, in *M'Culloch* v. *Maryland,* 17 U.S. (4 Wheat.) 316, 433 (1819).

* * *

. . . the particular phraseology of the constitution of the United States confirms and strengthens the principle, supposed to be essential to all written constitutions, that a law repugnant to the constitution is void; and that courts, as well as other departments, are bound by that instrument.

—MARSHALL, John, in *Marbury* v. *Madison,* 5 U.S. (1 Cranch) 137, 180 (1803).

* * *

The Constitution was written to be understood by the voters; its words and phrases were used in their normal and ordinary as distinguished from technical meaning; where the intention is clear there is no room for construction and no excuse for interpolation or addition.

—ROBERTS, Owen J., *United States* v. *Sprague,* 282 U.S. 716, 731 (1931).

* * *

The Constitution was built for rough as well as smooth roads. In time of war the nation simply changes gears and takes the harder going under the same power.

—BURTON, Harold H., in *Duncan* v. *Kahanamoku,* 327 U.S. 304, 342 (1946).

* * *

Quote It! Memorable Legal Quotations E. Gerhart

QUOTE IT!
Memorable Legal Quotations
E. gerhart

mission under which it is exercised, is void. No legislative act, therefore, contrary to the Constitution, can be valid. To deny this, would be to affirm that the deputy is greater than his principal; that the servant is above his master; that the representatives of the people are superior to the people themselves; that men acting by virtue of powers may do not only what their powers do not authorize, but what they forbid.

—HAMILTON, Alexander, *The Federalist*, No. 78, *The Federalist Papers* (New Rochelle, New York: Arlington House, 1966), p. 467.

* * *

The result is that *the Court is able today to approach the question of factual justification from either one of two opposed angles, according as it wishes to sustain a statute or to overturn it, and is able to cite an ample array of precedents in justification of either approach.*

—CORWIN, Edward S., *The Twilight of the Supreme Court* (New Haven: Yale University Press, 1934), p. 86.

* * *

When an act of Congress is appropriately challenged in the courts as not conforming to the constitutional mandate the judicial branch of the Government has only one duty,—to lay the article of the Constitution which is invoked beside the statute which is challenged and to decide whether the latter squares with the former.

—ROBERTS, Owen J., in *United States* v. *Butler*, 297 U.S. 1, 62 (1936).

* * *

Although research has shown and practice has established the futility of the charge that it was a usurpation when this court undertook to declare an act of Congress unconstitutional, I suppose that we all agree that to do so is the gravest and most delicate duty that this court is called on to perform.

—HOLMES, Oliver Wendell, in *Blodgett* v. *Holden*, 275 U.S. 142, 147–48 (1928).

* * *

JURISDICTION

A court does not have the power, by judicial fiat, to extend its jurisdiction over matters beyond the scope of the authority granted to it by its creators.

—REED, Stanley, in *Stoll* v. *Gottlieb*, 305 U.S. 165, 171 (1938).

* * *

Republican State Committee of Pennsylvania
112 State Street
Harrisburg, Pennsylvania 17105
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REPUBLICAN CHAIRMAN
(717) 787-1711

MICHAEL B. ROSENSTEIN
EXECUTIVE DIRECTOR
(717) 787-1994

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG 17120-0028

June 6, 1990

MEMORANDUM

Subject: Joint Press Conference with Senator Tilghman

To: House Republican Caucus

From: Rep. Joseph R. Pitts JRP

This morning Senator Tilghman and I along with our executive directors gave a briefing to the press outlining the potential billion dollar problem created by Governor Casey's budget.

I thought that it might be helpful to you to have a copy of the handouts that we used for the media.

If you have any questions with regard to this material, please contact either Michael B. Rosenstein or me at 7-1711.

JRP/jmw
Enclosure

Casey's Billion Dollar Budget Problem

	(Millions)
1989-90 Revenue Shortfall	$226
1989-90 Deficiencies	119
SWIF Transfer	216
PERF Bonds	117
1990-91 Revenue Estimate	220
Underfunded Welfare Budget	200
Casey Budget Deficit	**$1,098**

JUL 20 '90 17:57 REPUBLICAN ST. COMMITTEE OF PA. P.3

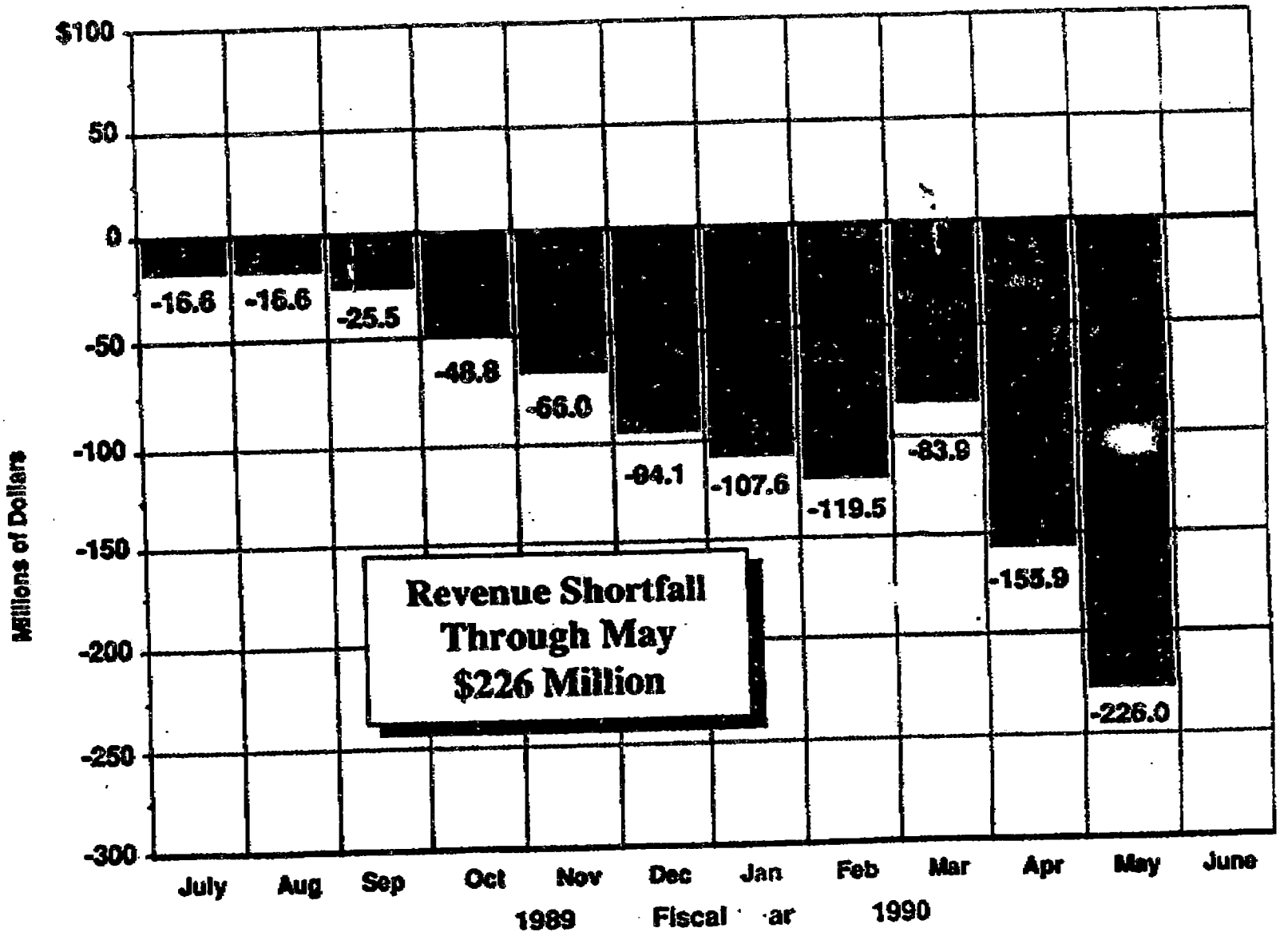
Casey Uses Non Recurring Revenue for Permanent Spending

		(Millions)
Local Tax Reform Windfall		$140
Unemployment Compensation Trust Fund		41
State Workers Insurance Fund -	88-89	110
	89-90	95
	90-91	216
PERF Bonds		117
		$719

JUL 20 '90 17:57 REPUBLICAN ST. COMMITTEE OF PA. P.4

State Tax Collections

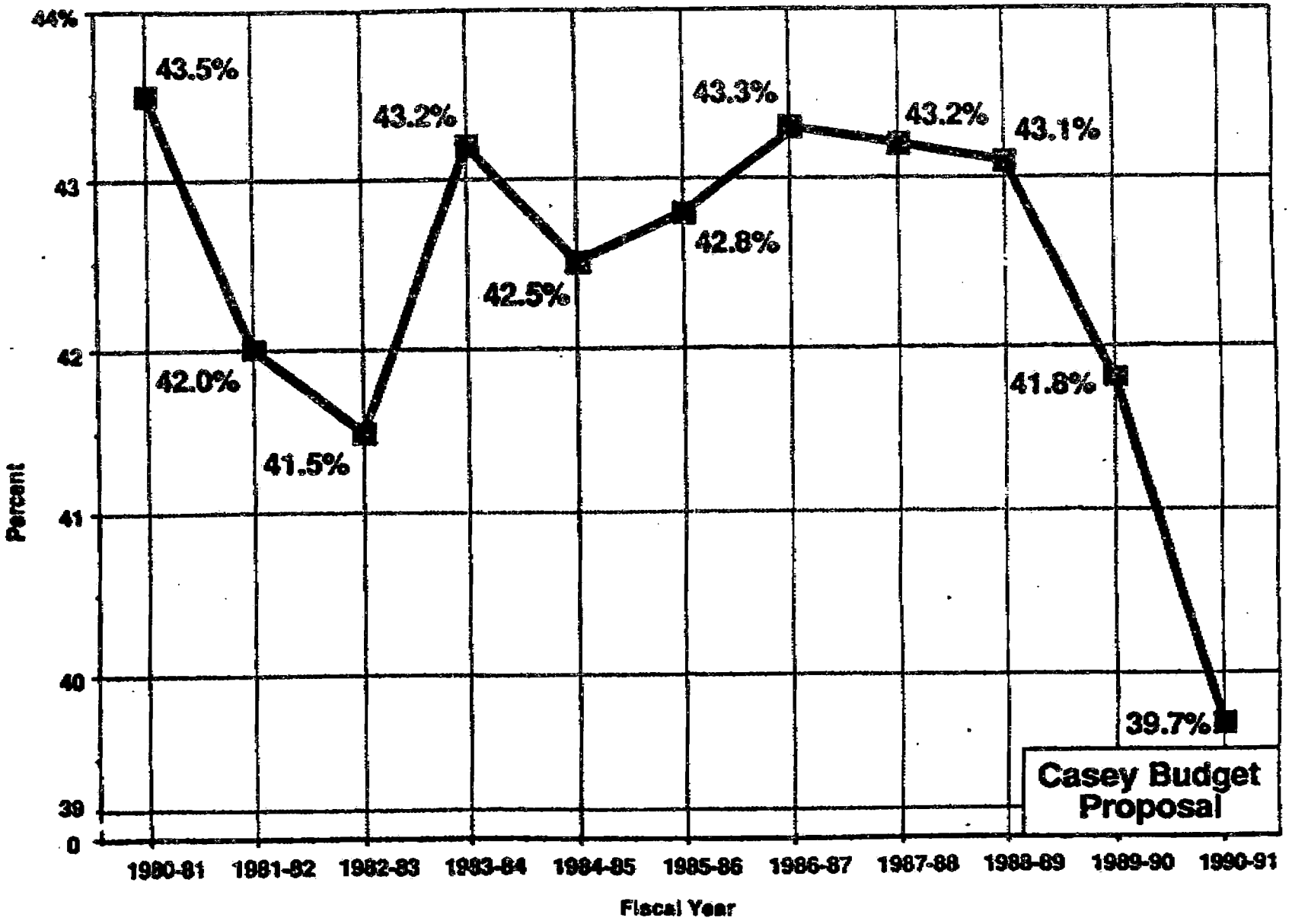
General Fund Revenues vs. Governor Casey's Estimate



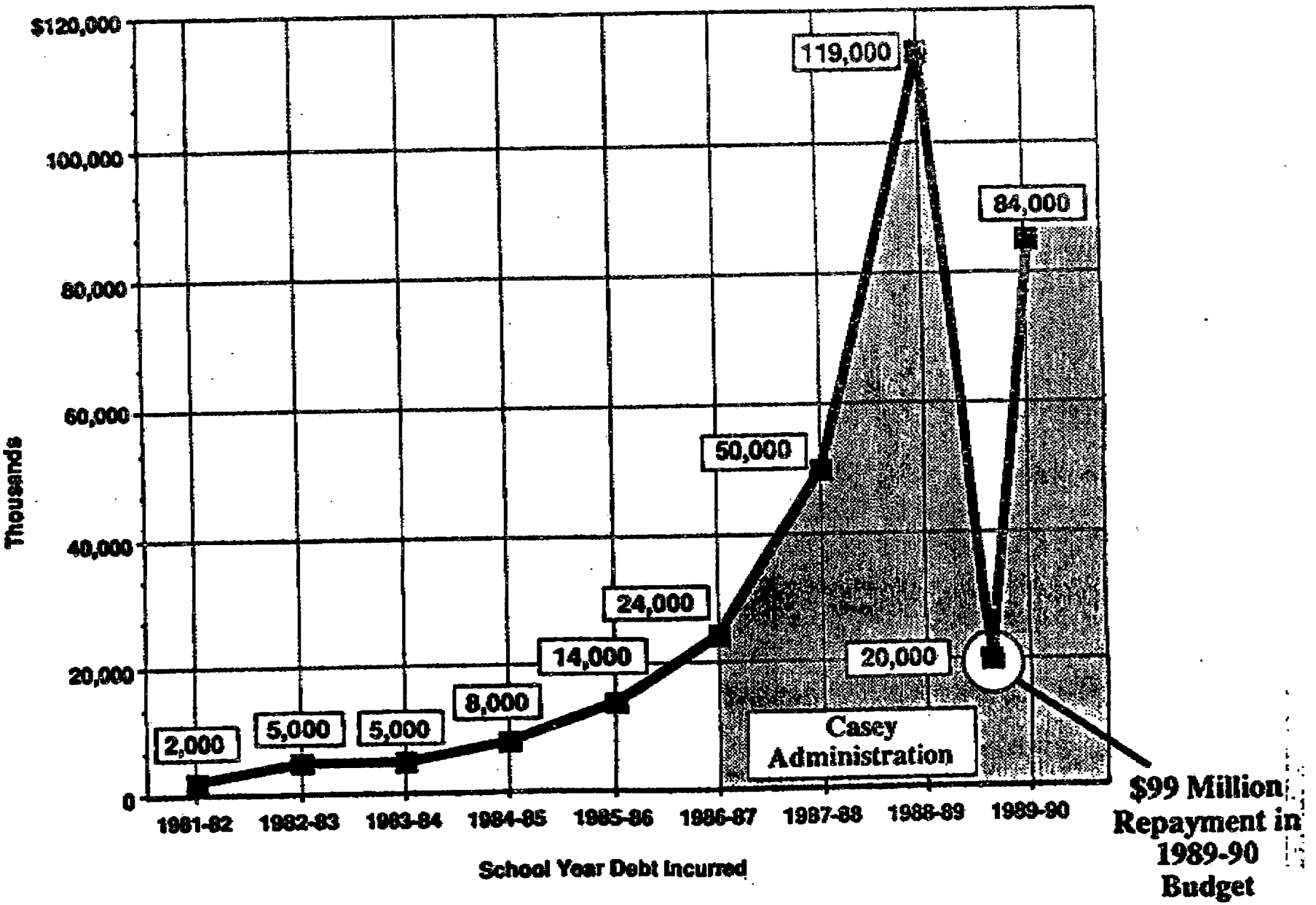
from the Department of Revenue

The Roll Call on Education

State Pays A Smaller Share

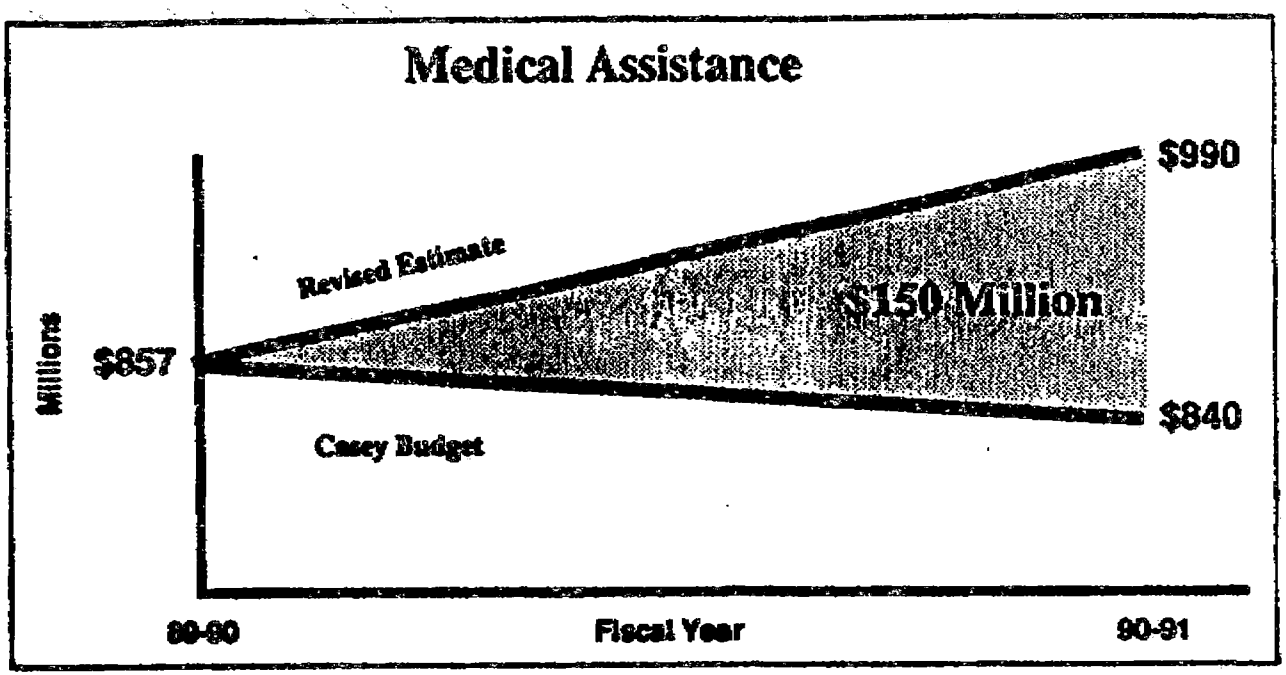


Growth of Special Education Debt to School Districts

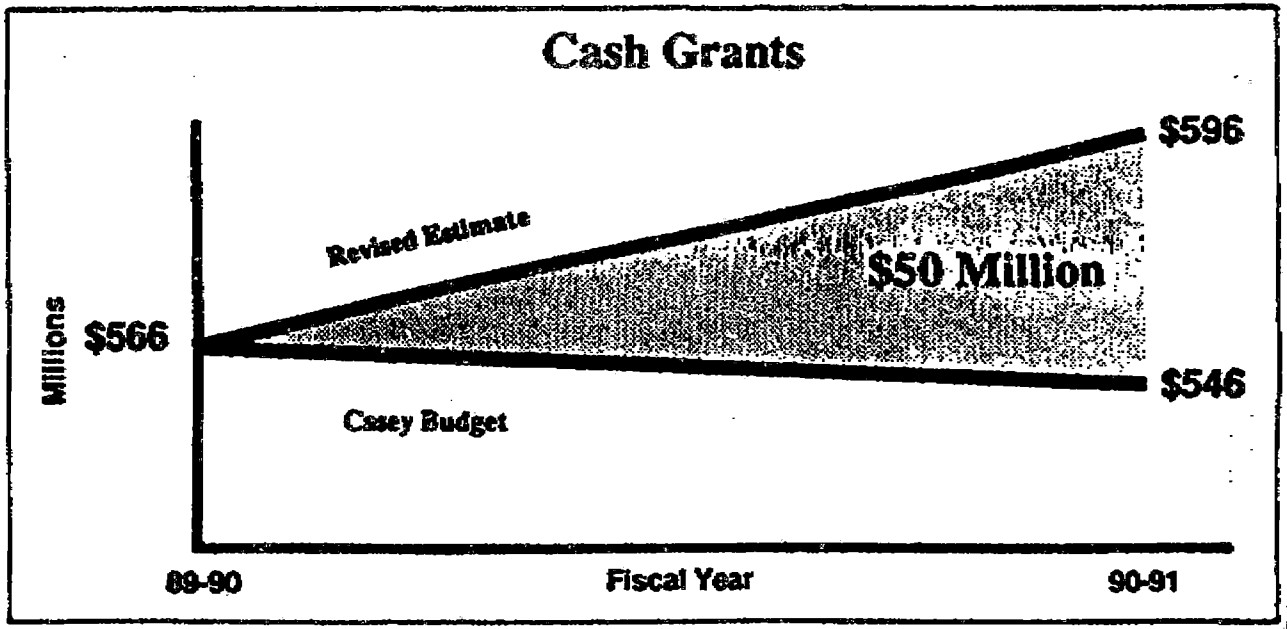


JUL 20 '90 17:58 REPUBLICAN ST. COMMITTEE OF PA.
P.7

Welfare Budget Deficiencies



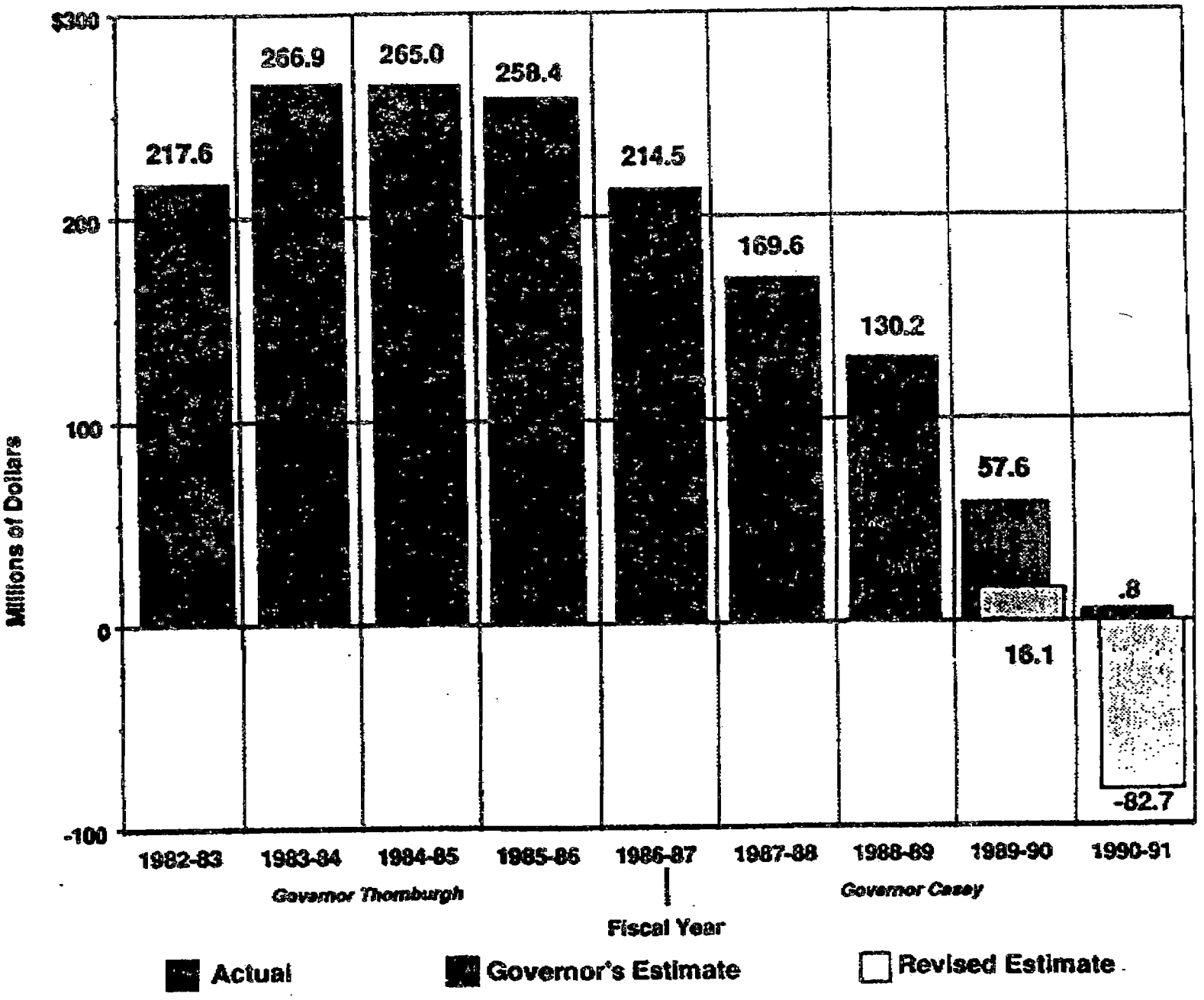
Underfunded by $200 Million



Revised estimates by Senate Appropriations Committee (R)

JUL 20 '90 17:59 REPUBLICAN ST. COMMITTEE OF PA. P.8

Lottery Fund Surplus Turns To Deficit



JUL 20 '90 18:00 REPUBLICAN ST. COMMITTEE OF PA.

