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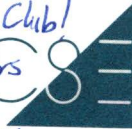
Tony - Thanks for speaking at Jefferson Ale Club!
Here is some great ammo on porkbusters

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J. Marc Wheat
Director of Tax & Budget Policy

that we've been
having fun with. We're
pushing this theme to
get the budget reforms
that we want -
like line-item veto.
Marc





CAPITOL COMMENT

A TIMELY PERSPECTIVE ON CURRENT PUBLIC POLICY.

No. 75

July 12, 1991

PORKBUSTERS: A CHANCE TO CUT \$1 BILLION OF PORK-BARREL PROGRAMS

What do the following programs have in common?

- o \$150,000 to interpret the Hatfield-McCoy feud in Matewan, West Virginia.
- o \$320,000 to purchase President McKinley's mother-in-law's house.
- o \$37,000 to study the "handling of animal manure and the development of resolution techniques to address conflicts between producers and the general public" in Michigan.
- o \$94,000 to research apple quality, also in Michigan.
- o \$11 million to renovate locomotives in "Steamtown" in Scranton, Pennsylvania.
- o \$2 million to develop and stimulate sales of Hawaiian handicrafts.
- o \$2.75 million to construct, renovate and operate an experimental fish farm in Stuttgart, Arkansas.
- o \$1.7 million to pay for preliminary engineering on a project to turn Biscayne Boulevard in downtown Miami into an "exotic garden for people to enjoy the richness of city life."

These programs, along with more than \$1 billion in other pork-barrel spending, have been targeted for termination by the "Porkbusters" legislation, S. 1288 and H.R. 2643, sponsored by Senator Robert Smith (R-NH), Representative Harris Fawell (R-IL) and Representative Timothy Penny (D-MN). Porkbusters, a large coalition of taxpayer groups and congressional leaders, was established to root out such wasteful programs.

Last year, Congress passed the second largest tax increase in history. The reason given for relying on tax increases rather than spending restraint was that spending had been "cut to the bone" and that further restraint would harm vital programs. As the list above suggests, however, a great deal of money is being squandered on pork-barrel projects.

How much is being wasted? In an attempt to begin to measure wasteful spending, the Porkbusters coalition arrived at a working definition of "pork" to help identify the most egregious examples.

Everything in the Smith-Fawell-Penny legislation met at least three of the conditions listed below:

1. Appropriation was never the subject of a congressional committee or subcommittee hearing
2. Appropriation lacks specific authorization for individual projects
3. Appropriation added in conference when neither bill going to conference originally contained such a provision
4. Appropriation has no meaningful relationship to the act under which it is funded or the agency or program under which it is administered
5. Appropriation for project was non-competitively awarded. This would also include projects which were not subject to peer review, which failed in a competitive process, or for which the competitive process was waived
6. Appropriation earmarked in violation of established congressional procedure or the process prescribed by law
7. Appropriation for projects of purely local interest, without national or regional importance.

For years Congress has increased spending with little regard for the consequences. The result has been higher deficits and a skyrocketing national debt. Today, our total debt stands at \$3.6 trillion. Sen. Smith and Reps. Fawell and Penny have offered their colleagues a first step toward halting federal spending on the worst examples of pork-barrel spending.

The savings in the Porkbusters bill will not eliminate the deficit. The vote will, however, indicate whether Congress is willing to address the deficit problem. If Congress cannot cut such obviously wasteful programs, how will it ever find the savings to eliminate the current \$318 billion deficit?

J. Marc Wheat
Director of
Tax and Budget Policy

H. R. 2643

To rescind unauthorized appropriations for fiscal year 1991.

IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 1991

Mr. FAWELL (for himself, Mr. PENNY, Mr. ARMEY, Mr. STENHOLM, Mr. BURTON, Mr. COX of California, Mr. HANCOCK, Mr. HASTERT, Mr. KASICH, and Mr. WALKER) introduced the following bill; which was referred to the Committee on Appropriations

A BILL

To rescind unauthorized appropriations for fiscal year 1991.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Spending Priority Reform Act of 1991”.

6 (b) **TABLE OF CONTENTS.**—

Sec. 1. Short title and table of contents.

Sec. 2. Use of money for service of the national debt.