July 19, 1990

MEMORANDUM

TO: MARK LANGE

FROM: CAROLYN CAWLEY

RE: SULLIVAN PRINCIPLES

--The Sullivan Principles were drafted in Philly.
(Source: Mrs. Love, Reverend Sullivan's asst.
Phone: (215) 236-7578)

--Tom Niblock/ South African desk officer at State/ 647-8432

- Rev. Sullivan disassociated from the organization. It is now called the Signatory Organization.

- Therefore, he suggests that although the US fully supports the organization, that we not refer to the principles by name:

"In this city, American companies pledged to follow a rigorous set of principles governing their business and trade practices in South Africa...."

1975 - 1st major attempt to make a code of conduct

Commitment



United States Department of State

Washington, D.C. 20520

OFFICE OF SOUTHERN AFRICAN AFFAIRS (AF/S)

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The White House

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FROM: Sandy Rawson PHONE: 647-8432

COMMENTS:

Per our telephoen conversation.

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APPENDIX A

SIGNATORY COMPANIES
STATEMENT OF PRINCIPLES FOR SOUTH AFRICA *
1988

Principle 1 - Nonsegregation of the Races in All Eating, Comfort, Locker Room, and Work Facilities.

Principle 2 - Equal and Fair Employment Practices for All Employees.

Principle 3 - Equal Pay for All Employees Doing Equal or Comparable Work for the Same Period of Time.

Principle 4 - Initiation and Development of Training Programs That Will Prepare Blacks, Coloreds and Asians in Substantial Numbers for Supervisory, Administrative, Clerical, and Technical Jobs.

Principle 5 - Increasing the Number of Blacks, Coloreds and Asians in Management and Supervisory Positions.

Principle 6 - Improving the Quality of Employees' Lives Outside the Work Environment in Such Areas as Housing, Transportation, Schooling, Recreation, and Health Facilities.

Principle 7 - Working to Eliminate Laws and Customs that Impede Social and Political Justice.

* Formerly called the Sullivan Code

USA SNAPSHOTS®

A look at statistics that shape the nation

What a workday buys

How long we toil in an 8-hour workday to pay taxes and other expenses:



Source: The Tax Foundation, 1990

By Julie Stacey, USA TODAY

Baseball's B

863-5454 Mr. Merski

1:47 Fed

:58 St & Local

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DATE: 7/20/90

TO:
NAME: Carolyn Cawley
FIRM: White House
CITY: Washington, DC

FROM:
NAME: Paul Merski
FIRM: Tax Foundation
CITY: Washington, D.C

RE:

NUMBER OF PAGES (including this page): 5

COMMENTS:

Citizens for a Sound Economy Foundation
470 L'Enfant Plaza, SW
East Building #7112
Washington, DC 20024

(202) 488-8200
FAX: (202) 488-8282

Paul G. Merski
Director of Tax & Budget Research

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Paul G. Merski
Director of Fiscal Affairs

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NEWS RELEASE

Embargoed: For Release April 16, 1990, a.m. editions
Contact: Bill Ahern or Sedef Onder (202) 863-5454

TAX FREEDOM DAY 1990 IS MAY 5: TWO DAYS LATER THAN 1989 — LATEST DATE EVER

WASHINGTON, D.C., April 16, 1990 — As Americans scramble to comply with the April 16 IRS filing deadline, they may think they will be free from the tax collector at the end of the day, but Tax Freedom Day doesn't come until May 5 this year. The Tax Foundation has calculated that to be the day when the American taxpayer will have earned enough money to pay this year's total taxes.

That means the average taxpayer will labor 125 days — from January 1 to May 5 — to satisfy all federal, state and local tax obligations, with every cent earned from the beginning of the year going to the tax collectors. Finally, on May 5, he will heave a sigh of relief and start pocketing some of his hard-earned money.

Especially bad news is that May 5th is the latest Tax Freedom Day ever. Last year this task required 123 days and Tax Freedom Day fell on May 3. The Tax Foundation attributes the two-day advance to several important factors:

- The base-broadening provisions in the Tax Reform Act of 1986 and other legislation have subjected a greater percentage of income to taxation.
- The January 1, 1990, increases in the Social Security taxable earnings base and tax rate will cost taxpayers over $10 billion this year alone.
- Many state and local taxes have increased sharply due to demand for higher spending.
- The slowdown in economic growth has reduced the growth in individuals' incomes.

Among these factors, the most significant is the projected slowdown in income growth for 1990. The nation's nominal income is estimated to grow only 5.7 percent while the the total tax take is projected to increase 7.2 percent. Stated simply, tax increases will outpace the growth in individuals' incomes during 1990.

- more -

Tax Foundation to Unveil State-by-State Tax Freedom Day at April 16 Press Conference

Tax Freedom Day has always been calculated using nationwide data. The Tax Foundation has analyzed each state's tax burden and for the first time computed a 1990 Tax Freedom Day for each state and the District of Columbia. A Tax Foundation Special Report with this information will be distributed the morning of April 16 in the Zenger Room of the National Press Club from 10:00 a.m. to 12 noon. Tax Foundation economists will be on hand to answer questions and give interviews.

TAX FREEDOM DAY / 2

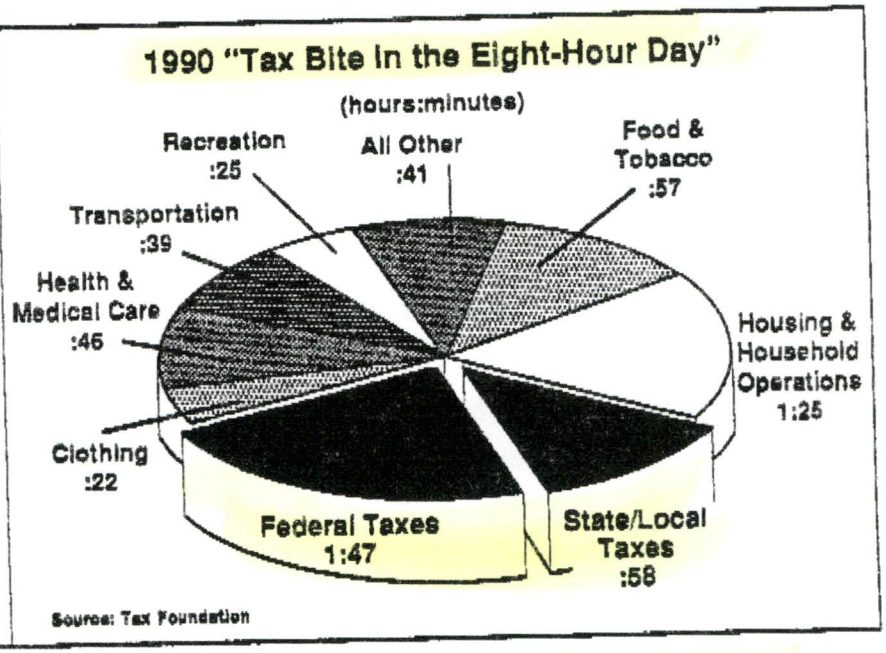
The Tax Bite in the Eight-Hour Day

Another way to graphically express the tax burden's effect on the average worker's paycheck is the Tax Bite in the Eight-Hour Day. In 1990, Tax Foundation analysts estimate that the average worker will spend 2 hours and 45 minutes of an 8-hour day working to satisfy federal, state and local tax collectors — three minutes more than in 1989. One hour and 47 minutes will go towards federal taxes while 58 minutes will be devoted to state and local taxes.

"Tax Bite In the Eight-Hour Day"
1989-1990
(hours:minutes)

	1989	1990
Total Taxes	2:42	2:45
Federal	1:46	1:47
State and Local	:56	:58
Total Personal Consumption Expenditures	5:18	5:15
Housing and Household Operations	1:26	1:25
Food and Tobacco	:58	:57
Health and Medical Care	:46	:46
Transportation	:39	:39
Recreation	:25	:25
Clothing	:23	:22
All Other	:41	:41
8-Hour Day	8:00	8:00

Source: Tax Foundation



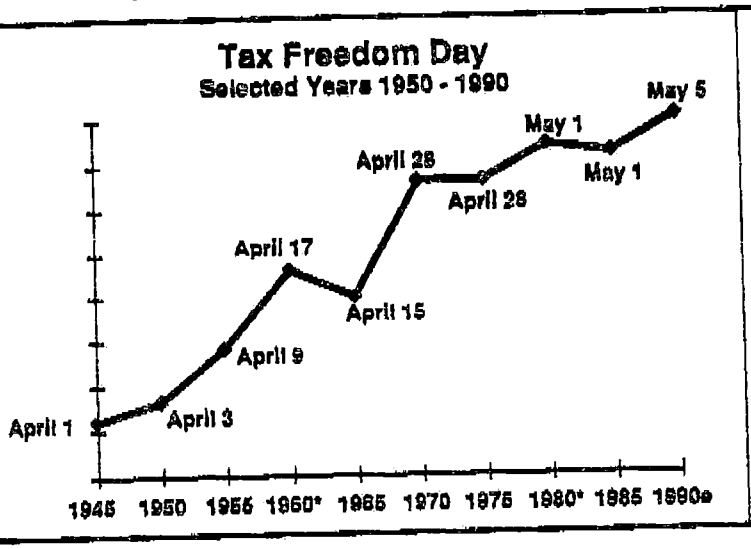
So with the bulk of his workday, 2 hours and 45 minutes, spent working for the tax collector, where does the average worker spend the remaining 5 hours and 15 minutes of earnings? The largest portion is spent on housing and household operations: 1 hour and 25 minutes. Food and tobacco take 57 minutes while health & Medicare costs absorb 46 minutes. Taxpayers will then work 39 minutes for transportation expenditures, 22 minutes for clothing, and 41 minutes for "all other" expenditures (personal care, personal business, private education, religious and welfare activities, foreign travel, and net savings). The typical worker spends the money he makes during the last 25 minutes of the day on recreation.

Tax Freedom Day History

The May 5, 1990, Tax Freedom Day is the latest date on record, continuing the decades-long trend of rising tax obligations. The early 1980s saw Tax Freedom Day at an all-time high of May 4 in 1981. The Reagan tax cuts under the Economic Recovery Tax Act of 1981 (ERTA) helped reduce the federal tax burden and we witnessed a temporary decline in the date of Tax Freedom Day to April 28 in 1984. Since then, major tax legislation has boosted the date to its present high of May 5. Except for the Tax Reform Act of 1986, the major drive behind tax legislation after 1981 was purely and simply to increase tax revenues. Fifteen separate tax bills passed since ERTA have resulted in net tax increases.

The state and local tax burden peaked in the 1976-1977 period before Proposition #13 in California set off a successful round of tax limitation measures in the states. The state/local tax burden dipped until

1981, then resumed its steady long-term rise. Continued fiscal pressures in many states indicate that this trend is likely to continue.



Tax Freedom Day and Tax Bite In the Eight-Hour Day

Year	Tax Freedom Day: Day	Tax Freedom Day: Number of Days	Tax Bite (hrs: min.): Total	Federal	State/ Local
1984*	April 28	118	2:36	1:42	:54
1985	May 1	121	2:38	1:44	:54
1986	May 2	122	2:40	1:44	:56
1987	May 4	124	2:43	1:47	:56
1988*	May 2	123	2:41	1:45	:56
1989	May 3	123	2:42	1:46	:56
1990e	May 5	125	2:46	1:47	:58

* Leap year causes the calendar date of Tax Freedom Day to appear one day earlier.
e Estimates by Tax Foundation.
Source: Tax Foundation

Tax Freedom Day Outlook

Although the average American will work until May 5 and forfeit over 34 percent of his total income in 1990, the government will spend all that money and more. It should be noted that Tax Freedom Day does not reflect the estimated $124 billion in federal deficit spending for 1990. It can be argued, of course, that the average worker does not have a definite "share" of this deficit and will feel its effect through future increases in the tax burden and/or a weaker economy.

Spending a record 125 days until May 5 to pay off the tax collectors may come as a shock to many Americans. However, the combined pressures of a persistent federal budget deficit, demands to expand funding for new and existing programs, budget crises in numerous states and the slowdown in income growth could easily make Tax Freedom Day even later on our calendars.

The Tax Foundation is a nonprofit, nonpartisan research and public education organization founded in 1937 to monitor tax and fiscal activities at all levels of government.

- end -

TAX FREE DAY HISTORY

"Tax Freedom Day" and "Tax Bee in Eight-Hour Day"
Calendar Years 1929-1990

	Tax Freedom Day(a)	Tax Bee in the Eight-Hour Day(b) (Hours:Minutes)		
		Total	Federal	State and Local
1929	February 9	:52	:19	:33
1931	February 15	1:00	:13	:47
1933	March 5	1:24	:25	:59
1935	March 1	1:17	:28	:49
1937	March 6	1:24	:40	:44
1939	March 8	1:24	:38	:46
1940*	March 8	1:29	:45	:44
1941	March 17	1:40	1:04	:36
1942	March 19	1:43	1:24	:29
1943	April 6	2:06	1:42	:24
1944*	March 30	1:58	1:36	:22
1945	April 1	1:59	1:36	:23
1946	March 31	1:57	1:30	:27
1947	April 3	2:01	1:33	:28
1948*	March 28	1:55	1:26	:29
1949	March 24	1:48	1:16	:32
1950	April 3	2:02	1:30	:32
1951	April 10	2:11	1:40	:31
1952*	April 10	2:12	1:40	:32
1953	April 10	2:12	1:40	:32
1954	April 6	2:05	1:30	:35
1955	April 9	2:09	1:34	:35
1956*	April 11	2:13	1:37	:36
1957	April 13	2:14	1:37	:37
1958	April 10	2:12	1:32	:40
1959	April 14	2:16	1:36	:40
1960*	April 17	2:22	1:40	:42
1961	April 16	2:22	1:38	:44
1962	April 16	2:21	1:38	:43
1963	April 19	2:23	1:39	:44
1964*	April 15	2:18	1:33	:45
1965	April 15	2:17	1:33	:44
1966	April 18	2:21	1:36	:45
1967	April 20	2:24	1:37	:47
1968*	April 25	2:32	1:39	:53
1969	May 1	2:38	1:48	:50
1970	April 28	2:34	1:40	:54
1971	April 25	2:31	1:36	:55
1972*	April 29	2:36	1:39	:57
1973	April 29	2:36	1:41	:55
1974	May 3	2:41	1:45	:56
1975	April 28	2:35	1:38	:57
1976*	May 1	2:40	1:42	:58
1977	May 3	2:41	1:43	:58
1978	May 3	2:41	1:45	:56
1979	May 3	2:41	1:48	:53
1980*	May 1	2:39	1:48	:51
1981	May 4	2:43	1:52	:51
1982	May 3	2:41	1:48	:53
1983	April 30	2:38	1:43	:55
1984*	April 28	2:36	1:42	:54
1985	May 1	2:38	1:44	:54
1986	May 2	2:40	1:44	:56
1987	May 4	2:43	1:47	:56
1988*	May 2	2:41	1:45	:56
1989	May 3	2:42	1:46	:56
1990e	May 5	2:45	1:47	:58

(a) "Tax Freedom Day" represents the date on which the average person would finish paying all Federal, state, and local taxes if all earnings since January 1 were turned over to the governments to fulfill annual tax obligations.

(b) The "Tax Bite in the Eight-Hour Day" relates the amount of time out of each workday that the average person spends earning enough money to pay tax obligations.

* Leap year causes the calendar date of Tax Freedom Day to appear one day earlier.

Source: Tax Foundation



Colorful hex signs on well-kept barns are a familiar sight on farms in southeastern Pennsylvania.

GRANT HEILMAN

PENNSYLVANIA

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State seal of Pennsylvania

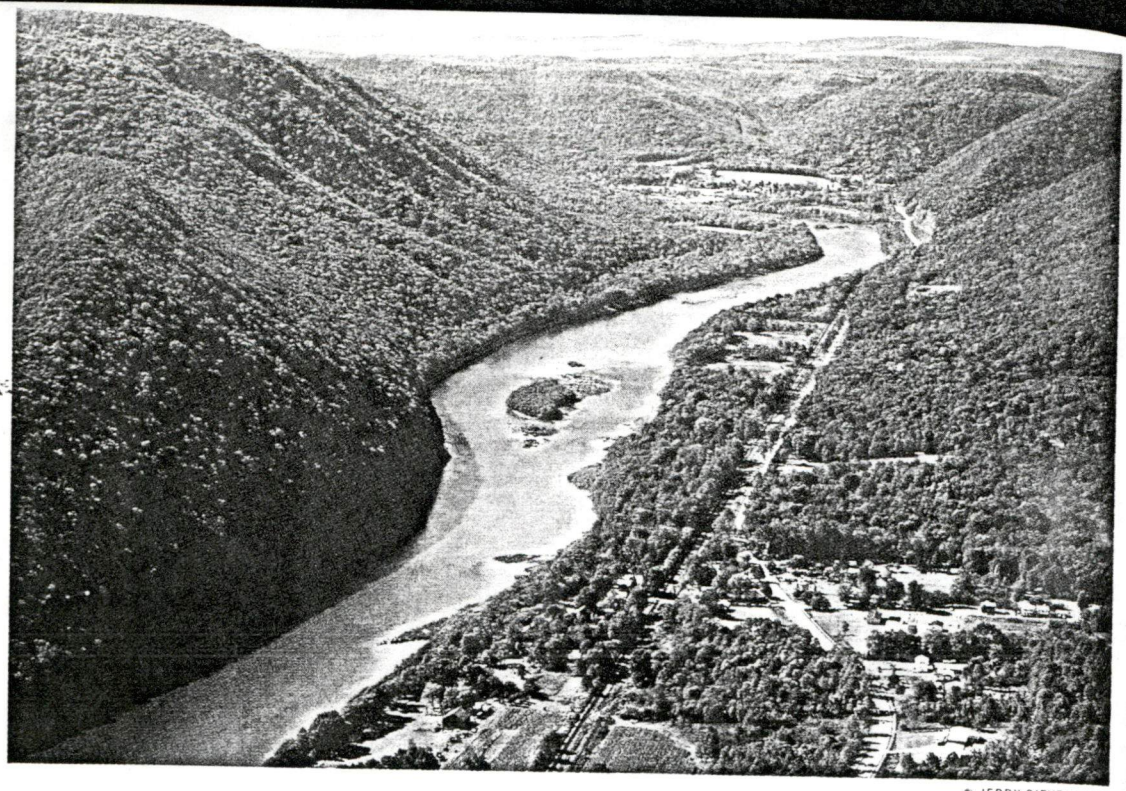
PENNSYLVANIA, pen-səl-vā′nyə, a Middle Atlantic state of the United States. One of the original 13 colonies, it was established in 1681 when Britain's King Charles II granted the land to William Penn, who wanted to use it primarily as a haven for persecuted Quakers. Pennsylvania therefore was nicknamed the Quaker State. It also has been called the Keystone State, for its central location among the original 13 states—with six states to the north and six to the south.

The state's physical regions are extremely varied, including a low-lying coastal plain, the Piedmont, the Allegheny Mountains, and the Appalachian Plateau. Three great river systems, the Delaware, Susquehanna, and Ohio, drain the state.

Pennsylvania has a diversified economy. Philadelphia, its largest city, is a major commercial, industrial, and cultural center and is one of the world's most important ports. Lancaster county and other portions of the Piedmont contain some of the world's most fertile and productive soils. Minerals are mined in several areas, especially coal in the northeast and southwest. Manufacturing is prominent throughout the state, except for the northern counties. The Pittsburgh area has been famous for its iron and steel mills. Products are carried to markets primarily on modern highways and from the major ports and airports at Philadelphia, Pittsburgh, and Erie.

Almost half of the state's population is concentrated in and around Philadelphia and Pittsburgh. But the state also has several other heavily urbanized areas, including Allentown-Bethlehem-Easton, Scranton and Wilkes-Barre, and Erie. The present-day population includes few descendants of the Dutch and Swedish colonists who arrived during the first half of the 17th century. Nevertheless, ethnic groups that have entered Pennsylvania since 1681 are still prominent, including English, Scots-Irish, and Germans. Many of the early settlers were attracted by the economic opportunities, liberal government, and religious freedom that prevailed in the colony founded by William Penn.

From Encyclopedia Americana 1989



© JERRY SIEVE/ALPHA

The West Branch of the Susquehanna winds through the Allegheny Plateau and drains central Pennsylvania.

Throughout Pennsylvania's history immigrants have been essential to its economic development and cultural enrichment. In the 19th and early 20th centuries large numbers of Irish, Germans, and southern and eastern Europeans arrived to work in the canals, railroads, mines, and factories. The state of Pennsylvania has continued to attract immigrants. In the 20th century the newcomers included blacks, Hispanics, and Asians, who sought work in the cities.

Although Pennsylvania was one of the most prosperous areas in America during the 18th and 19th centuries, its economy declined sharply in the first half of the 20th century. Timber resources were largely depleted and the remaining oil became too costly to extract. The market for its coal declined as other fuels became more popular and readily available. Pennsylvania began to face competition in the manufacture of steel. Some industries, especially textiles, moved out. Several large cities began to decay.

Conditions, however, began to improve in the 1950's. Research was intensified to find new uses for Pennsylvania's natural resources. New industries were attracted to the state and provided jobs for unemployed workers. Modern highways made Pennsylvania's spectacular scenery more accessible, and recreational facilities were constructed throughout the state under public and private auspices. As a result, Pennsylvania has become a popular tourist area.

The state is rich in cultural resources, including outstanding art collections in Philadelphia and Pittsburgh, the state museum in Harrisburg, and the Philadelphia and Pittsburgh symphony orchestras. Because Pennsylvania played a major role in the founding of the United States, it has many prominent historical sites, including Independence Hall in Philadelphia, where the Declaration of Independence was signed.

INFORMATION HIGHLIGHTS

Location: A Middle Atlantic state bordered north by Lake Erie and New York, east by New York and New Jersey, south by Delaware, Maryland, and West Virginia, and west by West Virginia and Ohio.

Elevation: *Highest point*—Mt. Davis, 3,213 feet (980 meters); *lowest point*—Delaware River (sea level); *approximate mean elevation,* 1,100 feet (336 meters).

Area: 45,308 square miles (117,348 sq km); rank, 33d.

Population: 1980 census, 11,863,895; rank, 4th. Increase (1970–1980), 0.5%.

Climate: Cold winters and warm summers: abundant precipitation.

Statehood: Dec. 12, 1787; order of admission, 2d.

Origin of Name: "Penn" honors the father of William Penn; "sylvania" means "woodland."

Capital: Harrisburg.

Largest City: Philadelphia.

Number of Counties: 67.

Principal Products: *Manufactures*—Primary metal industries, nonelectrical machinery, electrical equipment and supplies, food and kindred products, fabricated metal products, chemicals; *farm products*—milk, cattle, eggs, corn; *minerals*—coal, cement, stone, natural gas.

State Motto: Virtue, Liberty and Independence.

State Nickname: The Keystone State.

State Bird: Ruffed Grouse.

State Flower: Mountain Laurel.

State Tree: Eastern Hemlock.

State Flag: Blue field surrounding Commonwealth coat of arms and trimmed in yellow. See FLAG.

1. The Land

The natural environment of Pennsylvania is varied. Elevations range from sea level to more than 3,000 feet (900 meters), with the surface bisected by numerous streams, rivers, and other bodies of water. Beneath the surface are useful minerals. The climate is moderate, fostering plant and animal life characteristic of the temperate zone. Because the resources have been exploited carelessly in the past, the state government has adopted a wide range of conservation measures.

Major Physical Divisions. Most of the rocks that underlie Pennsylvania were formed by the end of the Permian, about 200 million years ago.



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1809, is one of the oldest theaters in the United States.

Music has long been prominent in Pennsylvania. The German settlers, especially 18th century Seventh Day Baptists and Moravians, emphasized music in their communal settlements. This musical tradition is continued in Bethlehem's annual Bach Festival. The Pennsylvania Ballet is an outstanding dance company, and Philadelphia and Pittsburgh have opera companies.

The Philadelphia Orchestra enjoys a worldwide reputation for excellence. Its home is Philadelphia's Academy of Music (1857), which is famed for its acoustics. The Pittsburgh Orchestra also has a fine reputation.

Communications. Since the colonial period, Pennsylvania has been a prominent center for journalism. The *American Weekly Mercury*, Pennsylvania's first paper and one of the first in the country, began publication in 1719. Benjamin Franklin published the Pennsylvania *Gazette* beginning in 1730, and his *Poor Richard's Almanack* was issued annually for 25 years beginning in 1732. Distinctive in early American publishing was Pennsylvania's foreign-language press, including Christopher Saur's German newspaper and almanac. Published in Germantown beginning in 1739, it circulated widely among German settlers. Pittsburgh's *Gazette*, founded in 1786, was the first newspaper west of the Allegheny Mountains.

Pennsylvania today has approximately 100 daily and 175 weekly newspapers. Among the best-known large dailies are the Philadelphia *Inquirer*, the Pittsburgh *Post-Gazette*, the Allentown *Morning Call*, and the Bethlehem *Globe-Times*. The state has several outstanding small dailies, including the Hatboro *Today's Spirit*, Pottsville *Republican*, Tarentum *Valley News Dispatch*, and the *Beaver County Times*.

Pennsylvania has been a leader in electronic communications. Pittsburgh's KDKA became the first commercial radio station in the nation in 1920. Several television channels throughout the state constitute the Pennsylvania Public Television Network. Pittsburgh's WQED was the country's first community-sponsored television station. Pennsylvania State University's WPSX is one of the few public television stations in the country licensed to a college or university.

6. Recreation

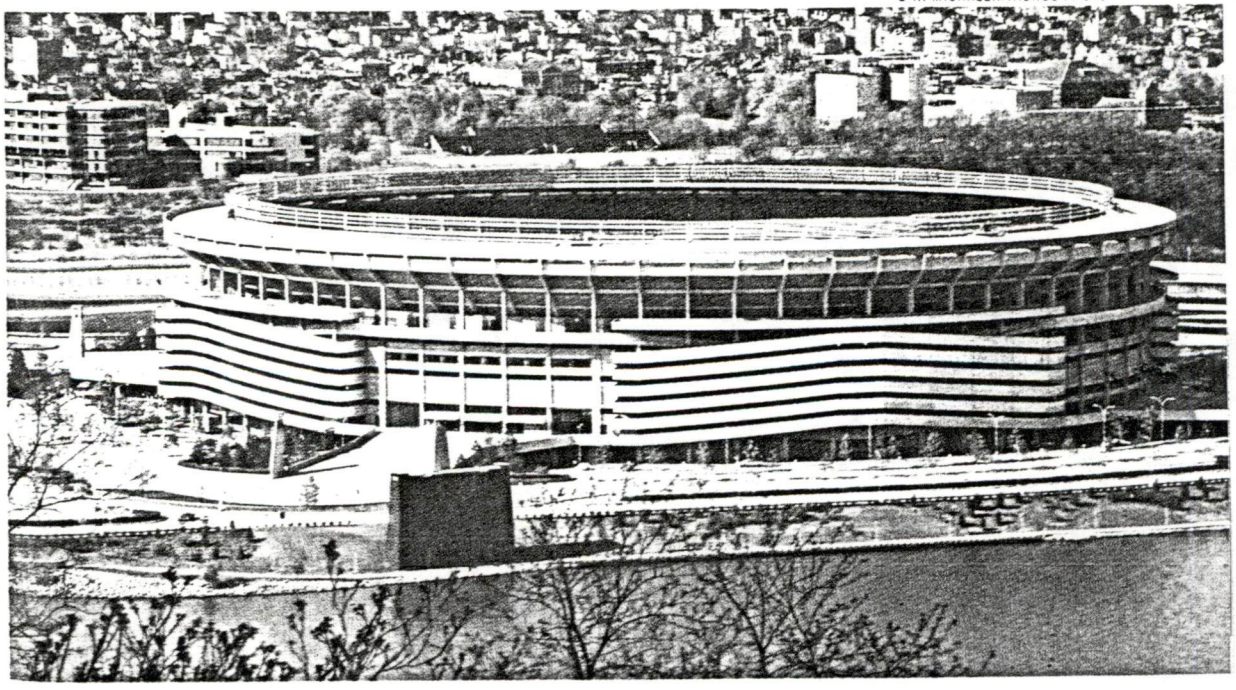
Pennsylvania offers a wide range of recreational opportunities. Visitors are attracted by the scenic variety, historic sites, and designated areas for participatory and spectator sports.

Historic Site. Several national parks preserve important historic sites. Independence National Historical Park in Philadelphia preserves buildings associated with the American Revolution and the establishment of the United States. It includes Independence Hall, where the Declaration of Independence and the U.S. Constitution were signed; Carpenters' Hall, site of the First Continental Congress; and the buildings of the First and Second Banks of the United States. The site where Washington and the Continental Army camped during the difficult winter of 1777–1778 is preserved at Valley Forge National Park. Gettysburg National Military Park commemorates one of the most critical battles of the Civil War. Other national sites include Fort Necessity National Battlefield, near Uniontown, the site of George Washington's surrender to the French in 1754 during the French and Indian War, and Hopewell Village National Historic Site, a restored 18th–19th century iron-making village.

Several state parks also include historic sites. Washington Crossing State Park is a memorial to George Washington and the 2,400 soldiers who

Pittsburgh's Three Rivers Stadium provides facilities for major professional athletic events.

© K. MICHALEK/TAURUS PHOTO



crossed the Delaware River on Christmas night in 1776 to attack British and Hessian troops at Trenton, N.J. Other places of historic interest include Wheatland, in Lancaster, the home of President James Buchanan; Ephrata Cloister, a restored religious community built in 1732 by the German Seventh Day Baptists; and the Daniel Boone Homestead near Reading.

Forests and Parks. The Allegheny National Forest covers nearly 500,000 acres (200,000 hectares) in north central Pennsylvania. State forests cover more than 2 million acres (800,000 hectares). All forest areas are available for recreation, such as hiking and fishing. The largest state forests include Susquehannock and Elk in north central Pennsylvania and Sproul, Bald Eagle, and Tiadaghton in the central part of the state.

Pennsylvania has more than 100 state parks, administered by the Department of Environmental Resources. Most include facilities for bathing, fishing, boating, picnicking, hiking, and camping.

Several other state agencies also provide recreational opportunities. The Game Commission controls hunting by setting standards and seasons and by licensing hunters. It stocks woods and fields with deer, bear, rabbit, pheasant, turkey, grouse, and other game. The Fish Commission similarly controls fishing, and it regularly stocks the state's streams and lakes.

Other Places and Activities. One of the state's most popular recreation areas is the Pocono Mountains, which contains numerous resort hotels and recreation facilities. Waterways throughout the state, such as the upper Lehigh, Delaware, Susquehanna, Allegheny, and Youghiogheny rivers, provide opportunities for white-

FAMOUS PENNSYLVANIANS

Alcott, Louisa May (1832–1888), author, wrote *Little Women* (1868; 1869).
Anderson, Marian (1902–), contralto, first black singer to appear with the Metropolitan Opera Company.
Anderson, Maxwell (1888–1959), playwright, won the 1933 Pulitzer Prize for his prose play *Both Your Houses*.
Barber, Samuel (1910–), composer, won two Pulitzer prizes for music (1958; 1963).
Barrymore (family), outstanding theatrical dynasty—Georgianna Drew (1856–1893), Lionel (1878–1954), Ethel (1879–1959), and John (1882–1942).
Bartram, John (1699–1777), botanist, called the "father of American botany."
Benét, Stephen Vincent (1898–1943), poet and author, wrote *The Devil and Daniel Webster* (1937).
Biddle, Nicholas (1786–1844), financier, president of the Second Bank of the United States.
Boone, Daniel (1734–1820), frontiersman and explorer.
Buchanan, James (1791–1868), 15th president of the United States.
Calder, Alexander (1891–1976), innovative sculptor, famed for "mobiles" and monumental forms.
Carnegie, Andrew (1835–1919), iron and steel magnate and philanthropist.
Cassatt, Mary (1845–1926), artist, leading member of the impressionist school.
Clymer, George (1739–1813), signer of the Declaration of Independence and the U.S. Constitution.
Dallas, George M. (1792–1864), political leader, vice president of the United States (1845–1849).
Dickinson, John (1732–1808), political leader, known for his "Farmer's Letters," denouncing British taxation policy.
Drew, John (1853–1927), actor, matinee idol.
Eakins, Thomas Cowperthwait (1844–1916), realist painter of 19th century American life.
Forrest, Edwin (1806–1872), actor, one of the foremost tragedians of the 19th century.
Foster, Stephen C. (1826–1864), songwriter, wrote *Swanee River* (1851).
Franklin, Benjamin (1706–1790), printer, author, diplomat, scientist, and inventor; helped draft Declaration of Independence.
Frick, Henry Clay (1849–1919), steel industrialist and art collector.
Fulton, Robert (1765–1815), inventor and engineer, designed the *Clermont,* the first commercially successful steamboat.
Gallatin, Albert (1761–1849), diplomat and financier; secretary of the treasury (1801–1814).
Girard, Stephen (1750–1831), businessman and philanthropist, aided the government in financing the War of 1812.
Graham, Martha (1895–), dancer and choreographer.
Hancock, Winfield Scott (1824–1886), Civil War general and presidential candidate (1880).
Hopkinson, Francis (1737–1791), patriot, author, and composer; signer of the Declaration of Independence.
Kaufman, George S. (1889–1961), dramatist, won the Pulitzer Prize for *Of Thee I Sing* (1931) and *You Can't Take It With You* (1936).
McClellan, George Brinton (1826–1885), Civil War general and presidential candidate (1864).
McGuffey, William H. (1800–1873), author of readers and spellers for elementary schools.
Marshall, George Catlett (1880–1959), U.S. Army chief of staff in World War II; as secretary of state proposed the Marshall Plan; received Nobel Peace Prize (1953).
Mead, Margaret (1901–1978), anthropologist, concerned with the relationship between culture and personality.
Mellon, Andrew W. (1855–1937), financier and industrialist, secretary of the treasury under three presidents (1921–1932).
Morris, Robert (1734–1806), signer of the Declaration of Independence and prominent financier of the Revolution.
Mott, Lucretia Coffin (1793–1880), abolitionist and advocate of women's rights.
Muhlenberg, Frederick A. (1750–1801), first speaker of the U.S. House of Representatives.
Muhlenberg, Heinrich Melchior (1711–1787), clergyman, organizer and leader of the Lutheran Church in colonial America.
Peale, Charles Willson (1741–1827), prominent painter, who did portraits of Washington, Franklin, Jefferson, Hamilton, and others.
Peale, Rembrandt (1778–1860), artist, known for his portraits of George Washington.
Peary, Robert E. (1856–1920), Arctic explorer who led the first successful expedition to the North Pole.
Priestley, Joseph (1733–1804), scientist, discovered oxygen.
Rinehart, Mary Roberts (1876–1958), author of mystery stories and other novels.
Rittenhouse, David (1732–1796), astronomer and mathematician.
Ross, Betsy (1752–1836), reported to have made the first American flag.
Ross, George (1730–1779), signer of the Declaration of Independence.
Rush, Benjamin (1746–1813), physician and reformer, signer of the Declaration of Independence.
St. Clair, Arthur (1736–1818), Revolutionary War general, president of the Continental Congress (1787), and first governor of the Northwest Territory.
Schwab, Charles M. (1862–1939), industrialist, leading entrepreneur in the expansion of the steel industry.
Stevens, Thaddeus (1792–1868), political leader, advocate of harsh Reconstruction policies.
Tarbell, Ida M. (1857–1944), editor and author, exposed ruthless competitive practices in her *History of the Standard Oil Company* (1904).
Wanamaker, John (1838–1922), merchant, pioneer in modern merchandising techniques.
Wayne, Anthony (1745–1796), Revolutionary officer, nicknamed "Mad Anthony" for his daring.
West, Benjamin (1738–1820), artist; a founder of the British Royal Academy of Art.
Wilson, James (1742–1798), signer of the Declaration of Independence and the U.S. Constitution; Supreme Court justice.
Wyeth, Andrew (1917–), painter, best known for *Christina's World* (1948).



William Penn establ

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used by swimmers,
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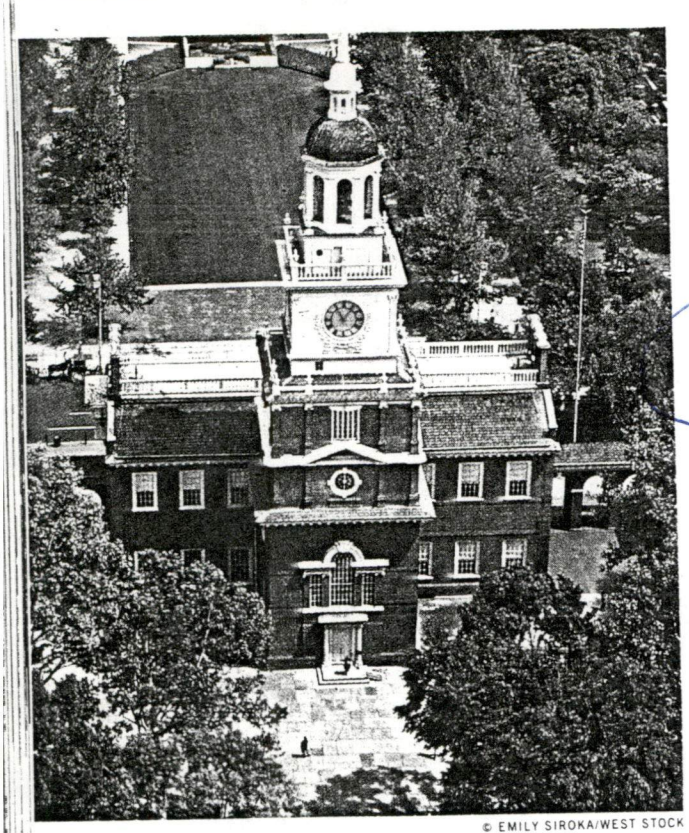
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7. History

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© EMILY SIROKA/WEST STOCK

Independence Hall, Philadelphia, where the Declaration of Independence and the U.S. Constitution were signed.

1681 signed a charter granting Penn almost all of present-day Pennsylvania.

In 1682, Penn founded the colony of Pennsylvania as a "holy experiment." He advertised widely his offer of religious freedom, liberal government, and inexpensive land. His colony grew rapidly, numbering 30,000 persons by 1700 and 300,000 by 1776, making it one of the largest provinces in British America. Settlers from many parts of the world and belonging to a wide variety of religious groups came to the colony.

Penn arrived in Pennsylvania in 1682, and soon after he named Philadelphia as his capital. As the proprietor of the colony, he brought with him its first constitution—the Frame of Government. In 1683 the legislature approved a second, more liberal Frame of Government, providing for a bicameral legislature consisting of a provincial council and a general assembly. The assembly, elected annually, had the power to veto or approve laws initiated by the council. Penn was anxious to establish friendly relations with the Indians, and he paid them for lands claimed by the colony.

He returned to England in 1684, leaving the government to be run by a deputy governor. During his absence, friction developed between the two branches of the legislature. Members of the assembly resented the council's exclusive power to originate laws.

The British government deprived Penn of his right to govern Pennsylvania in 1692 because of his friendship with the deposed King James II. The royal governor of New York was given responsibility for Pennsylvania as well. Full proprietary rights were restored to Penn in 1694.

The colony's legislature remained split, and in 1696 the assembly gained the right to initiate legislation. During Penn's second and last visit to Pennsylvania he drew up in 1701 the famous constitution known as the Charter of Privileges, which made the assembly the chief lawmaking body. The Charter of Privileges remained the constitution of Pennsylvania until 1776.

Penn died in 1718, disillusioned by quarrels with his colonists. Nevertheless he had succeeded in forming a community, unusual in his day, in which persons of diverse ethnic and religious backgrounds lived together, if not in perfect harmony, at least without violence toward one another, free to worship as they chose, or not to worship at all.

French and Indian War. The colony's peaceful development proceeded without interruption until the mid-18th century, when the French and Indians forcibly opposed Pennsylvania's westward expansion. The French and Indian War began in 1754, after the French built Fort Duquesne at the juncture of the Allegheny and Monongahela rivers, the present site of Pittsburgh.

In July 1755, British forces led by Gen. Edward Braddock were ambushed and defeated near Fort Duquesne. The Indians, impressed by French power, promised to aid them. Initial efforts by the American colonists failed to dislodge the French, and Indians ravaged Pennsylvania's frontier, burning buildings and killing settlers. The Pennsylvania assembly, dominated by pacifist Quakers, at first refused to act, and the British government provided troops, weapons, and ammunition. The war was ended by the Treaty of Paris on Feb. 8, 1763, with the British victorious and the French driven from the continent.

In the spring of 1763 an Indian uprising, known as Pontiac's War, again threatened western Pennsylvania. The uprising was suppressed when the Indians were defeated at Bushy Run in August 1763.

The Revolution. The French and Indian War increased tremendously the British government's national debt and annual expenses. In an effort to lower costs and raise money, the British banned settlement in western Pennsylvania and imposed unprecedented taxes and trade restrictions on the American colonies.

Philadelphia merchants organized protest committees and rallies, and leadership passed to men who had not previously held provincial or city offices. Those newly involved in politics joined forces with frontiersmen who had long resented political domination of the legislature by the eastern part of the colony.

As hostility developed toward Britain, so did antagonism toward the provincial government. The ensuing revolution had two objectives. One was independence from the mother country, and the other was the overthrow of the colonial government. The First Continental Congress met in Philadelphia in 1774, and the Second Continental Congress convened there in 1775. When the Pennsylvania assembly in 1776 refused to move toward independence, the revolutionary committee seized control. The radicals instructed the Pennsylvania delegates to Congress to support the Declaration of Independence, which was adopted on July 4, 1776, in the State House (now Independence Hall). They also convened a provincial convention to draft a new state constitution.

Several important campaigns took place in Pennsylvania during the Revolution. On Christ-

mas night in 1776, Gen. George Washington's army recrossed the Delaware River and defeated the British and Hessians at Trenton, N.J. British troops invaded Pennsylvania in the summer of 1777 and defeated Washington's army at Brandywine on September 11, assuring British occupation of Philadelphia. The Continental Congress fled from Philadelphia to Lancaster and then to York. The Continental Army spent the harsh winter of 1777–1778 at Valley Forge. In the early summer of 1778 the British withdrew from Philadelphia, and the Congress returned.

Early Statehood. The new state was deeply divided. Some residents refused to support the Revolution, and a number of Loyalists aided the British, especially during the occupation of Philadelphia. Many religious pacifists, including Friends (Quakers) and German Mennonites, Amish, and Brethren, were neutral. Some of them were fined, imprisoned, and banished by the state. Political moderates opposed the state's radical democrats, and control of the state shifted from one group to the other during the first decade of independence.

The national Constitutional Convention met in Philadelphia in 1787, and Pennsylvania's delegation, including Benjamin Franklin, Robert Morris, Gouverneur Morris, and James Wilson, played important roles. Despite intense opposition, Pennsylvania became the second state to ratify the U.S. Constitution.

Philadelphia was the national capital from 1790 to 1800, when the permanent capital was established in Washington, D.C. During that period Philadelphia's newspapers became outspoken advocates of the emerging political parties. At times rival bands of partisans attacked each other in the streets.

Political animosity also was strong in rural areas. In the Pittsburgh area farmers rebelled against the federal excise tax on whiskey. The Whiskey Rebellion was suppressed when President Washington called out the militia in 1794. In eastern Pennsylvania, residents led by John Fries resisted federal taxes on land and houses in 1799, and troops again forced obedience.

After Thomas Jefferson's election as president in 1800 and the subsequent repeal of many of the Federalist taxes, the state became more stable. Many residents moved to the interior, and the frontier disappeared. The state capital followed the people westward to Lancaster in 1799 and to Harrisburg in 1812.

Urbanization proceeded rapidly. Philadelphia retained its leadership, but Pittsburgh and other cities also became important population centers. The number of urban communities increased from five in 1800 to 46 by 1860. Manufacturing was the magnet that attracted people to most of the growing cities.

Civil War Period. Slavery was never entrenched in Pennsylvania. In 1780 the legislature provided for the gradual emancipation of all slaves in the state, and by 1860 slavery had disappeared completely. When President James K. Polk in 1846 asked Congress for funds to use in the dispute with Mexico, a Pennsylvania congressman, David Wilmot, moved that those funds not be used for the acquisition of additional slave territory. Although Congress did not adopt the Wilmot Proviso, it became a symbol of the North's opposition to slavery.

Pennsylvania's hospitality to runaway slaves irritated the South. Towns near the Mason and Dixon line, including Chester, Columbia, York, Gettysburg, and Chambersburg, became stations on the Underground Railroad. In 1851, when a Maryland farmer pursued his slaves to Christiana, in southern Lancaster county, residents killed him, seriously wounded his son, and helped the fugitives escape to Canada. The Christiana Riot intensified consideration of secession in the South and attracted support among some Pennsylvanians for the new Republican party, which opposed the extension of slavery.

The Republican party held its first national convention in 1856 in Philadelphia and nominated John C. Frémont for president. Only the nomination by the Democrats of Pennsylvania's James Buchanan enabled them to carry the state and win the presidential election.

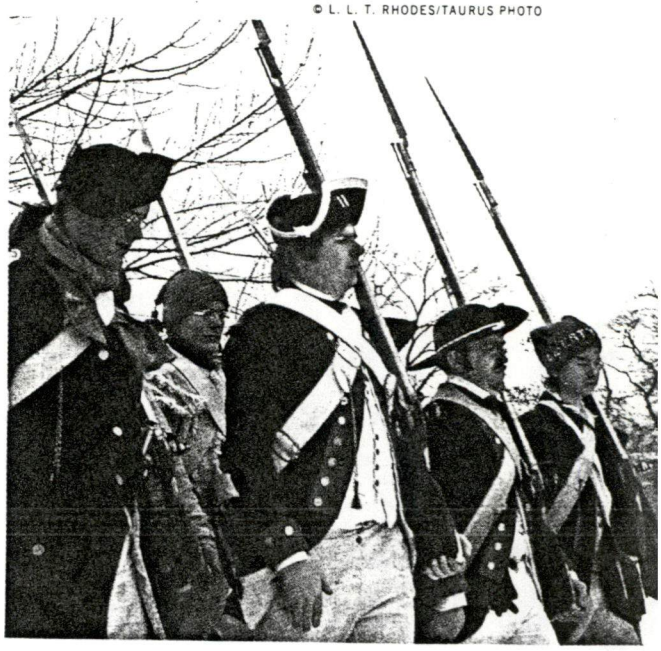
Pennsylvania strongly supported the Union during the Civil War. The Altoona Convention of Union governors, convened by Pennsylvania's Gov. Andrew G. Curtin in 1862, urged more vigorous prosecution of the war. Gen. Robert E. Lee's invasion of the North terrorized Pennsylvania in the late spring and early summer of 1863. When Union and Confederate forces met at Gettysburg on July 1–3, 1863, the Union prevailed in a bloody but decisive battle. President Abraham Lincoln delivered his famous Gettysburg Address on Nov. 19, 1863, at the dedication of a national cemetery there. In July 1864, Pennsylvania was invaded briefly by Confederate troops, who burned Chambersburg.

Pennsylvania's contribution to the Union victory included several generals and nearly 400,000 enlisted men. A Philadelphia banker, Jay Cooke, became known as the financier of the Civil War as a result of his successful efforts to sell government bonds. During the war the state produced 80% of the North's pig iron, as well as large amounts of armaments and other supplies.

Age of Big Business. The Civil War consolidated the Republican party and stimulated

Soldiers reenact the encampment of the Continental Army at Valley Forge during the brutal winter of 1777–1778.