TITLE I—INTERIOR APPROPRIATIONS

Sec. 101. National Park Service studies.

Sec. 102. Historic landmarks.

Sec. 103. Miscellaneous direct grants.

TITLE II—COMMERCE, JUSTICE, STATE APPROPRIATIONS

Subtitle A—National Oceanic and Atmospheric Administration

- Sec. 201. Fresh-water hatchery.
- Sec. 202. Seafood consumer center.
- Sec. 203. Fish oil research.
- Sec. 204. Special area management planning.
- Sec. 205. Research vessel.

Subtitle B—Small Business Administration

- Sec. 211. Tree planting program.
- Sec. 212. Miscellaneous direct grants.

TITLE III—TREASURY, POSTAL SERVICE, AND GENERAL
GOVERNMENT APPROPRIATIONS

- Sec. 301. Federal buildings fund.

TITLE IV—AGRICULTURE APPROPRIATIONS

- Sec. 401. Special research grants.
- Sec. 402. Rural development grant.

TITLE V—TRANSPORTATION APPROPRIATIONS

- Sec. 501. Federal highway demonstration projects.

TITLE VI—HOUSING AND URBAN DEVELOPMENT
APPROPRIATIONS

- Sec. 601. Special purpose grants.

TITLE VII—DEFENSE APPROPRIATIONS

- Sec. 701. Grants to universities.
- Sec. 702. Miscellaneous projects.

TITLE VIII—FOREIGN OPERATIONS APPROPRIATIONS

- Sec. 801. Grant to university.

TITLE IX—LEGISLATIVE BRANCH APPROPRIATIONS

- Sec. 901. House gymnasium study.

TITLE X—SUPPLEMENTAL APPROPRIATIONS
(PUBLIC LAW 102-27)

- Sec. 1001. Service life extension program.
- Sec. 1002. Grant to university.

1 **SEC. 2. USE OF MONEY FOR SERVICE OF THE NATIONAL**
2 **DEBT.**

3 It is the sense of Congress that any money returned
4 to the Treasury as a result of this Act should be deposited

1 in the General Fund of the Treasury to be applied against
2 expenses associated with servicing the national debt.

3 **TITLE I—INTERIOR** 4 **APPROPRIATIONS**

5 **SEC. 101. NATIONAL PARK SERVICE STUDIES.**

6 (a) FINDINGS.—Congress finds that—

7 (1) the amounts listed in subsection (c) are set
8 aside for studies to determine if certain areas are
9 suitable for National Park Service designation;

10 (2) designations for National Park Service
11 studies are historically determined and set in author-
12 izing legislation; and

13 (3) these studies were—

14 (A) not authorized;

15 (B) not awarded on a competitive basis;

16 (C) earmarked in violation of established
17 congressional procedures;

18 (D) in the cases of the studies described in
19 paragraphs (6), (8), and (9) of such subsection,
20 first added by the committee of conference on
21 the Department of the Interior and Related
22 Agencies Appropriations Act, 1991; and

23 (E) in the cases of the studies described in
24 paragraphs (1), (2), (3), (4), (7), (8), and (9)

1 of such subsection, not the subject of congres-
2 sional committee or subcommittee hearings.

3 (b) RESCISSION.—There are rescinded—

4 (1) the amounts listed in subsection (c), which
5 were set aside or otherwise made available out of ap-
6 propriations made by the Department of the Interior
7 and Related Agencies Appropriations Act, 1991
8 (Public Law 101-512; 104 Stat. 1915); and

9 (2) the underlying appropriations for the
10 amounts, after application of section 325 of such
11 Act to the underlying appropriations.

12 (c) AMOUNTS.—Except to the extent obligated, the
13 amounts rescinded by subsection (b) are as follows:

14 (1) \$125,000 for the Wilson Lake, Kansas,
15 study area (Conference Report to accompany H.R.
16 5769, House Report 101-971, page 28).

17 (2) \$75,000 for the Atchafalaya, Louisiana,
18 study area (Conference Report to accompany H.R.
19 5769, House Report 101-971, page 28).

20 (3) \$80,000 for the Benjamin Harrison, Indi-
21 ana, study area (Conference Report to accompany
22 H.R. 5769, House Report 101-971, page 28).