© L. L. T. RHODES/TAURUS PHOTO



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HISTORICAL HIGHLIGHTS

1609	Henry Hudson entered Delaware Bay for the Dutch.
1616	Cornelius Hendricksen sailed up the Delaware River to present-day Philadelphia.
1643	Swedes established their first settlement in present-day Pennsylvania on Tinicum Island in the Delaware River.
1655	Dutch forces conquered the Swedish colony.
1664	English forces conquered Dutch territory in America, including the Delaware Valley.
1681	King Charles II of England granted William Penn vast land grant in America, almost all of what is now Pennsylvania.
1682	William Penn founded the colony of Pennsylvania as a "holy experiment."
1688	Quakers issued their first protest against slavery.
1701	Penn drew up the Charter of Privileges, which served as Pennsylvania's constitution until the Revolution.
1716	Thomas Rutter built the first ironworks in Pennsylvania.
1719	Andrew Bradford published the *American Weekly Mercury,* the first newspaper in Pennsylvania.
1744	The American Philosophical Society was founded in Philadelphia by Benjamin Franklin.
1754	French and Americans clashed in western Pennsylvania, beginning the French and Indian War.
1767	John Dickinson published his *Letters from a Farmer In Pennsylvania,* in protest against British taxes.
1774	First Continental Congress convened in Philadelphia.
1775	Second Continental Congress convened in Philadelphia.
1776	Declaration of Independence issued in Philadelphia; state constitution adopted.
1777–1778	British occupied Philadelphia; Continental Army camped at Valley Forge.
1780	Legislature provided for the gradual emancipation of slaves; this was the nation's first abolition law.
1787	Constitutional Convention met at Philadelphia; Pennsylvania became the 2d state to ratify the U.S. Constitution.
1790–1800	Philadelphia was the capital of the United States.
1792	First labor union in the United States organized by shoemakers in Philadelphia.
1794	Whiskey Rebellion erupted in western Pennsylvania and was suppressed by 15,000 troops.
1812	Harrisburg became the state capital.
1834	Legislature provided for the establishment of free public schools.
1856	Republican party held its first national convention in Philadelphia.
1863	Union and Confederate troops clashed in the decisive Battle of Gettysburg during the Civil War.
1876	Centennial International Exhibit held in Philadelphia.
1886	The American Federation of Labor founded in Pittsburgh.
1889	Town of Johnstown destroyed by floods when dam burst, killing over 2,000.
1920	Pittsburgh radio station KDKA became the first in the world to broadcast on a daily schedule.
1934	George H. Earle was elected as the first Democratic governor in the 20th century.
1940	First portion of the Pennsylvania Turnpike was completed.
1964	Race riots erupted in the black section of North Philadelphia.
1974	Gov. Milton E. Shapp was reelected and became the first governor of Pennsylvania in the 20th century to succeed himself.
1979	Nuclear reactor malfunctioned at Three Mile Island power plant.

expanded. The unemployment rate fell below the national average in 1964.

In 1972 tropical storm Agnes swept across much of Pennsylvania and caused the worst flooding in the state's history. More than 50 persons were killed, and property damage was over $2 billion. Nearly all sections of the state had some flood damage, but the Wilkes-Barre and Harrisburg regions were the hardest hit.

The Pennsylvania constitution was significantly revised in 1967–1968. One of its amendments allowed the governor to serve for two successive terms. In 1974, Gov. Milton Shapp, a Democrat, was reelected and became the first governor to succeed himself in nearly 100 years.

The state's recent history has been paradoxical in several ways. Although the Democrats enjoy a large lead in voter registration, Republicans regained control of the state government in 1978 and have remained powerful since then. The state that pioneered in the production of metals now finds many of its mills obsolete and closed. Although Pennsylvania has more anthracite coal than any other state, several utility companies attempted to turn to nuclear energy to create electric power—with near-disastrous results in 1979 as radioactive materials entered the air and water from the Three Mile island facility near Harrisburg.

Although Pennsylvania is still one of the nation's largest states, its population growth slowed to 0.6% during the 1970's, with many of its young, best-trained, and most highly educated people moving out. With only a few exceptions, its cities lost population, and even Pittsburgh's surrounding communities declined numerically. Nevertheless, a few areas increased—such as the Lower Delaware Valley, the Pocono Mountain area, and the central region.

Although Pennsylvania has not regained the prominence that it enjoyed during the second half of the 19th century, it remains one of the nation's most important states. It has retained its economic leadership in several areas, and few states can match its cultural resources and recreational facilities.

JOHN B. FRANTZ
The Pennsylvania State University

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CITIES OF THE UNITED STATES

FIRST EDITION

A Compilation of Current Information on
Economic, Cultural, Geographic, and Social Conditions



In Four Volumes:

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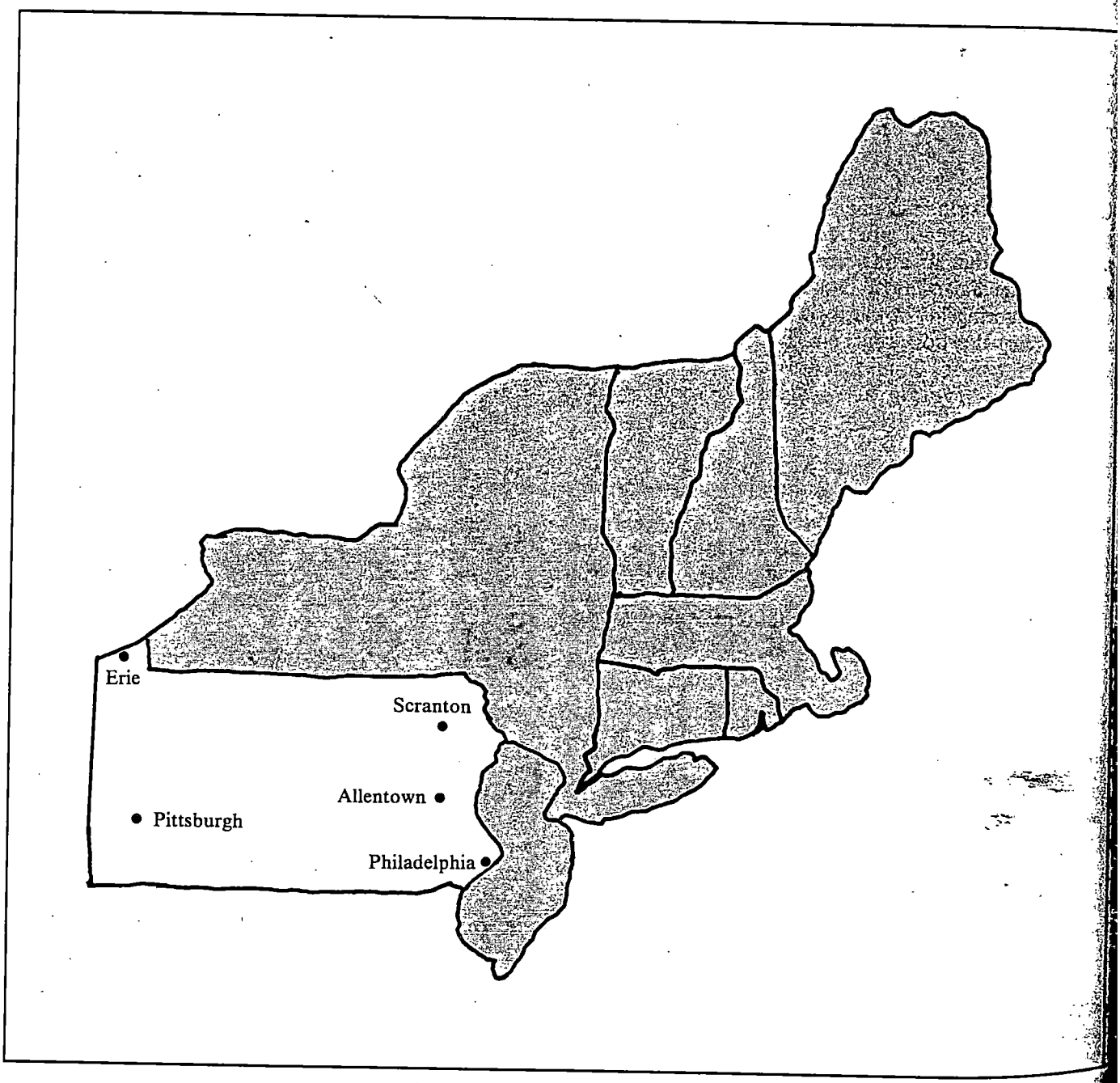
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PENNSYLVANIA

Allentown 297
Erie 305
Philadelphia 313
Pittsburgh 32
Scranton 33



The State in Brief

Nickname: Keystone State
Motto: Virtue, liberty, and independence

Flower: Mountain laurel
Bird: Ruffled grouse

Area: 45,308 square miles (1980)
Elevation: Ranges from sea level to 3,213 feet
Climate: Cold winters, warm summers, abundant precipitation

Admitted to Union: December 12, 1787
Capital: Harrisburg
Head Official: Governor Robert P. Casey

Population
- **1970:** 11,793,909
- **1980:** 11,863,895
- **1987 estimate:** 11,936,000
- **Percent change, 1980-1987:** 6.1%
- **U.S. rank in 1987:** 5th
- **Percent of residents born in state:** 81.6% (1980)
- **Density:** 264.1 people per square mile (1985)
- **Crimes per 100,000 population:** 3,101.8 (1986)

Racial and Ethnic Characteristics (1980)
- **White:** 89.92%
- **Black:** 8.81%
- **American Indian, Eskimo, Aleut:** 0.09%
- **Asian and Pacific Islander:** 0.59%
- **Spanish (may be of any race):** 1.29%

Age Characteristics: (1987 estimates)
- **Percent of population under 5 years old:** 6.6%
- **Percent 5-17 years old:** 17.3%
- **Percent 65 years and older:** 14.8%
- **Median age:** 34.1 years (1987)

Economy
- **Major industries:** Manufacturing, services, tourism, transportation, mining, high technology, agriculture
- **Unemployment rate:** 4.8% (February, 1989)
- **Per capita income:** $10,288 (1985 estimate)
- **Income tax rate:** 2.1%
- **Sales tax rate:** 6.0%

Introduction

Rich in history and culture, Philadelphia is in the midst of a rebirth considered so successful that the city is viewed as a model of American urban development. For over three hundred years the city has been in the forefront of the nation's intellectual, economic, and humanitarian development. Today its efforts are being directed to restoration with an emphasis on preserving the best of the past while allowing for the development of a vigorous new city. A city of neighborhoods, trees, parks, and open spaces, Philadelphia offers the advantages of living in a big city while maintaining a small-town atmosphere and preserving reminders of its dignified past.

Geography and Climate

Philadelphia is located at the confluence of the Delaware and Schuylkill rivers on the eastern border of Pennsylvania. The Appalachian Mountains to the west and the Atlantic Ocean to the east moderate the climate, eliminating extremes of hot and cold weather. Occasionally during the summer months the city becomes engulfed in ocean air that brings high humidity. Precipitation is fairly evenly distributed throughout the year, with maximum amounts during the summer months occasionally flooding the Schuylkill River. Snowfall is usually higher in the northern suburbs than in the city, where snow often turns to rain. High winds sometimes prevail during the winter months.

Area: 136.0 square miles

Elevation: Ranges from 5 feet to 431 feet above sea level

Average Temperatures: January, 33.1° F; August, 74.7° F; annual average, 54.6° F

Average Annual Precipitation: 41.42 inches

History

Quakers Receive Pennsylvania Grant

At the time the first settlers of European descent arrived in the area now known as Philadelphia, it was inhabited chiefly by Native Americans who called themselves Leni-Lenape; settlers called them Delawares. Intertribal warfare had weakened the Native tribes, and the advance of colonial settlement pushed them farther west, causing great hostility. The Netherlands laid claim to the area in 1609 when Henry Hudson, an Englishman in the Dutch service, sailed into Delaware Bay, and around 1647 they began to build trading posts. The Dutch were ousted by the English in 1664.

In 1681 England's King Charles granted William Penn the territory now known as Pennsylvania in exchange for a debt owed Penn's father. Penn, wealthy and well educated, had committed himself to the Society of Friends, also called Quakers, who practiced a form of religion generally regarded by society with suspicion because of its tenets and its insistence upon simplicity in speech and dress. Penn himself had been imprisoned four times for voicing his beliefs, and King Charles was only too happy to be rid of him and his followers.

Although he had been granted all the land in Pennsylvania, Penn chose to buy the claims of any Native people still living there, which set a new standard in colonial settlers' relations with Native Americans. Penn dispatched his cousin to lay out a city, which he called Philadelphia, from the Greek for "brotherly love," and which Penn envisioned as a haven for his fellow Quakers to enjoy freedom of worship and the chance to govern themselves. He charged his cousin with laying out a "greene Country Towne, which will never be burnt, and always be wholesome." The city was laid out in a grid, with large lots, wide streets, and a provision for five city parks, four of which still survive. Historians note that Philadelphia was one of the first cities in the New World built according to a plan.

The Quakers were not only humanitarians but shrewd businesspeople as well. They offered large tracts of land at reasonable prices and advertised throughout Europe for settlers. Attracted by the liberality and tolerance of the Quaker government, and looking for better economic opportunities, thousands of immigrant families soon began arriving,

including a group of German Quakers who established the first German settlement in America.

Prosperity and Culture Distinguish City

From the beginning Philadelphia was a leading agricultural area, and because of its location at the confluence of the Delaware and Schuylkill rivers, shipyards flourished. Farm products were exchanged for sugar and rum in the West Indies, and these in turn were exchanged for English manufactured goods. Abundant natural resources, including coal and iron, helped Philadelphia become an early industrial leader. Other significant early industries included home manufacture of textiles, printing, publishing, and papermaking. By the 1770s Philadelphia was one of the most important business centers in the British Empire.

This prosperity and William Penn's principles attracted the best minds of the day to Philadelphia. Among the city's illustrious early residents was the young Benjamin Franklin, scientist and intellectual. His many accomplishments include the publication of the *Pennsylvania Gazette,* one of the best of the colonial newspapers; he also established the colonies' first hospital, first free library, and first learned society, the American Philosophical Society. Perceiving the need for higher education, Franklin was instrumental in the founding of the institution that later became the University of Pennsylvania.

During the late 1700s many fine private and public buildings were constructed in Philadelphia, such as Andrew Hamilton's Independence Hall. Oil painting flourished, and Philadelphia came to be known as an "Athens of America." By 1774 a sophisticated populace was chafing at the restrictions placed on them by the British king. Because of Philadelphia's strategic location near the middle of colonial settlement, and the importance of winning Quaker support, the delegates who formed the First Continental Congress in 1774 chose Philadelphia as the site for their discussions. The Second Continental Congress proclaimed the colonists' Declaration of Independence in Philadelphia, and when the Revolutionary War broke out in full force, Philadelphia became the capital of the revolutionary movement. Following the American patriots' victory at Yorktown, the Constitutional Convention delegates met in Philadelphia, and in 1787 they framed the document that was to become the basis of America's governmental structure. Philadelphia then served as the capital of the United States from 1790 to 1800.

In the early 1800s Philadelphia began an ambitious program of building canals and railroads and developing coal fields, thus laying the foundation of its industrial power. Philadelphia's railroad lines, which by 1834 comprised a quarter of the nation's total, expedited the development of industry.

New Residents Meet Modern Challenges

When the issue of slavery became acute, many black leaders centered their activities in Philadelphia, and the city became the focal point of one of the most important black communities in the nation. Philadelphia's industrial strength contributed to the Union's military and economic advantage over the South during the Civil War of 1861 to 1865.

Pennsylvania had been one of the first colonies to admit Catholics and Jews. The increasing demand for factory workers in the late 1800s and early 1900s attracted hundreds of thousands of immigrants of Irish, German, Italian, and Polish descent, who created many distinctive ethnic neighborhoods throughout the city. At the same time, the development of the railroad made commuting easier, and the city's elite began moving to the suburbs that—as they grew up along the main line of the Pennsylvania Railroad—became known as the "Main Line." By the 1930s the modern city had emerged, with outlying residential districts segregated by income, race, and ethnic origin.

Philadelphia's industrial progress brought with it the exacerbation of differences in wealth. After the Great Depression of the 1930s Philadelphia became a union town, and labor strikes were common. Political machines that had emerged after the Civil War became sophisticated in the ways of manipulating the political processes, particularly through the new immigrant groups. Discrimination in housing resulted in overcrowded black districts. During the 1960s Philadelphia was shaken by race riots born of decades of inadequate housing and discriminatory practices.

A reform movement, begun in 1939, prompted Philadelphia in 1951 to adopt a new city charter and elect Mayor Joseph Clark, who began a vast urban renewal program. Slated for completion in the early twenty-first century, this program calls for the improvement of highways and the transportation system, housing projects, and the building of more libraries, parks, and shopping and recreation centers. Philadelphia's redevelopment has lured many wealthy suburbanites back to the city's core. In the

words of one city official, Philadelphia expects to emerge as "one of the world's most exciting and dynamic cities of the 21st century."

Historical Information: Historical Society of Philadelphia, 1300 Locust Street, Philadelphia, PA 19107; telephone (215) 732-6201

Population Profile

Metropolitan Area Residents
1970: 5,749,093
1980: 5,680,509
1987 estimate: 5,890,600
Average annual percent change, 1980–1987: 3.7%
U.S. rank in 1980: 4th
U.S. rank in 1987: 5th

City Residents
1970: 1,949,000
1980: 1,688,210
1986 estimate: 1,642,900
Percent change, 1980–1986: −2.7%
U.S. rank in 1980: 4th
U.S. rank in 1986: 5th

Density: 12,080 people per square mile (1986)

Racial and ethnic characteristics (1980)
White: 58.23%
Black: 37.84%
American Indian, Eskimo, Aleut: 0.14%
Asian and Pacific Islander: 1.05%
Spanish origin (may be of any race): 3.77%

Percent of residents born in state: 73.0% (1980)

Males per 100 females: 85.8 (1984)

Age Characteristics (1984)
Percent of population under 5 years old: 6.6%
Percent of population 5–14 years old: 12.8%
Percent of population 15–24 years old: 19.01%
Percent of population 25–34 years old: 15.5%
Percent of population 35–44 years old: 10.8%
Percent of population 45–54 years old: 9.6%
Percent of population 55–64 years old: 11.0%
Percent of population 65–74 years old: 8.7%
Percent of population 75 years and older: 5.8%
Median age: 31.7 years (1980)

Births (1984)
Total number: 25,013 (17.9% of which were to mothers under 20 years old)
Rate per 1,000 population: 15.02

Deaths (1984)
Total number: 20,090
Rate per 1,000 population: 12.02

Money income (1979)
Per capita income: $6,053
1985 estimate: $8,807
Median household income: $13,169 (U.S. rank: 791st)
Percent of households with income of . . .
less than $10,000: 39.4%
$10,000 to $19,999: 29.5%
$20,000 to $29,000: 18.2%
$30,000 to $39,000: 7.7%
$40,000 to $49,999: 2.9%
$50,000 and over: 2.3%
Percent of families below poverty level: 16.6% (38.2% of which were headed by a female householder with no husband present)

Crimes per 100,000 population: 4,426.6 (1987)

Municipal Government

Philadelphia City and County are the same entity. The city passed what is widely considered to be the nation's first modern big-city charter in 1951; under this charter the city council was removed from its administrative role and the staff and powers of the mayor were increased. Elections are held every four years, at which time the mayor and seven council members are elected by all the voters and ten council members are elected by districts.

Head Official: Mayor W. Wilson Goode (since 1983; current term expires January, 1992)

Total Number of City Employees: 30,000 (1989)

Stalling to Soft to difficulties

With every tax increase since WWII, the Congress has spent $1.58 for every new dollar in revenue.

(Follow P. 6)

THE WHITE HOUSE

WASHINGTON

July 18, 1990

MEMORANDUM FOR MARK LANGE

FROM: BRUCE STEBBINS
ASSOCIATE DIRECTOR
OFFICE OF POLITICAL AFFAIRS

SUBJECT: POINTS OF INTEREST FOR PENNSYLVANIA AND NEW YORK REPUBLICAN PARTY SPEECHES

PENNSYLVANIA REPUBLICAN STATE COMMITTEE LUNCHEON

mention redistricting

- The State Senate and State House of Representatives are priorities. Republicans control the State Senate by a margin of 27-23. We need to keep the Senate in Republican hands and under the leadership of Bob Jubelirer. There is a great State Senator in the Philly area who is running for re-election and he needs your support. He is Joe Rocks.

- We have the chance to win back the State House of Representatives and make Matty Ryan, the next Speaker of the House. Matty and John Perzel have been crisscrossing this state recruiting qualified candidates to challenge House Democrats.

- Talk about Barbara Hafer and her run for Governor. The President strongly supports her attempt to upset Governor Bob Casey.

- The message for this speech should concentrate on the need for Republican leadership to help Pennsylvania. They have strong leadership in the U.S. Senate with John Heinz and Arlen Specter. Now Pennsylvania Republicans must work hard toward the election of a Republican Governor, who will have a Republican State Senate and State House of Representatives to work with.

ACKNOWLEDGEMENTS:

Anne Anstine, GOP Chairwoman
Elsie Hillman, Republican National Committeewoman and close friend
Herb Barness, Republican National Committeeman
Senator John Heinz
Senator Arlen Specter

Talking Points

Barbara Hafer has been the underdog taking on an incumbent in every race she ever entered. She has won them all, first as Allegheny County Commissioner then as Auditor General. She's a fighter willing to stand before the electorate and take the heat. She doesn't run from problems nor does she blame anyone else as her opponent is fond of doing.

He has ignored the needs of SEPTA (the Southeastern PA transit Authority) but he blames the federal government for the problems.

He has ignored the crisis in Pennsylvania's prisons, but he blames the State Senate for those problems.

He has ignored the need for the State to fund mandated education programs. As a result, 75% of the state's school districts will be forced to raise property taxes this year. He blames this on the voters, for rejecting his tax referendum last year.

He is to blame and he ought to admit it.

Barbara Hafer offers the voters of Pennsylvania an alternative to the unchecked spending of the Casey Administration. She would not have allowed a $350 million surplus inherited from Dick Thornburgh's Administration to have been spent to the point where Pennsylvania now faces a 1 billion dollar deficit by June of next year.

Hafer has made a commitment to the parents and young people of this State to fund education first when elected Governor. She has proposed a constitutional amendment that would split the state budget into two parts, Education and all other government programs. Under the Hafer plan the education budget must be acted upon first prior to spending being committed to other government programs. She also supports a legislation that calls for all state mandated programs to have an identified funding source before they become effective.

Barbara Hafer has been taking her case to the people of Pennsylvania. She's been talking about the issues about education, mass transit, the disrepair of state's highway's. The democratic administrations spending practices, and the frightening situation in Pennsylvania's prison's.

Her opponent is afraid to debate her on the issues. The issues are on her side and the side of the Republican party. Every time she brings up the issues, he hides. Hafer has accepted six debate offers, Casey only one. He regretted that because as KYW T.V. in Philadelphia put it "Hafer scored a TKO over Casey." He hasn't accepted any since then ... no wonder.

Barbara Hafer stands for the good government, hands on management polices of the Republican Party. She has served on front lines of government in Allegheny County. From her days as founder of the Allegheny County Center for the Victims of Violent Crime through her service as Auditor General, she has always put the people first. She has spoken for those who don't always have a voice in government. She calls them as she sees them and stands up for what she believes in.

Barbara Hafer has made a lot if good decisions. One of the best was to marry a schoolmate of mine at Andover - Jack Pidgeon. It's difficult to get Jack off the grounds of Kiski school where he's Headmaster... but he came out on a weekend two years ago. He and Barbara came to New Hampshire and campaigned for then Vice President Bush.

John Pistrunch (215) 893-1776
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July 12, 1990, Thursday

SECTION: THE LOBBYISTS; Pg. 4

LENGTH: 345 words

HEADLINE: Bank Directors Take Aim at Crime Bill

BYLINE: Robert M. Garsson, and Bill Atkinson

BODY:

A fledgling trade group representing bank directors has charged that a crime bill sponsored by Chalmers P. Wylie, R-Ohio, could drive away directors from serving on boards of banks and savings and loans.

The American Association of Bank Directors is taking issue with several provisions in the Financial Crimes Punishment and Prevention Act of 1990, backed by such heavyweights as House Banking Committee Chairman Henry B. Gonzalez, D-Tex.; Frank Annunzio, D-Ill.; and Doug Barnard Jr., D Ga.

In short, the legislation cracks down on bank and S&L executives who commit financial crimes.

Although it agrees with the spirit of the law, the association charges that the legislation is drafted so broadly that unwitting directors who sit on the board of a failed institution could have their assets frozen as well as tax returns released to banking agencies.

"It (the legislation) is overly broad," said David H. Baris, executive director of the Washington-based trade association. "Those directors who read it carefully will be scared."

Mr. Baris said the association believes that freezing assets may be unconstitutional. Mr. Baris said the group has about 200 members, but he would release only the names of the association's advisory committee, which includes Alfred M. Pollard, director of federal government relations, Security Pacific Corp.; Dana H. Cook, partner and national director of financial institution capital markets, KPMG Peat Marwick; and William Resnik, senior counsel of Seattle-based Seafirst Bank.

The association also takes issue with with an amendment made to the legislation on June 28 that increased the financial risk to directors. The House Banking financial institutions subcommittee took the action without holding a hearing.

According to the association, the amendment permits a banking agency to have a court issue a restraining order prohibiting any party subject to a civil cease and desist order or other actions from withdrawing, transferring, or disposing of assets.

The association has requested a hearing.

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18TH STORY of Level 1 printed in FULL format.

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July 12, 1990, Thursday, Final Edition

SECTION: FIRST SECTION; PAGE A1

LENGTH: 807 words

HEADLINE: Crime Bill Bolsters S&L Enforcement

SERIES: Occasional

BYLINE: Helen Dewar, Washington Post Staff Writer

BODY:

Responding to mounting public furor over the savings and loan scandal, the Senate yesterday approved broad new powers for the government to investigate and prosecute fraud, penalize violators and recover losses -- with generous bounties for informers.

The bipartisan proposal, drafted in consultation with the Justice Department during the past few weeks, was approved overwhelmingly as part of an omnibus anti- crime bill that was then passed and sent to the House by a vote of 93 to 6. The measure includes new penalties of up to life imprisonment for major S&L crimes that could be applied retroactively to crimes committed before the bill took effect.

House Democrats are drafting their savings and loan package that will be unveiled shortly, House Speaker Thomas S. Foley (D-Wash.) said yesterday. The S&L proposals "will go through Congress like a shot," said Sen. Timothy E. Wirth (D-Colo.), a chief sponsor of the Senate package.

The anti- crime bill, threatened repeatedly during a month of rancorous debate and partisan posturing, includes President Bush's proposal to reinstate the death penalty for federal crimes and a modified version of his proposal to curtail appeals by death-row prisoners. Under the bill, 34 federal crimes, four more than Bush proposed, would be punishable by death. Most involve murder, espionage and treason.

Over administration objections, the bill would expand Bush's ban on importation of semiautomatic assault weapons to include some of the most frequently used domestic models. Nine types of U.S. and foreign weapons would be banned, including those most often used in drug-related violent crimes.

It would also tighten money-laundering curbs, authorize several thousand more federal agents and prosecutors, increase federal aid to state and local law enforcement agencies, strengthen federal efforts against child abuse and create new rights for crime victims. Bush's proposal to allow courts to consider evidence from warrantless searches was dropped.

The 99 to 1 vote in favor of the S&L provisions, with only Sen. William L. Armstrong (R-Colo.) voting no, underscored the heavy pressure lawmakers are feeling from constituents to contain the soaring costs of the industry's cleanup, punish wrongdoers and prevent fraud in the cleanup effort.

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"American taxpayers have had their wallets picked clean" and are demanding action, said Sen. John Heinz (R-Pa.), who joined Wirth in sponsoring the proposal.

Senate Majority Leader George J. Mitchell (D-Maine) acknowledged that the action came too late to prevent multibillion-dollar losses but said it was essential to prevent repetition of the scandal. "Obviously it is a recurring fact of human life that we learn from our mistakes," Mitchell said.

The political pressure building around the thrift scandal was also reflected yesterday in the House Appropriations Committee, whose members shouted approval of a proposal authorizing a major new role for the Secret Service in investigating savings and loan fraud. The action would result in assignment of 300 Secret Service agents to work with 600 Federal Bureau of Investigation agents working on the probe, according to Rep. Edward R. Roybal (D-Calif.).

"This gives the government an additional tool to put those crooks in jail . . . [to] get those bandits," said Rep. Silvio O. Conte (Mass.), the committee's ranking Republican, who vied with Democrats at a boisterous committee session to claim authorship of the enabling amendment to the 1991 Treasury and Postal appropriations bill.

The S&L provision that was added to the Senate crime bill would create a new "S&L kingpin" offense, punishable by life in prison, for violators who act in concert with at least three others and reap more than $ 5 million from their crimes over two years. The penalty of 10 years-to-life could be imposed on violators indicted after enactment of the legislation, even if their offense was committed before the bill took effect, senators said.

It would increase the maximum prison sentence for bank fraud and embezzlement from 20 years to 30 years, impose mandatory minimum prison sentences in cases of fraud exceeding $ 1 million and authorize the attorney general to bring suits for bank fraud under the Racketeer Influenced and Corrupt Organizations (RICO) law.

Bank fraud offenses would be added to the list of crimes for which wiretaps may be authorized. The government's power to seize forfeited property would be expanded, and violators could not go into bankruptcy to escape debts arising from breach of their duties.

In an unusual move, people who provide information to the government on fraud or location of assets would be eligible for cash "rewards" that could total $ 300,000 or more depending on the amount of funds recovered.

Staff writer Dan Morgan contributed to this report.

TYPE:
NATIONAL NEWS

SUBJECT:
U.S. SENATE; CRIMINAL LAWS; CRIMES

ORGANIZATION:
RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS; JUSTICE DEPARTMENT

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NAMED-PERSONS:
THOMAS S. FOLEY; TIMOTHY E. WIRTH; WILLIAM L. ARMSTRONG; JOHN HEINZ

ENHANCEMENT:
SAVINGS-LOAN

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HR 5115--EQUITY AND EXCELLENCE IN EDUCATION ACT OF 1990--UPDATE*

Committee on Education & Labor, H.Rept. 101-570
Introduced by Mr. Hawkins et al. on June 21, 1990

ISSUE INFORMATION

Vol. XIX, #23, July 13, 1990. (See also Vol. XIX, #22, July 5, 1990.)

HIGHLIGHTS

H.R. 5115 sets forth a number of goals for enhancing education in the U.S. The bill emphasizes: preparing children for learning; high school graduation; adult literacy; math and science education; teacher recruitment, flexibility and retention; and equal opportunity for postsecondary education. For each of the goals set forth in the bill, a number of corresponding policies, educational initiatives and changes to existing programs are enumerated. (The bill contains a modified version of the President's education package; however, a number of provisions have been added on.) (See *Digest*, Vol. XIX, #22, July 5, 1990 for a more comprehensive analysis.)

COSTS/COMMITTEE ACTION

A CBO cost estimate was unavailable at press time. The Committee ordered H.R. 5115 reported by a 29-5 recorded vote on June 27, 1990.

ADMINISTRATION VIEW

An administration view was unavailable at press time.

RULE

The House adopted a rule (267-151), providing for a modified open rule with one hour of general debate. The rule makes in order the Education and Labor Committee reported amendment in the nature of a substitute original text for purposes of amendment. Only the 13 amendments printed in the report accompanying the rule are in order and they are to be considered in the order printed (see below). Finally, one motion to recommit is provided.

AMENDMENTS

Mr. Hawkins will offer an amendment requiring Education to use negotiated rule-making for all regulations issued for its programs. [Under negotiated rule-making (1) regional meetings are mandatory before Education may write regualtions and (2) Education is required to negotiate with state and local representatives as they write regulations.] (*Debatable for 10 minutes*)

Mr. Hawkins will offer a second amendment prohibiting OMB from reviewing or disapproving any report or evaluation conducted by Education. Furthermore, any OMB determination on such

*See the sections on the Rule and Amendments for updated information.

Mr. Miller (CA) will offer an amendment authorizing $10.0 million in FY 1991 and "such sums" in FYs 1992-96 for Education to contract with the nonprofit "National Writing Project" to establish a national writing project. Under this project, the nonprofit "National Writing Project" is to subcontract with higher education or other educational providers to provide in-service training to teachers in the area of writing. (*Debatable for 10 minutes*)

Mr. Smith (VT) will offer an amendment establishing a national demonstration program of educational performance agreements between states and Education under which local authorities develop proposals which enable students to achieve higher performance. Under such agreement, selected local education authorities would be permitted to combine federal, state and local funds made available for special needs education, drug education and training programs, for local performance agreements. The amendment provides an exemption from corresponding federal and state laws and regulations, but ensures that federal, state and local protections with respect to civil rights, discrimination and safety will be upheld. (*Debatable for 10 minutes*)

Mrs. Roukema will offer an amendment making changes in the federal government's current policies with regard to the student loan defaults.

The amendment would: (1) remove veteran's benefits from the CM formula, and treat all veteran's benefits as resources in determining eligibility for Pell Grants and Stafford Loans; (2) eliminate double-counting of student income and savings; (3) make changes in the definition of an independent student; (4) discontinue work-study program subsidies when income exceeds the determined need level by more than $200; (5) clarify that only parents enrolled at least half time in a degree or certificate program may offset expenses; (6) allow financial aid administrators greater professional discretion in adjusting low-income students eligibility; and (7) modify the student contribution formula to take into account 50 percent of earnings rather than the current 70 percent.

The amendment would also make a number of changes to student financial assistance programs. Specifically, the amendment:

*limits eligibility for a Pell Grant to the number of years required to complete an academic program plus one year;

*reduces federal guarantee insurance from 100 percent to 95 percent for lenders who have one-third or more of its principal balance of student loans with students attending institutions with high default rates;

*prohibits guaranty agencies from selling certain Stafford Student Loan lists and permits guaranty agencies to use state licensing agencies to help locate defaulting borrowers; and

*requires eligible lenders to request pre-claims assistance from the appropriate guaranty agency for any delinquent loan within 10 days of the time such assistance is available.

Additionally, the amendment limits deferment of PLUS loans; revises disclosure requirements for Supplemental Loans for Students (SLS) Loans and provides for independent testing of ability-to-benefit students, among other provisions. (*Debatable for 30 minutes*)

Mr. Gingrich and Mr. Gunderson will offer an amendment to the Adult Education Act requiring states within, two years of enactment, to institute functional literacy programs in state corrections institutions. (*Debatable for 10 minutes*)

Mr. Bartlett will offer an amendment adding a new "Access to Education" title to the bill (the text of H.R. 3697). The amendment would amend Chapters 1 of the Elementary and Secondary Education Act of 1965 to: (1) permit funds or services, at local discretion, to follow children who, as part of a state or local open enrollment program or desegregation plan, transfer to a school that is not eligible for Chapter 1 assistance; (2) provide notice of available services to parents of transferring students; and (3) allow the adoption of choice as a mechanism to be employed under Chapter 1 program improvement.

The amendment also amends:

*Chapter 2 of the Elementary and Secondary Education Act to permit LEAs to use Chapter 2 assistance for planning and implementing open enrollment programs; and

*the Defense Dependent's Education Act of 1978 to require DOD to provide tuition (up to the per pupil cost at the DOD school) to allow parents to send their children to non-DOD schools.

The amendment also authorizes $40.0 million for an Open Enrollment Demonstration and Research Program. Under this program, (1) state education agencies (SEAs) are awarded grants, on a 50-50 matching basis, to support policy development, technical assistance and evaluation and (2) LEAs are awarded grants to support open enrollment planning, parent information activities and evaluation. Finally, Education is authorized to conduct research on open enrollment and disseminate the results, directly or through grants, contracts and cooperative agreements. (*Debatable for 30 minutes*)

Mr. Hawkins will offer a substitute to the "Access to Education" amendment offered by Mr. Bartlett. Under this substitute, participation of state and local agencies in open enrollment programs under Chapter 1 and 2 would be conditioned on Education's certification that the state or local agency has a fair system for financing its public schools. (*Debatable for 30 minutes, and is to be considered while the amendment offered by Mr. Bartlett is pending*)

Mr. Panetta and Mr. Sangmeister will offer an amendment authorizing $30.0 million in each of FYs 1991-93 for Education to make grants to SEAs for the establishment and operation of foreign language institutes for the development and retraining of elementary and secondary teachers in foreign languages and cultures.

In addition, the amendment would authorize another $5.0 million in each of FYs 1991-93 for grants to SEAs, LEAs, institutions of higher education, and private nonprofit education entities to act as a resource center for (1) coordinating the development and dissemination of foreign language and culture instructional material and (2) expanding the use of technology in teaching foreign languages and culture at the elementary level. (*Debatable for 10 minutes*)

Mr. Solomon will offer an amendment suspending student financial assistance to students convicted of offenses involving the possession or sale of controlled substances. For those convicted of possession of a controlled substance, the first offense renders the individual ineligible to receive student financial assistance for one year, the second offense results in a two-year ineligibility period and the third offense renders the individual indefinitely ineligible for student financial assistance. For those convicted of the sale of a controlled substance, the first offense renders a student ineligible to receive student financial assistance for a period of two years, and the second offense renders an individual indefinitely ineligible to receive financial assistance.

A student whose eligibility has been suspended may resume eligibility before the end of the period specified if the student satisfactorily completes a drug-rehabilitation program. (*Debatable for 10 minutes*)

Mr. Machtley will offer an amendment authorizing Education to (1) set up a pilot program involving from between 10 and 100 institutions of higher education and (2) issue a report on the program after three years. Under the program, college work-study funds would be used for "mentor" activities for the benefit of disadvantaged youth who are at risk of dropping out of elementary or secondary school. The mentor's responsibilities would include tutoring, support in educational and recreational activities, counseling and helping the child to develop a better self-awareness and a self-motivated desire to excel academically. (*Debatable for 10 minutes*)

Mr. Valentine and Mr. Roe will offer an amendment making changes to the National Science Scholars Program in H.R. 5115. First the amendment would reduce the overall funding for this program from $5.0 million to $4.4 million and the individual scholarship award from $10,000 per year to $5,000 per year.

Secondly the amendment would establish a Science Career Scholarship program for students in a baccalaureate degree program in physical, life or computer science, mathematics, or engineering. These scholarship would go to those who are willing to commit themselves to teaching elementary and secondary education for two years for every year of scholarship--maximum four years, or (1) complete two years of service in a physical, life or computer science, math, or engineering capacity for the U.S. or a corporation or other entity organized under the laws of the U.S. and at least 50 percent owned by U.S. nationals; or (2) complete two years of postgraduate education in a physical, life or computer science, math, or engineering program. The amendment would authorize $5.0 million in FY 1991, $10.0 million in FY 1992 and $20.0 million in FY 1993 for this program.

If a student who receives an award under this act is convicted of possession or distribution of a controlled substance, the student becomes ineligible to receive an additional award and must repay the amount received under the award. (*Debatable for 10 minutes*)

Mr. Gunderson and Mr. Goodling will offer an amendment in the nature of a substitute. This amendment includes much of the President's Education Package (H.R. 1675).

Presidential Schools of Distinction (Merit Schools)--The amendment authorizes $250.0 million in FY 1991, $350.0 million in FY 1992 and $450.0 million in FY 1993 for grant awards to schools that have improved student's education performance and reduced the drop-out rate.

National Science Scholars--The amendment authorizes $5.0 million in FY 1991 for a program under which 570 annual college scholarships of $10,000 each will be awarded to high school seniors to enable them to pursue post-secondary study in the sciences.

Presidential Awards for Excellence in Education--The amendment authorizes $5.0 million in each of FYs 1991-93 for a program to award outstanding teachers. The $5,000 award is for their professional development or educational use.

Non-traditional Routes to Teacher Licensure (Alternative Teacher Certification)--The amendment authorizes $15.0 million in FY 1991 for a program to provide money to states for the design, development and implementation of programs to enable alternative teacher and principal certification.

Historically Black Colleges and Universities (HBCUs)--The amendment authorizes an additional $20.0 million for the endowment of HBCUs.

In addition to the President's proposals, the amendment includes several provisions relating to literacy and the teaching profession.

Provisions relating to literacy include:

*the creation of an Interagency Task Force on Literacy to coordinate the various literacy programs administered through different agencies;

*authorization of a National Instititue for Literacy to support research, provide technical assistance and disseminate information on the best practices in the area of literacy and adult education;

*authorization of a network of state and regional literacy research centers to interface between the institute and local providers; and

*other amendments to the Adult Education Act to improve requirements for reporting results from local programs and opening the grants to providers besides LEAs.

Finally, the amendment:

*includes a provision allowing loan forgiveness to teachers who commit to serving in the teaching profession;

*authorizes $100.0 million for the establishment of (consortia) Professional Development Academies to provide in-service training in institutions of higher education;

*modifies the Pell Grant program by excluding certain non-liquid assets, the family farm and the family home, when determining student eligibility and need; and

*establishes a mechanism for Congressional participation in monitoring the achievement of the goals and standards through which that achievement could be measured by including a National Summit Conference on Education. (*Debatable for one hour*)

STAFF CONTACT: Stuart Burns, 226-2305.

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The Associated Press Political Service

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HEADLINE: Questions Surface After Hafer's Weak Primary

DATE: May 25, 1990

DATELINE: HARRISBURG

KEYWORD: PA-ELN--Hafer Campaign

BODY:

Some Republicans are questioning the viability of Barbara Hafer's candidacy for governor in the wake of her poor showing in last week's primary.

Others feel that unless she mounts a strong challenge against incumbent Democrat Robert P. Casey, other GOP candidates on the fall ballot might be endangered.

During a meeting earlier this week, the loose-knit Conservative Business Coalition discussed the possibility of replacing Hafer as the party's nominee. Around the Capitol, some Republican legislators expressed frustration with Hafer's primary performance.

"The results of Tuesday's election are very disappointing to the conservative wing as well as the middle of the road and the left. It was just a bad election," said House Minority Leader Matthew Ryan, R-Delaware.

"Some people, I'm sure, think the thing to do is change candidates. But I don't know how you do that," he said, adding that he felt Hafer's campaign could be revived for a successful run against Casey.

In the May 15 primary, Hafer captured only 54 percent of the vote against a poorly funded, virtually unknown candidate, Marguerite Luksik.

Hafer's campaign staff dismisses any suggestion that she would consider stepping aside. Her campaign manager had described the prospect as "silly."

Once nominated in the primary, the only way a candidate can be removed from the ballot is if he or she withdraws. The party would be responsible for naming a successor.

Hafer's campaign has been plagued by verbal gaffs and a spate of bad publicity. The controversy began after she labeled Casey a "redneck Irishman from Scranton." She later was put on the defensive after an article in The Pittsburgh Press revealed she had used state money to cover personal expenses, which she later repaid.

Hafer also was criticized for comments she made about a visit by first lady Barbara Bush, who came to the state to participate in a literacy conference with Casey and his wife, Ellen.

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Senate President Pro Tem Robert Jubelirer, R-Blair, said he was unaware of any organized effort to get Hafer off the ballot. He said any such talk is not in the best interest of the party and "plays right into the hands of a guy named Bob Casey."

Jubelirer said he was concerned that if Hafer is unable to mount a credible challenge, Casey could funnel some of his war chest into legislative races.

Sen. D. Michael Fisher, R-Allegheny, said there was concern about Hafer's poor showing and the effect on legislative races. But he added, "What needs to be done is we have to get behind our candidate and fight like the devil."

Charles Gerow, an attorney who is a member of the Conservative Business Coalition, said the discussion about replacing Hafer amounted to "Monday morning quarterbacking." He said Hafer had a chance to win the election. But, he added, "It's an awful high hill to climb at this point."

Tom Druce, executive director of the State Republican Committee, said suggestions that Hafer should step aside were coming from a "disgruntled" wing of the party that has previously opposed her nomination.

Hafer's pro-choice position on abortion has distanced her from some conservative factions. Her abortion stand was also considered part of the reason for her weak showing in the primary. Luksik ran on an anti-abortion platform.

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The Associated Press Political Service

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HEADLINE: Hafer Gets Boost From Quayle Visit

DATE: June 6, 1990

BYLINE: By RICH KIRKPATRICK, Associated Press Writer

DATELINE: MIDDLETOWN, Pa.

KEYWORD: PA --Quayle Visit

BODY:

Republican gubernatorial candidate Barbara Hafer picked up a strong endorsement from Vice President Dan Quayle while his visit to the state helped Senate Republicans pocket over $$150,000 for their tough races this year.

In a 4 1/2-hour visit Tuesday, Quayle said he and President Bush are behind Hafer, despite her pro-choice stand on abortion. He also praised her to party supporters at a $$1,000-a-plate luncheon held at the estate of local businessman Robert Mumma II.

Quayle addressed an airport rally with her beside him, joined raised hands with her in a victory salute, and even gave her a bite of his chocolate-iced doughnut at a campaign stop at a suburban supermarket.

"I'm here to tell you President Bush and I strongly support Barbara Hafer's candidacy for governor," Quayle told several hundred supporters at the rally.

His support is important because he is viewed as the conservative connection in the Bush administration and Hafer's greatest challenge is to win over Republican conservatives in Pennsylvania. A poorly-funded, pro-choice challenger won 48 percent of the vote against her in the May 15 primary. Such challengers usually do no better than 25 percent.

Quayle said Hafer's victory and Republicans holding on to the state Senate and winning control of the state House are crucial as Pennsylvania prepares to redraw its congressional and legislative district lines next year. The redistricting, which can affect each party's ability to win seats and power in the Legislature and Congress, is done based on the census data being collected this year.

Other pro-choice Republicans in Illinois, Rhode Island and California drew his public endorsement, Quayle said.

"We do understand the differences of opinion on the issue of abortion," he told reporters. "But we're not going to run out of the Republican Party pro-choice Republicans. "

One sure way to ensure Republicans of continued minority party status is to start enforcing litmus tests on such issues as abortion, Quayle said.

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Hafer could not be reached for comment after the vice president left, but her campaign spokesman Ron Ruman said she was happy with Quayle's statements.

Robert Jubelirer, the Senate's most powerful Republican, said Quayle's visit on behalf of the party's legislative caucus was an unusual show of support and from the start was intended to help Hafer. However, the $$150,000 to $$200,000 raised will go to help Republicans keep Senate control.

"He was anxious to come in and endorse Hafer," said Jubelirer, the Senate president pro tem. "They wanted to make clear they are supportive of our gubernatorial candidate regardless of what some would like to think."

Quayle said he will be back in Pennsylvania on behalf of Hafer and said he expects Bush will also visit before the November election. Republican State Chairman Anne Anstine had said in February that Bush would be the featured speaker at a major fund-raiser in Philadelphia in May or June, but there are now no definite plans for that.

Hafer, Jubelirer, Mrs. Anstine and other Republican leaders met briefly with Quayle at the airport. Hafer pressed him on securing federal assistance for mass transit, but he said he suggested she contact U.S. Transportation Secretary Samuel Skinner.

"It's my chance to talk to the vice president and explain to him that the federal government can't abdicate its responsibility," she told reporters before the meeting.

Quayle said she aggressively made her points with him. He disputed Gov. Robert P. Casey's statements that Congress and the Bush administration have held the money to mask the size of the federal deficit. Skinner "has been very good about releasing those monies," Quayle said.

"There's no desire to hold up federal highway trust funds to reduce the size of the federal budget deficit," he said.

At the rally, Quayle made a point of praising embattled U.S. Attorney General Dick Thornburgh as "an outstanding member of George Bush's Cabinet." Thornburgh, the former two-term Pennsylvania governor, has been the object of a series of national media stories depicting him as falling out of favor at the White House.

Asked about stories that he may be dumped from the ticket in 1992, Quayle said people should listen carefully to Bush, who has said he will retain his vice president. Asked what he thought of persistent perceptions that he is not up to the job, Quayle said tersely, "Not much."

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The Associated Press Political Service

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HEADLINE: Republicans Back Flag Amendment; Luksik Causes Disruption

DATE: June 23, 1990

BYLINE: By MICHAEL BLOOD, Associated Press Writer

DATELINE: HARRISBURG

KEYWORD: PA -- GOP Fires

BODY:

Republican leaders united Saturday behind a constitutional amendment to protect the U.S. flag, but a defeated primary candidate disrupted their harmony with her anti-abortion crusade.

A resolution adopted by the Republican State Committee during a two-hour organizational meeting urged Congress to pass a flag amendment and also expressed support for President George Bush's efforts to guide the proposal through the House and Senate.

In a related development, U.S. Sen. Arlen Specter, R- Pa. , said he would support the amendment in the Senate, where it is expected to be debated this week. U.S. Sen. John Heinz, R- Pa. , is a co-sponsor of the proposal, which was rejected by the House on Thursday, 254-177.

"I think the Supreme Court was wrong," Specter said, referring to a June 11 court ruling that overturned a federal statute banning desecration of the flag and prompted the effort to seek a constitutional change.

"I think the flag is an important value in our society," he added.

Committee members waved flags and sang "God Bless America" following the vote. Barbara Hafer, the Republican candidate for governor, received a standing ovation after saying she supported Bush in his efforts to push the amendment through Congress.

Meanwhile, Marguerite Luksik, who was defeated by Hafer in the May primary, circulated two statements sharply critical of GOP national committeewoman Elsie Hillman and newly appointed national committeeman Herb Barness.

Luksik, who won 46 percent of the vote, ran on an anti-abortion platform; Hafer, who tallied 54 percent of the vote, is pro-choice. Throughout the election Hafer has encountered resistance from the right wing of the party, especially on the abortion issue.