23 (4) \$175,000 for the Cleveland to Zoar Corri-
24 dor, Ohio, study area (Conference Report to accom-
25 pany H.R. 5769, House Report 101-971, page 29).

1 (5) \$250,000 for the Birmingham District Cor-
2 ridor, Alabama, study area (Conference Report to
3 accompany H.R. 5769, House Report 101-971, page
4 29).

5 (6) \$100,000 for the Can River, Louisiana,
6 study area (Conference Report to accompany H.R.
7 5769, House Report 101-971, page 29).

8 (7) \$150,000 for the Bramwell, West Virginia,
9 study area (Conference Report to accompany H.R.
10 5769, House Report 101-971, page 29).

11 (8) \$175,000 for the Kaiwi Shoreline, Hawaii,
12 study area (Conference Report to accompany H.R.
13 5769, House Report 101-971, page 30).

14 (9) \$300,000 for an area study to be conducted
15 by the Institute for History and Technology, West
16 Virginia (Conference Report to accompany H.R.
17 5769, House Report 101-971, page 30).

18 **SEC. 102. HISTORIC LANDMARKS.**

19 (a) FINDINGS.—Congress finds that—

20 (1) the National Historic Preservation Act (16
21 U.S.C. 470 et seq.) provides for State Historic Pres-
22 ervation Programs to distribute money on a formula
23 basis to States for the study, establishment, and
24 preservation of historic landmarks;

1 (2) the amounts listed in subsection (c) are set
2 aside, outside of the State Historic Preservation
3 Programs, for specific projects; and

4 (3) the projects were—

5 (A) not authorized;

6 (B) not awarded on a competitive basis;

7 (C) earmarked in violation of the process
8 prescribed by law; and

9 (D) in the cases of the projects described
10 in paragraphs (2), (3), (4), (5), (6), and (7) of
11 such subsection, not the subject of congressional
12 committee or subcommittee hearings.

13 (b) RESCISSION.—There are rescinded—

14 (1) the amounts listed in subsection (c), which
15 were set aside or otherwise made available out of ap-
16 propriations made by the Department of the Interior
17 and Related Agencies Appropriations Act, 1991
18 (Public Law 101-512; 104 Stat. 1915); and

19 (2) the underlying appropriations for the
20 amounts, after application of section 325 of such
21 Act to the underlying appropriations.

22 (c) AMOUNTS.—Except to the extent obligated, the
23 amounts rescinded by subsection (b) are as follows:

24 (1) \$250,000 for the rehabilitation of non-Fed-
25 eral facilities at Sloss Furnaces National Historic

1 Landmark, Alabama (Conference Report to accom-
2 pany H.R. 5769, House Report 101-971, page 29).

3 (2) \$500,000 for the construction of a museum
4 at the Cordell Hull residence in Tennessee (Confer-
5 ence Report to accompany H.R. 5769, House Report
6 101-971, page 31).

7 (3) \$1,500,000 for the restoration of historic
8 buildings at Fisk University, Tennessee (Conference
9 Report to accompany H.R. 5769, House Report
10 101-971, page 31).

11 (4) \$1,500,000 for the restoration of historic
12 buildings at Lane College, Tennessee (Conference
13 Report to accompany H.R. 5769, House Report
14 101-971, page 32).

15 (5) \$9,662,000 for the construction of certain
16 Federal and non-Federal projects at America's In-
17 dustrial Heritage Park, Pennsylvania (Conference
18 Report to accompany H.R. 5769, House Report
19 101-971, page 31).

20 (6) \$4,500,000 for the restoration of the Keith
21 Albee Theatre, Huntington, West Virginia (Depart-
22 ment of the Interior and Related Agencies Appro-
23 priations Act, 1991 (104 Stat. 1921)).

24 (7) \$1,500,000 for the rehabilitation of the
25 Newark Symphony Hall, New Jersey, or other local

1 urban renewal projects (Conference Report to ac-
2 company H.R. 5769, House Report 101-971, page
3 32).