One statement described Barness as a "liberal pro-choice activist" whose selection by party leaders alienated conservatives. Mrs. Luksik said it was "deplorable that those who claim that the party is a 'big tent' have decided that there is no room inside for conservatives."

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The statement on Mrs. Hillman questioned her support for GOP candidates because of her involvement in a pro-choice group in western Pennsylvania.

Republican leaders discounted Mrs. Luksik's statements, saying she was damaging her standing in the party by refusing to support its leadership and the state ticket.

"She has no standing. She is not a Republican in the truest sense," said state Sen. Robert Jubelirer, R-Blair, the Senate top-ranking Republican.

"She certainly doesn't speak for the Republican Party," he added.

Party Chairman Anne Anstine said Mrs. Luksik was "not a team player."

"Why doesn't she ask what she can do to elect Republicans? " Mrs. Anstine said. "I don't consider her a good Republican. "

Speeches throughout the meeting focused on Gov. Robert P. Casey and the state's budget woes. Rep. John Perzel, R-Philadelphia, said the media was being dishonest and overlooking the problem. The state has a $$226 million revenue shortfall this year.

"You don't balance this budget on the backs of property owners, as this governor is doing," Hafer said. She reiterated her support for a modest increase in the gas tax to help pay for transportation improvements.

Casey's campaign could not be reached for comment Saturday.

In other action, the committee endorsed Chairman Anne Anstine for a two-year term. Also elected were William Lamb of Chester County, vice chairman; Robert Taylor of Bucks County, treasurer; and Grace Jesberger of Elk County, secretary.

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3RD STORY of Level 1 printed in FULL format.

The Associated Press Political Service

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HEADLINE: A Taxing Day For GOP Candidate At White House

DATE: June 28, 1990

BYLINE: By JEFF BARKER, Associated Press Writer

DATELINE: WASHINGTON

KEYWORD: PA --Hafer-Bush

BODY:

It was a taxing Thursday for Pennsylvania GOP gubernatorial candidate Barbara Hafer, who came to the White House hoping to talk about education but was pelted with questions about President Bush's tax stance.

Hafer, the state's auditor general, did secure a pledge from Bush to travel to Pennsylvania on July 24.

She said the visit would be a big boost to her underdog campaign.

"His popularity in Pennsylvania is at an all-time high," she said. "He's coming in to campaign for me."

Hafer chatted with Bush privately inside the White House and filmed some video spots with him. She emerged alone to face reporters.

Following her to the bank of microphones were GOP gubernatorial candidates from other states who had also been granted an audience with Bush.

Hafer was asked about Bush breaking the "no new taxes" pledge that was at the center of his 1988 campaign.

The president said earlier in the week that "tax revenue increases" must be included in an overall package to reduce the federal budget deficit.

"I didn't tell the president anything about that," Hafer said. "We talked about education and Pennsylvania's priorities."

Reporters persisted, asking Hafer directly what she thought of a tax hike.

"I don't ... I'm not going to comment on that," Hafer said.

Later, she praised Bush for his leadership on the issue.

"He's not afraid, and I'm not afraid to talk about taxes," Hafer said. "You're calling it a tax shift. It's my understanding he's talking about being a leader and bringing people to the table."

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Bush has not offered any specific tax increase proposal, and says any increase would have to be part of a package of cuts in both domestic and military spending.

His remarks came as part of closed-door talks between leading lawmakers and White House officials on the budget.

Tax increases have been part of Hafer's own arsenal against Democratic Gov. Robert Casey.

By proposing low state funding for schools, Casey has forced school boards to raise property taxes, Hafer claims. "While this governor continues to tell people he hasn't raised taxes, in fact he has. When you get your school tax bill, you're also getting the Bob Casey tax hike," she said on June 6.

Hafer aides billed Thursday's meeting as a chance for the candidate to brief the president on education.

As governor, she said she would seek a commonwealth constitutional change to split the budget into two parts, one for education.

Hafer has made ed. central to her campn.

Reports filed recently with the state Elections Bureau showed Casey had just over $$1 million in the bank for the November election, nearly six times as much as Hafer.

Hafer said money was coming in slowly, but that voters had not begun to focus on the race yet.

Hafer told reporters she expected "a traditional, very close Pennsylvania race."

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June 21, 1990, Thursday, Late Edition - Final

SECTION: Section A; Page 16, Column 1; National Desk

LENGTH: 1499 words

HEADLINE: After Renaissance of the 70's and 80's, Philadelphia Is Struggling to Survive

BYLINE: By MICHAEL deCOURCY HINDS, Special to The New York Times

DATELINE: PHILADELPHIA, June 20

BODY:

The urban renaissance here, marked by the frenzied construction of $5 billion worth of downtown office buildings and the rebuilding of frayed neighborhoods in the 1970's and 80's, is sputtering out. The new urban issue here, as framed by the city's austerity budget for next year, is survival.

''If we raised taxes any more than we did, we would have had to expand the highways to the suburbs for all the moving vans,'' said City Councilman John F. Street, who earlier this month successfully pressed for $65 million in reductions in city services, including programs for the homeless and street cleaning.

Philadelphia's taxes are among the highest in the nation, and are three times those in its suburbs, which have better schools, less crime and many jobs, according to the Pennsylvania Economy League, a nonprofit research group.

City Is Facing Insolvency

But without more tax revenue, the city could become insolvent. Some city officials, including the finance director and the controller, say deficits expected in the next year or two could mean severe reductions in city services and could set off a fiscal crisis.

On June 8, Standard & Poor's, the Wall Street rating agency, reduced the city's bond rating two notches, to the lowest rating, BBB-, held by any major city. St. Louis and Detroit, the two next lowest rated, are rated BBB.

Mayor W. Wilson Goode, whose proposal for more taxes was defeated last month, says the city will be able to hold on until the state comes to its rescue after the fall elections for governor and much of the State Legislature. But incumbents have not shown much eagerness during the campaign season to help Philadelphia.

The city wants to increase revenue by adding taxes on cigarettes and gasoline; creating a new sales tax, and making its wage tax, now about 5 percent for everyone, progressive like Federal taxes. The city needs the Legislature's approval for these changes.

A Critical Stage

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(c) 1990 The New York Times, June 21, 1990

Urban specialists say most older Northeastern and Midwestern cities share Philadelphia's problems, but they say the problems have reached a critical stage here. ''Sadly enough, Philadelphia is showing the way,'' said George Sternlieb, professor of urban planning at Rutgers University.

''We didn't genuinely redevelop our cities in the seven fat years we just went through,'' Professor Sternleib said, ''so we face some real troubles in the seven lean years ahead. There was a momentary euphoria in downtown monument building in the 1980's, but those monuments are beginning to look like tombstones surrounded by the old crumbling cities.''

Like many other cities, Philadelphia, the nation's fifth largest, is in a desperate competition with its suburbs. More than 400,000 people, largely middle-class whites and blacks, have moved to the suburbs since 1950, when Philadelphia reached a peak population of 2.1 million. The flow out left behind a city with an increasingly poor, elderly and needy population that is about 45 percent black and about 5 percent Hispanic and Asian.

One of every four Philadelphians, including almost half its homeowners, lives below the poverty line. More than 260,000 residents receive public assistance, representing about 40 percent of the state's caseload. The city also produces about half of the prisoners in the state.

Decline in Federal Aid

While the city's population has shrunk and become poorer, problems like AIDS, homelessness, drugs and crime have increased rapidly.

Federal aid to Philadelphia declined from more than $250 million in 1981 to $54 million this year. County governments help other Pennsylvania cities like Pittsburgh, but Philadelphia is a county unto itself and, thus, cannot raise revenue from its suburbs.

Nor can the city tax its own residents as it wishes. State law limits the city's taxing authority, said Betsy Reveal, the city's finance director.

''My favorite example,'' she said, ''is that all the Ma and Pa groceries stores paid $3 million in taxes in 1988 while all the banks paid less than $500,000.'' The state limits the revenue taxes Philadelphia can impose on highly regulated business like banks and insurance companies.

Philadelphia has the nation's highest wage tax and the nation's highest transfer tax on real estate sales; both are about 5 percent. In addition, the city has the nation's highest automobile insurance rates, state officials say. People here also pay the highest fares for public transportation and taxi cabs. Housing, however, is relatively inexpensive, averaging $68,500 a house.

'An Evacuation Mentality'

Some academics say the city has spun out of control. ''I believe there is a total lack of faith in city government,'' said Jay Lamont, director of the Real Estate Institute at Temple University. ''There is definitely an evacuation mentality that has been accelerating in the last 12 months, particularly in Center City,'' he said, referring to the neighborhoods in and near downtown.

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(c) 1990 The New York Times, June 21, 1990

Overall residential real estate sales in the city slowed by 27 percent in the last six months, while sales in Center City slowed by 39 percent, according to the Philadelphia Board of Realtors. ''Our residential phone stopped ringing about last August; it's terrible,'' said Charles F. Seymour, chairman of the Jackson-Cross Company, a brokerage.

The boom of the 1970's and 80's, though dying, is still delivering some good economic news: five new hotels, major highway repairs and a huge convention center that is scheduled to open in 1993. The city has had moderate growth in jobs since 1983, after a 20-year decline, said Ted Hershberg, a professor of public policy at the University of Pennsylvania.

Mayor Defends City

Mayor Goode says the city is no worse off than any other major city and is in better condition in some respects, like safety. ''We're responding well to the crisis we find ourselves in,'' he said in a recent interview.

He said the city would be able to weather the financial crisis in the short term by selling property and restructuring debt. But he said the city could not remain ''competitive'' unless its tax system is revamped.

He also defended the quality of city services and challenged assertions of a growing disenchantment. ''I don't think there is an evacuation mentality at all,'' he said. ''Some people, because of crime, want to move, but that's no different than in Boston or New York.''

The city's crime rate increased 15.7 percent last year, the biggest one-year increase since 1980, according to the Federal Bureau of Investigation. In Center city the Philadelphia police report a sharper increase. Even so, Philadelphia has the lowest crime rate of the nation's 10 largest cities, with 6,978 crimes per 100,000 residents.

'Situation Is Far Worse'

''The situation is far worse than the statistics show,'' said Craig Snyder. He is director of the Criminal Justice Task Force, a group of city leaders who advocated changes to speed the judicial system, and he is a Center City Republican running for the State House of Representatives this year.

''The fact is that property crime has been legalized in Philadelphia,'' Mr. Snyder said. ''There are 30,000 fugitives on the streets that no one is looking for,'' people who have been arrested for nonviolent crimes and released pending a court hearing because jails are full. Many then do not show up for the hearing.

Even Philadelphians who say they love the city say they hate what has happened. ''My property taxes have quadrupled in the last year and a half, and all I hear from city government is, 'We don't have enough money, we don't have enough money,' '' said Robert Kershaw, president of the Victoria Park Neighborhood Association in Center City.

More reductions in city services are likely this year because the $2.1 billion budget for the fiscal year 1991, which starts July 1, is based on the proposed new sales tax, which the city has no authority to impose but hopes

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the State Legislature will approve.

The budget also makes no provision for uncontrollable expenses, including pay and benefit increases for city employees and higher borrowing costs. Officials say those expenses could exceed $200 million. In lowering the city's bonding rating, Standard & Poor's said the new budget ''does not bode well for restoration of fiscal stability.'' Moody's Investors Service, the other large rating agency, has already given the city its lowest investment-grade rating and is considering reducing it further.

The reduction in bond rating could increase the city's borrowing costs, possibly by $10 million a year if Moody's also reduces the city's rating, said Ms. Reveal, the city's finance director.

She said the city could become insolvent if unbudgeted expenses rose to $100 million.

''The next 18 to 24 months are real touch and go, but if we get through those rocky waters we should be in for some smooth sailing,'' she said. If, that is, the State Legislature permits Philadelphia to revise its taxes.

GRAPHIC: Photo: With taxes among the nation's highest, Philadelphia made a $65 million cut in services, including street cleaning and programs for the homeless. Trash littered 17th Street in Philadelphia recently. (Bill Cramer for The New York Times); graph of average local taxes for a family of four with a household income of $25,000 for each city's 1988 fiscal year. (source: Pennsylvania Economy League)

SUBJECT: TAXATION; ECONOMIC CONDITIONS AND TRENDS; FINANCES; BUDGETS AND BUDGETING

NAME: GOODE, W WILSON (MAYOR); HINDS, MICHAEL DECOURCY

GEOGRAPHIC: PHILADELPHIA (PA)

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The Philadelphia Inquirer

An Independent Newspaper

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EUGENE L. ROBERTS JR.
Executive Editor and President

DAVID R. BOLDT
Editor of the Editorial Page

Wednesday, May 23, 1990

EDITORIALS

Hafer on SEPTA

The Republican gubernatorial candidate says some things worth listening to

Most people, especially the smattering of Pennsylvania Republicans who bothered to vote last week, found themselves somewhat underwhelmed by the gubernatorial candidacy of Auditor General Barbara Hafer, who made the mistake of thinking she could take the primary for granted.

But before consigning her to political oblivion on the basis of her unimpressive primary vote, it might be worth taking a look at what she was saying on one significant issue, because what she had to say showed her to be, at least on this issue, a more courageous politician than Gov. Casey, whom she will oppose this fall.

The area was funding for mass transit in general, and SEPTA in particular. In her conversations with the Editorial Board of The Inquirer, Ms. Hafer said without equivocation that she favored allowing the gasoline tax to be used for mass transit. She said she would advocate amending the state constitution, which at present says the gas tax can only be used to build highways.

Ms. Hafer also made it clear that her commitment to mass transit went beyond advocacy of the gas tax. "If you can't get the constitutional amendment through," she said, "we should persist and insist on creating a predictable funding source until there is fair and full funding for transit."

She asked, "Why don't we go to true tax reform? Get rid of some of the property taxes and nuisance taxes and look at the income tax." Mass transit, she asserted, "may require part of the income tax, part of the sales tax and part of the gas tax."

To be sure, Gov. Casey did pledge a substantial increase in state aid for SEPTA in the coming year. However, he has been cool to the idea of providing the transit agency with a source of funding that it could plan on from year to year.

Ms. Hafer, for her part, says that a predictable transit funding source would be "tough to sell for a Republican in the heartland, in the center of the state," but she added that "you have to sell the importance of mass transit and what it means in terms of taking people to markets, and the product to people. We're only as good as our center cities, essentially Philadelphia and Pittsburgh, and if our center cities aren't healthy, then the rest of us are not healthy. We cannot just think regionally."

Ms. Hafer said she gained her appreciation for the need to support transit as a former Allegheny County commissioner, who chaired a subcommittee for the Southwestern Pennsylvania Regional Planning Commission. "We really helped turn around the Allegheny County Port Authority, which oversees the six-county transit system around Pittsburgh, primarily a bus and subway system."

Pardon us while we take a deep breath. It's just that we aren't accustomed to hearing a Republican officeholder from Western Pennsylvania talk so convincingly about the worth of saving Philadelphia and its transit system. Ms. Hafer's comments are some of the most encouraging words we've heard so far in this campaign.

Source Pittsburgh Post Gazette Date 7/14/90

Hafer advocates raising gasoline tax 6 cents a gallon

Wants funds for roads, mass transit

HERSHEY, Pa. (AP) — Barbara Hafer, the Republican candidate for governor, says Pennsylvania should raise its gasoline tax by 6 cents a gallon, or 50 percent, to pay for improved highways and mass transit.

In a speech yesterday to the American Legion Convention, she briefly mentioned that mass transit needs a predictable source of money, but she did not refer to the higher gas tax.

She outlined her tax proposal Thursday in Philadelphia, saying 4 cents should be added for highways and 2 cents for mass transit.

"A package for mass transit has to be developed," she told a reporter after her speech yesterday. "We're one of the few states that don't have a predictable funding source for mass transit. It really is the life blood of many communities east and west."

A constitutional amendment is required before gas tax money can be used for mass transit. The Democratic-controlled state House rejected the proposal 113-87 on June 27.

Pennsylvania now imposes a 12-cent per gallon tax at the retail level and a 6 percent tax on the wholesale price of gasoline that equals 5.4 cents a gallon.

Hafer, who is running against Gov. Casey, said business groups across the state support a gasoline tax increase.

"Time is money and businesses are losing money while their trucks sit in traffic on overly congested roads," she said in a statement issued Thursday. "This costs Pennsylvania jobs."

The state Transportation Commission, an advisory group of lawmakers and local officials, called on Casey in 1987 to support more more money for highways. The unspoken intent was to have him support a higher gasoline tax.

Legislation proposing a 5-cent-a-gallon increase died in the House last year.

Casey has said he would support a gasoline tax increase if it is part of a package that includes property tax relief. He has invested $4.2 billion in highway and bridge improvements during Casey's first term.

Despite the spending, such major links as U.S. 30 in Lancaster County need extensive renovations, said Hafer's campaign manager, Patrick Killian. Among the groups favoring more gasoline taxes, he said, are the chambers of commerce in Lancaster, Erie, Monessen, Johnstown, the Harrisburg area and State College, Lycoming and Berks counties, and the Pocono Mountains, as well as the Pennsylvania Travel Council and Pennsylvania Business Roundtable.

Hafer said lawmakers would have to be educated about mass transit's needs. Two cents from the gasoline tax would give the state's 69 mass transit systems an additional $110 million a year for capital projects. She said she also favored boosting the state's share of capitol bond funding above the 50 percent level now set in law.

"I believe it will pass the next time it comes through the Legislature," she said.

Pennsylvania boosted aid to mass transit by 4.5 percent, to $239.7 million in the fiscal year that started July 1.

"In terms of transit, Pennsylvania already contributes more to urban mass transit each year for operating subsidies than any other state in the nation except New York," McCarron said.

At the American Legion convention, Hafer said she supported a constitutional amendment banning flag burning, moving veterans affairs from the Department of Military Affairs to a separate Veterans Commission, appointing a special assistant to the governor for veterans affairs and expanding rights for overseas military people to vote by absentee ballot.

Hafer also told the veterans her priorities as governor would be education, human services, transportation and economic development.

gallon boost surfaced briefly in June 1989 in the House, but did not come to a vote. In April 1989, the House and Senate Transportation committees approved bills to shift state police expenses out of the motor license fund so $187 million more could be spent on highways. No further action was taken, however.

Casey has repeatedly rejected increasing the gasoline tax.

"The taxpayers are already supporting a highway and bridge construction program that has reached record levels in the last four years," said PennDOT spokesman James McCarron. He said the state had

[illegible] tion and the drug war.

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An AP News Analysis
Eds: Moved in advance for Sunday editions and after.
By RICH KIRKPATRICK
Associated Press Writer

HARRISBURG (AP) - Republican gubernatorial candidate Barbara Hafer, known for speaking her mind, is telling voters they can have better highways and mass transit as long as they are willing to dig a little deeper into their pockets.

It's not the kind of thing candidates usually say. The risk is your opponent will run a 30-second television ad accusing you of - horrors - wanting to boost gasoline taxes.

But when a candidate is considered the underdog, risks may be a little easier to take.

Hafer said last week she favors a 6-cent a gallon increase in the gasoline tax: 4 cents for highways and 2 cents for mass transit.

One of her points is that her proposal would offer rural lawmakers the incentive that was missing when the House rejected a constitutional amendment to allow part of the gasoline tax to be used for mass transit. The June 27 vote was 113-87 against the amendment.

The House vote was not surprising, given that on its face it offered nothing to areas of Pennsylvania that don't rely heavily or at all on mass transit. If rural lawmakers can bring home more money for their local highway needs, then they might be convinced to vote for earmarking a portion for mass transit.

Hafer said the 4-cent increase for highways would add $220 million a year to the state's road building and improvement budget.

She is not alone in calling for more highway revenue. Three years ago, the state Transportation Commission adopted a 12-year plan calling for $11.7 billion in highway spending. But the bipartisan group of lawmakers and local officials on the commission acknowledged that taxes in place would only generate $8.6 billion. The commission then turned to Gov. Robert P. Casey and said, ``Your move.'' He said: ``No tax increase.''

Pennsylvania business groups have also urged that gasoline taxes be raised. Hafer said farmers in Lancaster County have complained to her that they can't get their produce to markets because of bad roads.

Transportation Department spokesman James McCarron said Lancaster County is not the example to use. The debate over whether new highways should go through prime farmland has held up new construction in the county, he said.

Reflecting the Casey line, McCarron said the administration has put together a record $4.2 billion highway and bridge improvement program in its first 3 1/2 years without boosting taxes.

In terms of mass transit, Pennsylvania ranks second only to New York in its support for operating costs, McCarron said. Pennsylvania's aid is increasing 4.5 percent, to $239.7 million this year for the state's 20 mass transit systems.

But Hafer points out that more needs to be done. The state's highway network has gaps. And mass transit shouldn't have to guess year-to-year where the dollars will come from to keep the systems in good shape.

``A package for mass transit has to be developed,'' she said. ``We're one of the few states that don't have a predictable funding source for mass transit.''

She said she expects the mass transit amendment will be voted again and pass.

``I think we can educate some of the other legislators that ... it's not just good money after bad, that we're on a crisis position for capital improvements, preventative maintenance of systems we've invested so much in already that just have to be taken care of,'' she said.

Casey has said Washington must first release a $6 billion transit fund that has been frozen as part of deficit reduction efforts. Hafer has also

called on the federal government to make more money available.

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(Rich Kirkpatrick has covered the Capitol since 1973.)

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DAVID R. BOLDT
Editor of the Editorial Page

Sunday, July 15, 1990 Page 6-C

EDITORIALS

Score one for Hafer

Unlike Casey, she's not spooked by the gas tax

Republican gubernatorial candidate Barbara Hafer's announcement last week that she favors a gasoline tax increase to help mass transit is a further reminder of how Gov. Casey took a walk on this issue at a time when his support was sorely needed.

Last month, in the final days of the Pennsylvania legislative session, backers of a constitutional amendment to allow a portion of gas tax revenues to be used for mass transit came within five votes of getting the measure through the House of Representatives. If they had succeeded in a last-ditch follow-up vote, Senate backers were hopeful of a narrow victory there as well.

The prime sponsors of the measure were Democrats, but they were getting Republican help from Philadelphia's suburbs. Having long since given up on the Democratic governor taking a leadership role, they were counting on him merely to keep his mouth shut. Indeed, according to Rep. Gordon Linton (D., Phila.), the governor's aides had promised that he wouldn't do anything to scuttle the measure.

But on June 28, two days before the legislature adjourned, the governor effectively wiped out the effort to pick up a few fence-sitters by remarking that the amendment was a "thinly veiled tax" — while saying nothing about the crying need for new highways and improved mass transit. Senate GOP leaders immediately used the governor's "sniping from the sidelines," as a reason to bury the bill.

Ms. Hafer makes no bones about her reason for supporting the amendment. She wants to raise the gas tax by 6 cents per gallon to support highways *and* mass transit. We suspect that a lot of voters, particularly in a Democratic city that is so dependent on mass transit, share her point of view.

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1ST STORY of Level 1 printed in FULL format.

The Associated Press Political Service

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DATE: July 14, 1990

BYLINE: By RICH KIRKPATRICK, Associated Press Writer; Rich Kirkpatrick has covered the Capitol since 1973.

DATELINE: HARRISBURG

KEYWORD: PA --Viewing Harrisburg

BODY:

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Daily Report For Executives

July 11, 1990, Wednesday

SECTION: TAXATION, BUDGET AND ACCOUNTING; DER No. 133; PG. G-1

LENGTH: 846 words

HEADLINE: U.S. Budget, BUSH ADMINISTRATION SUPPORTS BALANCED BUDGET AMENDMENT, DARMAN SAYS

BODY:

Office of Management and Budget Director Richard Darman told a House subcommittee July 10 that the Bush administration ''strongly supports'' House and Senate resolutions that would amend the Constitution to require a balanced federal budget.

Such an amendment, Darman told a hearing of the House Judiciary Subcommittee on Economic and Commercial Law, would provide the additional incentive needed to force the executive and legislative branches to bring the budget into balance.

The House resolution (HJRes 268), which carries 248 cosponsors, is on a fast track for floor consideration July 17, having attained enough signatures to be discharged from the Judiciary Committee in June. The Senate version (SJRes 183) was favorably reported out of committee June 14 (116 DER G-5, 6/15/90).

Resolution On Fast Track

House Speaker Thomas Foley (D-Wash), who opposes a constitutional amendment, put HJRes 268 on next week's calendar. Rep. Charles Stenholm (D-Texas), who introduced the resolution initially in 1984, predicts it will be approved or defeated by a margin of five to 10 votes. Foley normally would have scheduled discharged measures on a Monday-a day when members are traveling, an aide to Stenholm said, but because of the nature of the resolution, the speaker opted to put it on the calendar July 17-a Tuesday-hoping for a vote of the full body.