4 **SEC. 103. MISCELLANEOUS DIRECT GRANTS.**

5 (a) FINDINGS.—Congress finds that—

6 (1) the amounts listed in subsection (c) are set
7 aside for grants to miscellaneous local projects; and

8 (2) the grants were—

9 (A) not authorized;

10 (B) not awarded on a competitive basis;

11 (C) in the cases of the grants described in
12 paragraphs (9), (11), and (12) of such subsec-
13 tion, first added by the committee of conference
14 on the Department of the Interior and Related
15 Agencies Appropriations Act, 1991; and

16 (D) not the subject of congressional com-
17 mittee or subcommittee hearings.

18 (b) RESCISSION.—There are rescinded—

19 (1) the amounts listed in subsection (c), which
20 were set aside or otherwise made available out of ap-
21 propriations made by the Department of the Interior
22 and Related Agencies Appropriations Act, 1991
23 (Public Law 101-512; 104 Stat. 1915);

1 (2) the underlying appropriations for the
2 amounts, after application of section 325 of such
3 Act to the underlying appropriations.

4 (c) AMOUNTS.—Except to the extent obligated, the
5 amounts rescinded by subsection (b) are as follows:

6 (1) \$250,000 for planning, technical assistance,
7 and grants to communities along the Chesapeake
8 Bay for local projects at Chesapeake Bay Gateways,
9 Maryland (Conference Report to accompany H.R.
10 5769, House Report 101-971, page 29).

11 (2) \$150,000 for a grant to implement a Na-
12 tional Park Service plan to interpret the Hatfield-
13 McCoy feud in Matewan, West Virginia (Conference
14 Report to accompany H.R. 5769, House Report
15 101-971, page 29).

16 (3) \$250,000 for an economic revitalization
17 study at New Bedford and Falls River, Massachu-
18 setts (Conference Report to accompany H.R. 5769,
19 House Report 101-971, page 29).

20 (4) \$100,000 for technical assistance for island
21 protection in the Delaware Valley, Pennsylvania
22 (Conference Report to accompany H.R. 5769, House
23 Report 101-971, page 29).

24 (5) \$2,000,000 for Native Hawaiian Culture
25 and Arts, to develop and stimulate sales of Native

1 Hawaiian handicrafts (Conference Report to accom-
2 pany H.R. 5769, House Report 101-971, page 29).

3 (6) \$325,000 for a grant to the Wheeling Park
4 Commission, Wheeling, West Virginia (Conference
5 Report to accompany H.R. 5769, House Report
6 101-971, page 29).

7 (7) \$500,000 for a grant to the Steel Industry
8 Task Force to conduct studies for the economic re-
9 talization of the Monongahela Valley, Pennsylvania
10 (Conference Report to accompany H.R. 5769, House
11 Report 101-971, page 29).

12 (8) \$150,000 for a grant for the commemora-
13 tion of the Homestead strike centennial in Pennsyl-
14 vania (Conference Report to accompany H.R. 5769,
15 House Report 101-971, page 30).

16 (9) \$100,000 for a grant for teleteaching dem-
17 onstrations at Owensboro Community College, Ten-
18 nessee (Conference Report to accompany H.R. 5769,
19 House Report 101-971, page 29).

20 (10) \$600,000 for a grant to the National In-
21 stitute for the Conservation of Cultural Property,
22 Washington, D.C., a consortium of museums dedi-
23 cated to the preservation of artifacts (Department of
24 the Interior and Related Agencies Appropriations
25 Act, 1991 (104 Stat. 1920)).

1 (11) \$60,000 for a grant to the Midland Trail
2 Association, West Virginia (Conference Report to ac-
3 company H.R. 5769, House Report 101-971, page
4 30).

5 (12) \$310,000 for a grant to the Walker-to-
6 Wilsonburg Trail group, West Virginia (Conference
7 Report to accompany H.R. 5769, House Report
8 101-971, page 30).

9 (13) \$11,000,000 for the rehabilitation of loco-
10 motive artifacts at Steamtown, Pennsylvania (Con-
11 ference Report to accompany H.R. 5769, House Re-
12 port 101-971, page 33).

13 (14) \$320,000 for the acquisition of the Saxton
14 House, 331 South Market Street, Canton, Ohio (De-
15 partment of the Interior and Related Agencies Ap-
16 propriations Act, 1991 (104 Stat. 1922)).

17 (15) \$4,200,000 for a grant to the State of
18 Florida to be used for the purchase of the "Ever-
19 glades Buffer Strip" in Broward County, Florida
20 (Department of the Interior and Related Agencies
21 Appropriations Act, 1991 (104 Stat. 1922)).