Amendments to the Constitution must be approved by a two-thirds majority of both houses and ratified by 38 states before becoming law.

Although the House vote is scheduled, Rep. Jack Brooks (D-Texas), chairman of the Judiciary Committee, said the hearing was in order because the committee has the authority to investigate and hold hearings on budget matters. Rep. Chuck Douglas (R-NH) reminded Brooks that he had requested a hearing on the issue last February, without success.

Brooks said he opposes a balanced budget amendment as an unworkable gimmick that would give an unelected judiciary power over the budget if the president and Congress cannot agree on an estimate of total receipts for a fiscal year as the base measure upon which outlays would be calculated.

But Darman said that Congress' fear of judicial control over the budget would

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be ''a powerful incentive'' to negotiate with the executive branch to achieve a balanced budget, which he said should be phased in by 1994 if the amendment becomes law.

Darman told reporters before the hearing that the Bush administration and Congress have the potential to complete a federal deficit-reduction agreement before Congress adjourns in August, although much work remains. ''How far down the path we are, that's just really very speculative at this point,'' he said. ''Formally, we're not very far down the path at all.''

Addressing the subcommittee, the budget director said Congress lacks ''the political will'' to reduce spending and take other steps to reduce the federal debt. But under questioning by Rep. Dan Glickman (D-Kan), who joined other Democrats on the committee in opposing an amendment, Darman agreed that the administration's last submitted budget did not have support in Congress from the president's own party.

''I think that it is clear that however you'd like to parcel out the blame. . .the combination has produced this result,'' Darman said. ''The current system is not adequately restraining the growth of debt. . .There would appear to be a systemic fault.''

Incentive Mechanism

Darman also advocated another incentive mechanism that would levy civil penalties on government personnel who authorize the expenditure of funds in excess of certain levels. ''They become legally obligated not to spend,'' Darman said, adding that such pressure would force negotiation between Congress and the executive branch.

Also testifying July 10 in opposition to the HJRes 268 were former Congressional Budget Office directors Alice M. Rivlin and Rudolph G. Penner, Charles L. Schultze, former chairman of the Council of Economic Advisers, and former OMB Director Roy L. Ash. They objected to an amendment as unnecessary and unworkable.

Under HJRes 268, Congress and the president would have to agree on estimated receipts for a fiscal year. Total outlays for that year could not exceed that amount unless approved by three-fifths of each house of Congress. The same vote would be needed to raise the public debt. Any bill that would increase revenue also would have to be approved by a majority of each house by roll call vote.

Total receipts would include all receipts except those borrowed, while total outlays would include all spending except for repayment of debt principal.

The federal government has not operated with a balanced budget since fiscal 1969. The federal deficit escalated from $2.8 billion in 1970 to a current estimate of almost $3 trillion.

The issue of a balanced budget requirement has repeatedly emerged since the 1930s, with the most recent votes on a constitutional amendment occurring in 1982 and 1986.

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July 17, 1990

MEMORANDUM

TO: **CAROLYN CAWLEY**
MARK LANGE

FROM: **CAROL BLYMIRE**

SUBJECT: PHILADELPHIA GOP

The pre-advance to Philadelphia was quite a treat. They had no information or talking points, therefore Bruce Stebbins will get it to you today. Below, please find a list of names that must be included in the acknowledgements or elsewhere in the speech. See Bruce for further guidance:

-- Barbara Hafer: she's running for Governor and has no chance in the world to win
-- Matty Ryan: House Minority Leader; it's important to make him Speaker of the House
-- John Perzel: House Campaign Chairman; recruited a lot of candidates
-- Bob Jubelirer: Senate President Pro Temp; we hold the Senate by four seats, and we need to keep the Senate
-- Joe Rocks: local Senate candidate (Phila.), he is a top target in the Senate race
-- Anne Anstein: Chairman of PA GOP
-- Elsie Hillman: National Committee of Women, and very good friends with the President.

The President will speak before 400-500 attendees in the Wyndham Ballroom at the Franklin Plaza Hotel. Tickets sell for $1,000 each, $10,000 for a table.

Enclosed also find a list of people with whom we met for this lovely event. Your Philly contacts for this trip are:

-- Tom Druce... PA State GOP (717) 234-4901
-- Joe Waldholtz... Elsie Hellman's office (412) 471-8312
-- Rick Odorisio.. Dir. of Sales at the hotel (215)448-2000

Tim Simonson will be with the Advance team for this, and he's really good and really helpful.

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. List	Contact Sheet for GOP fundraising lunch in Philadelphia, Pennsylvania. (1 pp.)	07/16/90	(b)(7)(e), (b)(7)(f)	

Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Speech File, Backup
Subseries:
WHORM Cat.:
File Location: Pennsylvania GOP Fundraiser 7/24/90

Date Closed: 10/20/2004	**OA/ID Number:** 08314
FOIA/SYS Case #:	
Re-review Case #: 2004-2265-S	
P-2/P-5 Review Case #:	
MR Case #:	**Appeal Case #:**
MR Disposition:	**Appeal Disposition:**
Disposition Date:	**Disposition Date:**

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Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

City/State: Philadelphia, PA

Event: GOP Fundraising Luncheon

Date: July 16, 1990

OFFICE OF PRESIDENTIAL ADVANCE

CONTACT SHEET

Name	Office	Phone Number
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Presidential Advance Fax Number		202/456-2820
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TIM SIMONSON	" "	" "
Brian D. Montgomery	WH Advance	202/456-7565
SPENCER GEISSINGER	WH ADVANCE	202/456-7565
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(b)(7)(c), (b)(7)(f)	[redacted]	
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Bruce Stebbins	WH Political Affairs	202-456-6510
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Charles Dexter	Republican State Committee(o)	717-234-4901(A) 717-599-1230
Tom Hughsted	Franklin Plaza Catering	215-448-2844
JIM HAMBY	WHITE HOUSE COMMUNICATIONS	202-395-2000
LARRY FEAST	White House Communications Agency	202-395-4040
Mike Gould	WH Military Office	202-395-1747
Chuck Wexler	Office of National Drug Control Policy	202 673 2532
KRIS GOODWIN	WH ADVANCE	202/456-7565

July 16, 1990

MEMORANDUM

TO: MARK LANGE

FROM: CAROLYN CAWLEY

RE: PENNSYLVANIA GOP FUNDRAISER

((Per conversation with Tom Druce, Exec Dir of PA GOP))

I. ISSUES TO COVER

A. Education (Statewide issue)

--Governor Casey is trying to balance the budget on the backs of property tax payers. He has consistently cut funding to local school districts; currently it stands at 39%, the lowest ever. (Under Thornburgh, the lowest it ever got was about 43%)

--Druce is sending more info on this -- press clippings etc. -- along with the names of specific schools that will be hardest hit.

B. MASS TRANSIT (Philadelphia issue)

--funding for SEPTA (Philly's mass transit system) is erratic and unstable. Governor Casey won't discuss the issue and won't find a stable source; so, every year, the system is practically broke. Casey says Sam Skinner is responsible for SEPTA's woes because he is "sitting on millions of dollars and won't spend a nickel". Skinner made the point in Pittsburgh recently, which was picked up by the statewide media, that Casey has never once called him to discuss funds for mass transit.

--Barbara Hafer has proposed a 6 cent gas tax to give SEPTA a continual and dedicated source of funding. ((See Nexis articles))

--The idea of a well funded and efficient mass transit system is no-lose: less traffic, better for the environment, etc....

C. DRUGS (Statewide issue)

--Pennsylvania has a very good anti-drug program. The only issue is actually spending the money. The state government must spend within 2 years; last year they held over the money in the interest of keeping spending down, but they are set to allocate it now.

D. **STATE LEGISLATURE**

--THIS IS THE ISSUE THAT THE STATE GOP IS CONCENTRATING ON. The profit from this fundraising luncheon will go to State party coffers, and most of that will go to State legislature races. They need to maintain their majority in the Senate and gain it in the House.

--Republicans are the current majority in the State Senate: 27-23. Though they have the majority, they could lose it in this election.

Republicans are a few seats away from the majority in the State House: 103-99.

--Druce is sending the names of the incumbents to re-elect and the first time runners to elect. The three candidates to concentrate are:

- o Joe Rocks (State Senator; party switcher I mentioned in the first memo)
- o the candidate from York County
- o Mr. Wilt, candidate from Eerie.

E. Acknowledgements

--a quick sketch of who will be there. Definitives to come at a later date.

--
- o Sen. John Heinz
- o Sen. Arlen Specter
- o GOP Gubernatorial Candidate Barbara Hafer
  (currently state Auditor General)
- o Ernie Preate ((Pree-ayte))
  State Attorney General
- o Anne Anstine
  State Party Chair
- o RNC Commiteewoman and Committeeman
  Elsie Hillman
  Herb Barness
- o Bob Jubelirer
  President Pro Tem of State Senate
- o Matt Ryan
  House Republican Leader
  former Speaker when they had the majority; could hold this position again if they win it back.

F. HUMOR

--Druce suggested making a joke of Barbara Hafer getting uptight about Mrs. Bush traveling with Governor Casey and his wife on a literacy event in the state. Hafer had been trying to get Mrs. Bush to visit the state for the Republican cause. "Well, Barbara, I know you'd been trying to get Bar here...but you got me instead." Something along these lines.

(took a shot @ First Lady)

-dunderstand criticized Barbara for coming to PA w/ an unsavory character...

July 13, 1990

MEMORANDUM

TO: MARK LANGE

FROM: CAROLYN CAWLEY

RE: PA GOP EVENT

Pennsylvania GOP fundraising luncheon
Philadelphia, PA
July 24, 1990

Mood
--Republicans are definitely an embattled group in PA.

--Need to mention Barbara Hafer, the gubernatorial candidate. She had serious trouble early on for name calling etc. on her opponent. Also, when Mrs. Bush was in town for a literacy event, she was accompanied by the Democratic Governor and Hafer took shots at Mrs. B. for this.

--Abortion is a particularly touchy issue in the state: the current Democratic Governor is pro-life and the Republican challenger is pro-choice.

--The main emphasis for the State Party: maintaining the majority in the State Senate and achieving a majority in the State House (they are only a few seats away.)

Others to mention:
--perhaps mention Joe Rocks, a party switcher. He was a Democrat in the State Senate; switched parties and ran for a city seat, which he lost. He is now running for the State Senate again, as a Republican.

--Elsie Hellman -- the PA RNC Committeewoman. She is close friends with the Bushes; when she comes to D.C. she stays here at the WH with them.

--Herb Barness -- new PA RNC Committeeman.

--Anne Anstine -- State Chair.

Bob Jubilier Sen. [redacted] Maj. Leader
Matt Ryan - Fr. Caucus Leader

Herb Barness - New Nat'l Committeeman.
John Lucell Head Fr Camp. Committee

CONTACTS FOR THE PENNSYLVANIA GOP FUNDRAISING LUNCHEON

--Bruce Stebbins -- WH Political
((In Chicago; reach through Signal))

--John Pistuovic -- RNC Political -- (717) 234-4901

--Tom Druss -- Executive Director of State GOP and the luncheon
((In Chicago; reach through Bruce Stebbins))
Next week: (717) 234-4901



Republican
National
Committee

Lee Atwater
Chairman

FACSIMILE TRANSMITTAL

DATE: 15 th, July 1990

TO: Caroline Cawley

COMPANY: _____

FAX NUMBER: 202/ 456 - 6218

FROM: Adrien MacGillivray

NUMBER OF PAGES (including the cover sheet) 6

FAX NUMBER: (202) 863-8657

PENNSYLVANIA
POLITICAL BRIEFING

Political Update

* **THE PRESIDENT** will be in Philadelphia on July 24 for a State Party Fundraiser.

* **GOVERNOR SUNUNU** was in Allegheny County for a meet and great for Allegheny County major donors on June 19.

* The **VICE PRESIDENT** was in Pennsylvania on June 5th for the State Senate. He also attended a rally of welcome from the State Party which featured gubernatorial candidate **BARBARA HAFER.**

* **MRS. BUSH** was in Philadelphia May 14 to speak to the University of Pennsylvania graduation. She also did photo ops with Senate and House candidates.

* **BILL BENNETT** was in Harrisburg June 20 to address the State Legislature. The Republican Leadership and the Hafer campaign were angry because **BENNETT** would be accompanied by Governor Casey.

* Abortion is playing a major role in the 1990 campaigns in Pennsylvania; it is affected nearly every candidate in the primary election. Often times, the roles are being reversed where Democrats favor restrictions on abortion and many Republicans oppose restrictions.

* The Pennsylvania primary election was held on May 15 with gubernatorial candidate **BARBARA HAFER** narrowly defeating Pro-life candidate Peggy Luksik 54.3% to 45.7%.

* In other races, Democratic Governor Robert Casey defeated Pro-choice candidate Philip Berg 77% to 23%. Casey is Pro-life and Berg is Pro-choice. Pro-life Lt. Governor Mark Singel defeated Edward Mezvinsky, a Pro-choice candidate 71% to 29%.

* **DREW LEWIS** resigned as National Committeeman in late May. His successor, **HERB BARNESS** was appointed by **ANN ANSTINE.**

* **BARBARA HAFER**'s running mate is State Representative **HAROLD F. MOWERY, JR.**.

* **EARL BAKER** announced to the press in late September that he would resign his position as State Party Chairman in February of 1990. The new Chairman is **ANN ANSTINE.**

* Republican incumbent Philadelphia District Attorney **RON CASTILLE** won re-election to that post defeating Democrat challenger Walter Phillips 56% to 44% on November 7th.

* The RNC contributed $5000 to the **CASTILLE FOR DISTRICT ATTORNEY** Campaign.

* **CASTILLE** is often mentioned as a potential candidate for Mayor of Philly against Wilson Goode in 1992.

* Republican **KEN SMITH** won the Bethlehem Mayoral race defeating Democrat Paul Marcincin 64% to 36% on November 7th.

* Republican **STATE SENATOR JOSEPH ROCKS** was defeated by Democrat John Saidel by a slim margin in the race for Philadelphia City Comptroller.

* Republican **ANITA BRODY** was defeated by Democrat Ralph Cappy 56% to 44% in the race for Pennsylvania Supreme Court.

* Despite a recount, Republican **JACK BRADT** was narrowly defeated by Democrat Jerry Seyfried in the North Hampton County Executive race - 49.5% to 50.5%.

* A new group, Pennsylvanians for Justice and Freedom of Choice, has been formed to target leaders like Steve Freind and other anti-abortion legislators. They plan on raising hundreds of dollars to defeat selected anti-abortion lawmakers.

<u>State Party/Caucus activities</u>

a. <u>State Party goals and plans</u> --

* The State Party's priority is to coordinate activities with the **HAFER** campaign, the Senate Caucus Campaign Committee, and the House Caucus Campaign Committee to most effectively utilize their resources.

* The Republican State Party intends to begin a large-scale voter registration program targeted at new movers, new residents and **BUSH** '88 voters. The GOP will also be involved in a series of workshops with regard to Political Education -- campaign planning workshops and

campaign college seminars will also be a part of these workshops.

* The Republicans will conduct surveys to assist local candidates and county party organizations in an effort to assist State Legislative candidates - seats will be targeted in this effort. They will update voter files and develop a political communications program which will enhance communications between the GOP and its membership.

* The Republican Party's needs include assistance in 1990 planning, strategy, and research as well as financial assistance for Legislative races and planning for the Governor's race -- Political Education support, various programs such as voter registration projects, and special elections, voter file update, polling, communications and fundraising activities.

* The State convention was held. The State Committee passed a resolution supporting a constitutional amendment to protect the flag.

b. Party Budget --

* As of January 1st, the State Party had approximately $48,000 in its State account and approximately $1275.00 in its Federal account. The State Party is generally in good financial shape. The State Party has brought in an outside consultant to re-evaluate their fundraising programs.

c. Candidate Recruitment --

The Pennsylvania State Senate is targeted by the RNC -- Republicans only hold the State Senate by a 2-seat margin. The State Assembly is also a major focus for the RNC.

Political Profile

1989 races:

District Attorney race --

Republican Incumbent Philadelphia District Attorney **RON CASTILLE** won re-election to that post defeating Democrat challenger Walter Phillips 56% to 44% on November 7th. The RNC contributed $5000 to the **CASTILLE FOR DISTRICT ATTORNEY** Campaign.

CASTILLE is often mentioned as a potential candidate for Mayor of Philly against Wilson Goode in 1992.

Bethlehem Mayoral race --

Republican **KEN SMITH** won the Bethlehem Mayoral race defeating Democrat Paul Marcincin 64% to 36% on November 7th.

Philadelphia City Comptroller race --

Republican **STATE SENATOR JOSEPH ROCKS** was defeated by Democrat John Saidel by a slim margin in the race for Philadelphia City Comptroller.

Pennsylvania Supreme Court --

Republican **ANITA BRODY** was defeated by Democrat Ralph Cappy 56% to 44% in the race for Pennsylvania Supreme Court.

North Hampton County Executive race --

Despite a recount, Republican **JACK BRADT** "was narrowly defeated by Democrat Jerry Seyfried in the North Hampton County Executive race - 49.5% to 50.5%.

Legislative Special Election --

In 1989, there was a Special Election on May 16th for a State House seat in Armstrong County. The late Democrat Henry Livengood held the seat for more than a decade. The Hampton Democrats outnumber the Republicans in Pennyslvania-60.

The Republican candidate, **JIM SCAHILL**, who has been a Coal Lobbyist for 10 years, lost to Democrat candidate Tim Pasci, who has been the Armstrong County Comptroller for 14 years.

On the May 15 primary date, there was a special election in the 166th House District. Steven Freind defeated

1990 races:

Governor's race --

The Republican candidate is **BARBARA HAFER**. **HAFER** has been getting a lot of negative press ranging from calling Governor Casey a "redneck Irishman" to criticizing **MRS. BUSH** for being in Harrisburg with Governor Casey to show support for the National Literacy Conference. **PEGGY LUKSIC**, a pro-life democrat switched parties and announced her candidacy for Governor in the Republican primary.

More recently, **HAFER**'s press has improved by sticking to the issues.

get behind all of our candidate and fight like hell.

Democrat Governor Robert Casey, who is very well-liked in the State, announced his intention to seek re-election in 1990. Governor Casey is pushing a tax reform package (tax increase) which was defeated when May 16th voters rejected it.

Lt. Governor

Democrat and current Lt. Governor Mark Singel defeated Edward Mezvinsky in the primary election on May 15.

Democrat Edward Mezvinsky ran his campaign for Lt. Governor solely on the position that women have a right to abortion. He opened his campaign on May 3rd, only 12 days before the Pennsylvania primary. He was endorsed by the National Abortion Rights Action League.

Democrat and current Lt. Governor Mark S. Singel claimed that abortion would play a key role in the primary election, but that the issue is irrelevant since the Lt. Governor cannot introduce not vote on the legislation. Mr. Singel spent $400,000 on his campaign.

Congressional races --

(8) Republicans are targeting Congressional District 8. The Democrat incumbent is Peter Kostmayer. Republican **AUDRIE SCHALLER**, who served in the Reagan Administration is running for the seat.

(18) **RICK SANTORUM** is challenging Democratic incumbent Doug Walgren. This seat is in suburban Pittsburg and is a target of the NRCC.

Legislative races --

Because the GOP controls the State Senate by only a 2-seat margin, Republicans plan to target the Upper Chamber of the Legislature in an attempt to protect it or possibly increase its advantage. The Democrats control the House with a 5-seat margin.

Legislative Special Election -- State Senate

Legilative Task Force Involvement

The Pennsylvania Senate is a top priority for the RNC's Legislative Task Force in the 1990 elections. Republicans control the chamber by narrow two seat margin (27 Republicans to 23 Democrats). One half of the 50 Senate seats are up for election this year. The campaign effort is being spearheaded by Senate President Pro Tempore Bob Jubelier, who expects a tough fight from the Democrats for control of the chamber. The Democratic National Committee's Project 500 and the state Democrat Party have targeted the Pennsylvania Senate. Sensing vulnerablility, Jubelier recruited quality

BIG PUSH recruit QUALITY CANDIDATES believe in public service

candidates and set an aggressive fun raising goal of $1.5 million for the Senate Republican Campaign Committee. The RNC is assisting the HRCC primarily in the areas of survey research and fundraising.

The RNC has also designated the Pennsylvania House as a top priority. Democrats control the chamber by a margin of 103 - 99, with one vacancy. The 1990 effort is the most aggressive atttempt the Republicans have made to recapture this chamber since losing control in 1982. House Republican Campaign Chairman John Perzel and ED DOn Raymond are primarily responsible for this well coordinated campaign. The committee has been successful in candidate recruitment on targeted districts, and is continuing to raise money to fulfill their $2.5 million goal. To date, they have raised three times as much money as their Democrat counterparts. The RNC has provided staff support, survey research, political education, and voter programs for targeted races around the state.

a majority is within reach

Major Speakers Bureau Activity in the State
(speakers from April 1990 to present)

ROBERT MOSBACHER - Pittsburg; Chemical Bay Dinner; 4/11/90
CLAYTON YEUTTER - Harrisburg; Farmers Association Fundraiser; 4/17/90
MANUEL LUJAN - Philadelphia; Official Business; 4/30/90
CHARLES HESS - University Park; Rock Springs Agricultural Research Center; 5/9/90
JACK KEMP - Lancaster; Water Street Rescue Mission Annual Banquet; 5/15/90
SAM SKINNER - Pittsburg; PA GOP Lincoln Day Dinner; 5/16/90
ROBERT GENTILE - Pittsburg; Appalacian Energy Group Seminar; 5/17/90
NICHOLAS BRADY - Philadelphia; Official Business; 5/20/90
VICE PRESIDENT QUAYLE - Fundraiser for State Senate, Welcome rally at airport; 6/5/90
WILLIAM REILLY - Philadelphia; Public Interest Research Group Town Meeting; 6/15/90
BILL BENNETT - Harrisburg; Address the State Assembly; 6/20/90
SAM SKINNER - Philadelphia; Speech for Chamber of Commerce; 6/22/90
GOVERNOR SUNUNU - Allegheny County; Allegheny County GOP meet & greet for major donors; 6/19/90
CHARLES HESS - Hershey; Speaker Lincoln Fellowship of PA, Commemorating the Gettysburg Address; 8/1/90
JACK KEMP - Gettysburg; Speaker - Lincoln Fellowship of PA, Commemorating the Gettysburg Address; 11/19/90

Redistricting/Reapportionment

Pennsylvania is currently expected to lose 2-3 Congressional Districts. A Commission comprising of a representative of each party (each majority and minority) plus one

neutral person, develops the legislative map. The plan created by this commission will become law without going to the floor of either House or the Legislature for approval.

A Commission is formed, which is comprised of the Majority and Minority Leaders of both branches of the Legislature. The Commission must convene no later than 60 days following the official certification by the chief officer of each respective body. The eight must select a ninth member to Chair the Commission. The ninth member cannot be a compensated State Official. If they fail to select a ninth member, the duty falls to the State Supreme Court. The Commission then has 90 days to draft a plan. The Commission has another 30 days where it awaits public reaction. The Commission has another 30 days to respond to any changes filed by the public. After final changes, the Commission's pton plan has the effect of law within 30 days.

The Congressional plan is drawn by the Legislature and subject to the veto of the Governor. A 2/3 vote is needed to override the Governor's veto.

The House and Senate Caucuses are collecting data and formulating their plans for Redistricting.

Date: 15, July 1990
RPD: Jill Hanson
DRPD: John Pastuovic
RFC: Adrien MacGillivray

Republican State Committee of Pennsylvania
112 State Street
Harrisburg, Pennsylvania 17105
(717) 234 - 4901 Fax (717) 231 - 3828

Date: 7/16 Time: _____

To: Carolyn Cawley

Department: The White House

Telecopier Number: 202/456-6218

Number of pages including cover sheet: 8

Message: Carolyn - I'm still gathering info on Education and SEPTA (with local examples)

Tom

Sent From:

Name: Tom Bruce

Department: _____

Telecopier Number: _____

If all pages are not received, please call (717) 234 - 4901

JOHN M. PERZEL
REPUBLICAN POLICY CHAIRMAN

7330 FRANKFORD AVENUE
PHILADELPHIA, PENNSYLVANIA 19136
PHONE: (215) 331-2600

HOUSE P.O. BOX 164
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HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

Dear Neighbor:

Recently, you may have been made aware of the current budget negotiations taking place here in Harrisburg between the governor's office and the legislature. Attached is an analysis which clearly details the significant difference of opinion that has developed between the Democrats and Republicans on Pennsylvania's budgetary status. I hope you find the analysis informative.

As you may know, the Democrats, led by Governor Casey, claim that Pennsylvania's budget is in balance and even has a surplus. Yet, as the enclosed analysis clearly details, Pennsylvania is facing a budgetary crisis of Massachusetts proportions.

Just as Mike Dukakis denied his state's pending one billion dollar revenue shortfall during the 1988 presidential campaign, Governor Casey is attempting to mask the Commonwealth's current one billion dollar fiscal nightmare.

How can Casey continue to hide all of this red ink? He can't!!!

All he can do is delay the inevitable until after the November general election. Then, after a performance worthy of an Academy Award, we will all be told that a fiscal crisis is "suddenly" upon us and, therefore, taxes will have to be raised.

As you will note in the attached analysis, Governor Casey's "spending proposal" is filled with budgetary gimmicks, inflated revenue projections, and a large amount of deception. I believe that Governor Casey's attitude toward this dilemma is in the public's worst interest, especially considering the consequence of his inaction - higher taxes for us all.

Certain people may contend that we are exposing this issue because of "politics." I submit to these individuals that we are merely attempting to draw to the public's attention the huge fiscal crisis currently facing Pennsylvania. Indeed, it is our hope that Governor Casey acknowledges this concern and sits down today with the House and Senate in an effort to work toward the common goal of a fiscally sound Commonwealth.

Please take the time to read the attached analysis. If I can provide you with additional information on this or any other concern, feel free to contact me.

Sincerely,

John M. Perzel

John M. Perzel

INTRODUCTION

During his February 6, 1990 budget address to the General Assembly, Governor Casey stated that "Pennsylvania . . . is in sound fiscal shape." He further stated that "not many states can say that this year, especially those in the northeast. They're running deficits, raising taxes, slashing programs or all of the above."

However, despite the Governor's statements, Pennsylvania is one of the northeastern states in fiscal disarray. Last year, the Commonwealth enjoyed a budget surplus of $385 million. However, a deficit in excess of $100 million in the current fiscal year can likely be expected. The projected $100 million budget deficit is even considered conservative in some quarters.

Even though the Governor presented a balanced budget to the General Assembly on February 6, it was achieved through budgetary gimmicks, and in the hope that tax collections would increase to their previous estimated levels. The objective of this analysis is to examine the "hidden deficit" in the Casey budget. This objective will be achieved by examining the funding strategies or lack thereof employed by the Casey Administration.

The Governor stated in his budget address that, in part, our budget is balanced because the Commonwealth is "spending within its means." One does not have to search very far to find out that this is simply not true.

GOVERNMENT EXPENDITURES

Pennsylvania Economic Revitalization Fund

Instead of funding the Pennsylvania Economic Revitalization Fund (PERF) via General Fund revenues, the Governor proposes that the Commonwealth issue a $94 million bond to fund the programs. No matter what the Administration labels this action, funding economic development programs through a bond issue must be considered deficit financing. Contrary to the Governor's statement in his budget address, the Commonwealth is not spending within its means.

Since PERF was established as a permanent economic development fund in the 1988-1989 budget, the $94 million bond issue represents a "quick fix" to the problem. The question must be asked as to how the Governor proposes to fund future PERF programs. According to the Governor's 1990-1991 budget, the Administration plans to switch PERF funding back to General Fund revenues in 1991 and each fiscal year thereafter. If the Governor can only afford to transfer $8.5 million from the General Fund to PERF in the 1990-1991 budget and fund the rest of the program through a $94 million bond issue, where will the Governor obtain the $122 million he plans to transfer from the General Fund to PERF in the 1991-1992 fiscal year?

State Workmen's Insurance Fund

Over the last two fiscal years, the Governor has insisted that the General Assembly transfer funds from the reserve account of the State Workmen's Insurance Fund to fund various unrelated state programs. The State Workmen's Insurance Fund (SWIF) was originally intended to provide an alternative means for Pennsylvania companies to meet the requirement of carrying workmen's compensation insurance on their employees.

In the 1990-1991 proposed budget, the Governor proposes the following transfers from the SWIF Fund:

--$10 million to the Sunny Day Fund
--$25 million to the Tax Stabilization Fund
--$127 million to the General Fund

It should be noted that, before the Governor began transferring funds from SWIF, funding for both the Sunny Day Fund and the Tax Stabilization Fund was provided by the General Fund. In essence, the SWIF Fund is subsidizing the General Fund. This is just another example of the Governor juggling funds in an attempt to balance his budget, at least on the surface. Once again, the question must be asked as to what the Governor will do next year when $162 million from the SWIF Fund will not be available.

Pennsylvania Industrial Development Authority

The Governor also fails to provide funding for the Pennsylvania Industrial Development Authority (PIDA) within the Economic Development Partnership Program. PIDA funds were traditionally used to make loans to local industrial development agencies to stimulate economic activity in areas of high unemployment. In the 1989-1990 budget, $12.5 million was appropriated to the PIDA Fund. The Governor does not appropriate one dollar to the fund in his proposed 1990-1991 budget.

The Governor was also quick to point out in his budget address that his 1990-1991 budget does not contain a tax increase. He failed to mention, however, that he does propose to increase various state fees in the amount of $12 million.

Camp Hill Prison Riots

Another area of the budget which contains questionable financing on the part of the Governor is the clean-up and reconstruction of the Camp Hill Prison in the aftermath of the October riots. Not only did the Governor fail to mention the worst debacle of his Administration in the budget address, he declined to mention how he was going to pay for it. According to the Assistant Superintendent of the Camp Hill Prison, the cost of the Camp Hill Prison riot has exceeded $56 million as of March 8, 1990.

The following is a breakdown of the expenditures:

--$14 million in damages to 14 of the 31 buildings

--$15 million to rebuild the damaged and destroyed buildings

--$9.24 million (as of March 8) to house 900 inmates in federal prisons over the past six months

--$12 million (as of March 8) to pay over-time to State Police and prison staff for the last five months

--$6 million in clean-up, medical and other costs

There are a couple of points which should be mentioned in regard to the prison costs. First, four months prior to the riots, the Commonwealth purchased a new insurance policy to cover damage of $1 million or more to any state building. The policy covers up to $100 million per claim. Therefore, it appears that the state will not have to pay anything with regard to the damaged buildings at Camp Hill. However, this is not to say that the state won't pay a large increase in its insurance premiums for the foreseeable future.

The Governor also fails to provide any reimbursement dollars to the State Police for their expenses incurred as a result of the Camp Hill Prison Riot. As mentioned above, the cost incurred by the State Police to date has reached $12 million. Approximately 51 State Troopers are still working 12-hour shifts at the heavily damaged facility. Consequently, the figure of $12 million is going to go substantially higher, since the cost of over-time, lodging and meals for these officers must be computed from October 25, 1989, to the present.

As mentioned previously, it has presently cost the state over $9 million to house Camp Hill prisoners in federal prisons. The Commonwealth is reimbursing the federal government at a rate of $51 per day per prisoner. It is costing the Commonwealth approximately $320,000 per week for each week the Camp Hill prisoners remain in federal prisons.

In the Governor's proposed 1990-1991 budget, only $13.8 million is allocated to the Department of Corrections for nonrecurring costs as a result of the riots. Even if the reconstruction cost of the buildings is covered by an insurance policy, the cost to date of housing prisoners in federal prisons, for clean-up and medical expenses exceeds $15 million. If the $12 million in expenses from State Police are added, the Governor has failed to pay for over $13 million in bills resulting from the riots.

Catastrophic Loss Trust Fund

Another area of the Governor's budget which masks a "hidden deficit" is the Catastrophic Loss Trust Fund. The CAT Fund was established by Act 11 of 1984. The purpose of the fund was to pay medical and rehabilitative expenses in excess of $100,000 to residents of Pennsylvania injured in motor vehicle accidents. The CAT Fund was repealed by Act 144 of 1988, but all existing claims are required to be paid.

At the present time, there are about 1,300 seriously injured accident victims who are dependent upon the CAT Fund to pay their medical bills. The Insurance Commissioner, Constance Foster, recently disclosed at a budget hearing that the fund is on the verge of a deficit.

In regard to this issue, the Governor projected in his 1989-1990 budget that total disbursements from the CAT Fund for medical claims would not exceed $32.7 million. The available figures for the 1989-1990 fiscal year now show that total disbursements from the CAT Fund actually exceeded $69 million. The Governor underestimated his projection by almost $37 million.

Moreover, in the Governor's current budget proposal, he makes another questionable estimate on CAT Fund disbursements. The Governor projects that only $30.7 million in disbursements will be made from the CAT Fund in the 1990-1991 fiscal year. The $30.7 million projection is $39 million less than the fund disbursed in the prior year. Considering that the CAT Fund, in February 1990 alone, paid out $11 million in disbursements, one would have to surmise that the Governor's projection of $30 million for the entire 1990-1991 fiscal year is faulty.

Education

Perhaps the area of the budget which best reflects the Governor's budgetary juggling act is education. For starters, the Governor proposes that teachers' starting salaries be increased from $18,500 to $21,000 effective July 1, 1990. The problem with this proposal is that the Governor doesn't want to pay for it, at least not in this fiscal year. The Governor also proposes to reimburse school districts for the cost of the salary increase in the 1991-1992 fiscal year. Until that time, however, many local school districts will be forced to raise property taxes to cover the cost of this salary increase. Even though the Governor's budget proposal does not contain a tax increase, his policies are placing an increased financial burden on local governments who will need to implement tax increases to pay for them.

Another example of the Governor passing off the cost of education to local governments is the Instructional Support Team (IST) Program. The IST Program is essentially a prescreening device which requires school districts to evaluate elementary students, and provide them with additional regular and special education services prior to placement in a special education program.

Recently, the staff of the House Education Committee estimated the cumulative cost of the IST Program to exceed $229 million for the first five years, based on data provided by the Administration. The cost of the IST Program will not be paid in the current fiscal year by the Governor, but over the next two years. Even the first-year training costs of $5 million will not be paid in the current year. Once again, the Governor is placing a heavy financial burden on the shoulders of local school districts.

Up until this point, this analysis has focused on the expenditure side of the Governor's budget proposal. As this analysis has pointed out, the Governor's so-called "balanced budget" was achieved, in large part, by underestimating program costs (CAT Fund), passing on costs to local government (education), transferring funds from previously "untouchable" accounts (SWIF), and simply through deficit spending (PERF).

The Governor may be able to mask this "hidden budget deficit" through budgetary posturing, but if Commonwealth revenues do not generate what the Governor anticipated, the budget deficit will be out in the open for all to see. It is important to note that, as of February, 1990, there is a shortfall in revenue collections for the current fiscal year in the amount of $119.5 million. Revenues through February are 1.8% below the Governor's official estimate. In April of last fiscal year, the Commonwealth was running a surplus of $90.5 million, or 1.3% above the Governor's official estimate at the time. In little more than one year's time, there has been a 3.1% negative shift in Commonwealth revenues. If there is not a significant increase in revenue collections within the next few months, the Commonwealth will be facing its first budget deficit in a number of years. It should also be noted that, if the Governor did not engage in the questionable financing tactics illustrated above, the budget deficit would be much higher.

Furthermore, the projected $100 million budget deficit for the current fiscal year could seem small if only one or two of a number of pending court cases are decided against the state. One case, in particular, holds important significance due to the fact that the state has already lost the decision.

On December 7, 1987, the Supreme Court of Pennsylvania ruled in County of Allegheny v. Commonwealth of Pennsylvania that the current funding mechanism of the Pennsylvania court system violated the State Constitution. Article 5, Section 1 of the Pennsylvania Constitution provides that "The judicial power of the Commonwealth shall be vested in a unified judicial system." Since funding for the Commonwealth's judicial system comes from both state and local dollars, the court ruled that the present system is not unified, as provided in the Constitution.

The court further provided that "the mandate for a unified judicial system requires the state to provide for the funding of that system." The court stayed its judgment to afford the Commonwealth an opportunity to enact an alternative funding system.

The Secretary of the Budget estimated that the state would need an additional $363 million in fiscal year 1991 to fund a unified court system. More than half of the Governor's term has elapsed and he has yet to put forth an alternative funding mechanism plan. No doubt, the $363 million price tag has deterred the Governor's efforts.

Since the Governor has ignored the court funding problem over the last couple of years, the Pennsylvania judicial system has deteriorated. Two studies which have recently been released concluded that the Philadelphia judicial system is among the most mismanaged in the entire country. There were two notable deficiencies listed in the report about the Philadelphia judicial system. First, it takes a court case twice as long to be tried in a Philadelphia court than if the case were tried in another major city across the country. For example, standards employed by the National Conference of State Trial Judges require that a criminal case be tried within 120 days of the time charges are filed. In Philadelphia, it takes an average of 243 days to try criminal cases. The report also stated that the Philadelphia judicial system is one of the most expensive to operate in the country. Not only has the Governor failed to take responsibility for funding the entire court system, he has let the system, especially the Philadelphia system, deteriorate to one of the most mismanaged and poorly run in the country.

If you consider the $363 million in unpaid court costs, the $94 million PERF bond, the $162 million SWIF transfer, the $12 million in unfunded state Police expenses, the unfunded PIDA program, the underestimation of CAT Fund expenses, not to mention the educational costs being passed on to local school districts, the Governor is actually facing a deficit upwards of $700 million. Once again, this figure could be made higher if just one of the pending court cases goes against the Commonwealth.

The time has come for the Governor to recognize the fiscal dilemma facing the Commonwealth. The Governor can only mask the deficit temporarily. Since the taxpayers of this Commonwealth will ultimately have to pay for this deficit, the Governor should at least take responsibility and make them aware of the fiscal crisis now facing the Commonwealth.

FROM: The Public Speaker's Treasure Chest, ed. Herbert V. Prochnow

tacts will not make the same kind of bond that sorrow lived through together will create.—*Eleanor Roosevelt*

2188 *Benjamin Franklin*

Famous was the toast given by Benjamin Franklin when he was dining, as the American emissary, with the English Ambassador and the French Minister at Versailles. The story was first published in 1797.

"George the Third," proposed the British Ambassador, "who, like the sun in its meridian, spreads a luster throughout and enlightens the world."

"The illustrious Louis the Sixteenth," proposed the French Minister, "who, like the moon, sheds his mild and benignant rays on and influences the globe."

"George Washington," thereupon proposed witty Benjamin Franklin, "commander of the American armies, who, like Joshua of old, commanded the sun and the moon to stand still, and they obeyed him."

2189 *Webster and Crockett*

After hearing Daniel Webster speak, Davy Crockett said to him: "I had heard that you were a very great man, but I don't think so. I heard your speech and understood every word you said."

2190 *Mark Twain*

Mark Twain, as Samuel Langhorne Clemens (1835–1910) chose to call himself, was known to be eccentric—Mrs. Clemens called him "careless"—in his dress. As many a man did before him, and many another has done since, Mark Twain went calling one day without his necktie. He had been visiting Harriet Beecher Stowe, of "Uncle Tom" fame, and he was not aware of his lack of haberdashery until Mrs. Clemens called attention to it on his return.

A little later Mrs. Stowe answered her door to find a messenger, who gave her a small package. Opening it, she found a black silk necktie inside and a brief note:

"Here is a necktie. Take it out and look at it. I think I stayed half an hour this morning without this necktie. At the end of that time, will you kindly return it, as it is the only one I have. Mark Twain."

2191 *Rudyard Kipling*

When the report went around that Rudyard Kipling was getting a shilling a word for his writings, some Oxford students sent him a shilling, accompanied by this message:

"Please send us one of your words."

(Lange/Cawley)
July 18, 1990
8:500 A.M.
[PHILAGOP.DOC]

PRESIDENTIAL REMARKS: PHILADELPHIA G.O.P.
FRANKLIN PLAZA HOTEL
TUESDAY, JULY 24, 1990
[time]

Thank you. Senators John Heinz and Arlen Specter... Republican National Committeewoman and my close friend, Elsie Hillman... Herb Barness, your new Committeeman, and Anne Anstine, State Chair...

[[It's nice to get out of Washington for a while. You know, that town was built on a swamp. Climate gets pretty hostile. So hostile, in fact, they say the tide went out and refused to come back... //

Which reminds me of a story about a hostile tribe of cannibals, whose chief pays the warriors a certain number of goats for whoever they manage to catch. One day the tribe's best warrior brings in an archeologist, an explorer, and a Democratic Senator.

The chief says "I'll give you 15 goats for the explorer... 20 goats for the archaeologist... and, well... Okay -- one goat for that Democratic Senator."

"One goat!?" says the warrior. "Why so little?"

And the cannibal chief says, "I'll tell you. You ever try to clean one of those things?" //]]

Well, it's a pleasure to be here. And it's easy to understand why the Republican party held its very first national convention here in Philadelphia -- and why this was the first

nation's capital. Because for three centuries now, Philadelphia has shown the world the true meaning and measure of freedom.

Here, William Penn founded a colony -- considered an unusual, even impossible experiment then -- where people of diverse ethnic and religious backgrounds could live peacefully together, free to work and worship as they chose.

Here, less than a mile from where I stand, the Declaration of Independence and the American Constitution were signed. Documents the free world has always admired -- bearing ideals that now inspire people newly-free, from Gdansk to Managua.

And here, leaders committed to the abolition of slavery did their work. Immigrants of every description were encouraged to begin new lives. The Sullivan principles for South Africa were drafted.

In fact, this city's status as a focal point of freedom -- a center of intellectual, economic, and humanitarian development -- has been secured by three centuries of revolutionary ideas.

Today, in this room, the revolution continues -- carried on by those who believe in limited government, and the accountability of leaders.

There is room in the Republican Party for differences on some issues -- but on principles, we stand united. Because there is work to be done. **And we Republicans know what works.**

We believe that power has only one purpose: to help people. We believe that America transcends adversity, and finds her greatest strength, in diversity.

We're working for a revolution of limited government -- but unlimited empowerment. Quiet strength. Tolerance. Faith. And freedom.

A Republican revolution. //

The other party has taken too much for granted, for too long. It seems to believe voters will have infinite patience for the failed, tax-and-spend policies of the past -- and that they'll have the wallet for unlimited spending sprees.

Down in Washington, in the "House the Democrats Built," four of the seven appropriations bills reported out of Committee have already busted our 1991 budget.

In fact, a couple of weeks ago a Democrat in Congress -- who was talking about compassion for the poor and disadvantaged in this anniversary month of American independence -- referred to another budget-busting appropriation as "America's Bill."

While he went on, members of the Committee -- true story -- started humming "The Battle Hymn of the Republic" -- and then broke into a verse of "Glory, Glory, Hallelujah" that dissolved into laughter.

Well, as long as tax-and-spend Democrats control Congress, the joke is on the American people. **There will be no glory until the Congress shows some guts -- and stops spending money it doesn't have and didn't earn.**

There's nothing patriotic or compassionate about building ever-larger, centralized bureaucracies -- and adding to the deficit to pay for them.

Right now, we're trying to work out a budget agreement. I told the Congress, and the American people, that I was willing to put everything on the table to keep those budget talks going. But in the six-point strategy I offered to jump-start the budget negotiations, what got the Democrat's attention was the tax revenue issue.

They're still looking for new ways to spend the people's money -- and new ways to get more of it. Still measuring success by dollars spent and bureaucracies built. Still asking, "How much" instead of "How well."

Let me give you an example. Back in February, I requested $800 million in dire emergency funds for immediate assistance to the new governments of Nicaragua and Panama. These fragile democracies needed American help after being bankrupted by totalitarian regimes.

Well, it took Congress three long months to act. When the bill finally came back, it had **doubled** in cost -- not with emergency aid, but with over **one billion dollars** of new, unrequested domestic spending. For three months, the hard-won, fragile freedom of the brave people of Nicaragua and Panama swayed in the balance while Congress calculated how long it could hold the bill hostage -- and how much pork it could load on.

That wild spending habit seems to affect everything the Democrats do.

Our Excellence in Education Act -- **tripled** with unnecessary, unrelated and expensive additions.

Our Crime Bill -- made more costly, and less effective.

And our child care legislation -- **tripled** in cost, to take choice out of the hands of parents, pile more red tape on providers, and build larger, federally-controlled day-care centers to warehouse kids.

You know, the average American, in an eight-hour workday, works nearly three hours to pay their tax bill. Every day -- three hours, from nine A.M. to noon. [[Thinking about that literally ruins your whole morning...]] And with every tax increase since World War II, the Congress has spent $1.58 for every new dollar in revenue.

Remember that little old lady who used to run around yelling, "Where's the Beef?" Well, we need legislators willing to ask, "Where's the Pork!"

And here in Pennsylvania, we need Republican leadership that understands the value of limited government -- and the power of the people themselves.

You've already got two outstanding U.S. Senators in John Heinz and Arlen Specter. Now, Pennsylvania needs a Republican Governor. For education reform -- for mass transit and better highways -- for better government, that never would have allowed a 350 million dollar surplus inherited from Dick Thornburgh's administration to be spent into a one **billion** dollar deficit by June of next year -- **Pennsylvania needs Barbara Hafer.** //

We need to keep the Senate in Republican hands, under the leadership of Bob Jubelier. We need State Senators like Joe

Rocks here in Philly, and outstanding new Republican challengers here and across the state. //

And this year, we have a chance to give Republican leadership back to the State House of Representatives -- and make Matty Ryan the next Speaker of the House. //

You know, Matty and John Perzel have been all over the state, recruiting outstanding candidates. And the candidates for both Houses -- and all of you here today -- are letting Pennsylvania know that there is an alternative to the invasive, destructive tax-and-spend policies of the Democrats.

The Democrats define empowerment as giving government more power to control the people, and their lives. But we in the Party of Lincoln understand that empowerment means individual freedom -- and government exists to serve.

Those who still struggle in this society want opportunity, not paternalism. A hand up, not a hand out. Not the servitude of welfare and public warehousing -- but jobs, private property, and prosperity.

Nobody wants to be dependent. They want a new declaration of independence.

So keep fighting into the fall here in Philadelphia. Keep reminding the people of Pennsylvania how we stand for good government. And keep the Republican revolution alive.

Thank you. God bless you. And God bless the state of Pennsylvania.

# # #

July 17, 1990

MEMORANDUM

TO: **CAROLYN CAWLEY**
MARK LANGE

FROM: **CAROL BLYMIRE**

SUBJECT: **PHILADELPHIA GOP**

The pre-advance to Philadelphia was quite a treat. They had no information or talking points, therefore Bruce Stebbins will get it to you today. Below, please find a list of names that must be included in the acknowledgements or elsewhere in the speech. See Bruce for further guidance:

-- Barbara Hafer: she's running for Governor and has no chance in the world to win
-- Matty Ryan: House Minority Leader; it's important to make him Speaker of the House
-- John Perzel: House Campaign Chairman; recruited a lot of candidates
-- Bob Jubelirer: Senate President Pro Temp; we hold the Senate by four seats, and we need to keep the Senate
-- Joe Rocks: local Senate candidate (Phila.), he is a top target in the Senate race
-- Anne Anstein: Chairman of PA GOP
-- Elsie Hillman: National Committee of Women, and very good friends with the President.

The President will speak before 400-500 attendees in the Wyndham Ballroom at the Franklin Plaza Hotel. Tickets sell for $1,000 each, $10,000 for a table.
Enclosed also find a list of people with whom we met for this lovely event. Your Philly contacts for this trip are:

-- Tom Druce... PA State GOP (717) 234-4901
-- Joe Waldholtz... Elsie Hellman's office (412) 471-8312
-- Rick Odorisio.. Dir. of Sales at the hotel (215)448-2000

Tim Simonson will be with the Advance team for this, and he's really good and really helpful.

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. List	Contact Sheet for GOP fundraising lunch in Philadelphia, Pennsylvania. (1 pp.)	07/16/90	(b)(7)(e), (b)(7)(f)	

Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Speech File, Backup
Subseries:
WHORM Cat.:
File Location: Pennsylvania GOP Fundraiser 7/24/90

Date Closed: 10/20/2004	**OA/ID Number:** 08314
FOIA/SYS Case #:	
Re-review Case #: 2004-2265-S	
P-2/P-5 Review Case #:	
MR Case #:	**Appeal Case #:**
MR Disposition:	**Appeal Disposition:**
Disposition Date:	**Disposition Date:**

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
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(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

City/State: Philadelphia, PA

Event: GOP Fundraising Luncheon

Date: July 16, 1990

OFFICE OF PRESIDENTIAL ADVANCE

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SPENCER GEISSINGER	WH ADVANCE	202/456-7565
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John Stufflebeem	WH MIL OFC	202-395-1747
(b)(7)(c), (b)(7)(f)	[redacted]	
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[illegible]	RNC	202-863-8710
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