22 (16) \$590,000 for the construction of a second
23 National Park Service visitors' center at Fort
24 Larned, Kansas (Conference Report to accompany
25 H.R. 5769, House Report 101-971, page 31).

1 (17) \$85,000 for annual grants to the town of
2 Harper's Ferry, West Virginia, for police force use
3 (Department of the Interior and Related Agencies
4 Appropriations Act, 1991 (104 Stat. 1920)).

5 **TITLE II—COMMERCE, JUSTICE,**
6 **STATE APPROPRIATIONS**
7 **Subtitle A—National Oceanic and**
8 **Atmospheric Administration**

9 **SEC. 201. FRESH-WATER HATCHERY.**

10 (a) FINDINGS.—Congress finds that—

11 (1) the amount listed in subsection (c) is set
12 aside for construction, renovation, and operation of
13 facilities at the Stuttgart Fish Farming Experimen-
14 tal Station, Stuttgart, Arkansas;

15 (2) the National Oceanic and Atmospheric Ad-
16 ministration has no statutory authority to run fresh-
17 water hatcheries;

18 (3) the amount appropriated is a pass-through
19 to the United States Fish and Wildlife Service; and

20 (4) the project referred to in paragraph (1)
21 was—

22 (A) not authorized;

23 (B) not awarded on a competitive basis;

24 (C) without meaningful relationship to the
25 Act under which it was funded; and

1 (D) earmarked in violation of established
2 congressional procedures.

3 (b) RESCISSION.—There are rescinded—

4 (1) the amount listed in subsection (c), which
5 was set aside or otherwise made available out of ap-
6 propriations made by the Departments of Com-
7 merce, Justice, and State, the Judiciary, and Relat-
8 ed Agencies Appropriations Act, 1991 (Public Law
9 101-515; 104 Stat. 2101); and

10 (2) the underlying appropriation for the
11 amount.

12 (c) AMOUNT.—Except to the extent obligated, the
13 amount rescinded by subsection (b) is \$2,750,000 (Con-
14 ference Report to accompany H.R. 5021, House Report
15 101-909, page 18).

16 **SEC. 202. SEAFOOD CONSUMER CENTER.**

17 (a) FINDINGS.—Congress finds that—

18 (1) the amount listed in subsection (c) is set
19 aside for a project in connection with a Seafood
20 Consumer Center in the State of Oregon; and

21 (2) the project was—

22 (A) not authorized;

23 (B) not awarded on a competitive basis;

24 and

1 (C) not the subject of congressional com-
2 mittee or subcommittee hearings.

3 (b) RESCISSION.—There are rescinded—

4 (1) the amount listed in subsection (c), which
5 was set aside or otherwise made available out of ap-
6 propriations made by the Departments of Com-
7 merce, Justice, and State, the Judiciary, and Relat-
8 ed Agencies Appropriations Act, 1991 (Public Law
9 101-515; 104 Stat. 2101); and

10 (2) the underlying appropriation for the
11 amount.

12 (c) AMOUNT.—Except to the extent obligated, the
13 amount rescinded by subsection (b) is \$1,000,000 (Con-
14 ference Report to accompany H.R. 5021, House Report
15 101-909, page 18).

16 **SEC. 203. FISH OIL RESEARCH.**

17 (a) FINDINGS.—Congress finds that—

18 (1) the amount listed in subsection (c) is set
19 aside for the production of refined fish oil;

20 (2) the fish oil is then provided to the National
21 Institute of Health for use in medical research; and

22 (3) the project referred to in paragraph (1)
23 was—

24 (A) not authorized;

1 (B) not awarded on a competitive basis;

2 and

3 (C) earmarked in violation of established

4 congressional procedures.

5 (b) RESCISSION.—There are rescinded—

6 (1) the amount listed in subsection (c), which
7 was set aside or otherwise made available out of ap-
8 propriations made by the Departments of Com-
9 merce, Justice, and State, the Judiciary, and Relat-
10 ed Agencies Appropriations Act, 1991 (Public Law
11 101-515; 104 Stat. 2101); and

12 (2) the underlying appropriation for the
13 amount.

14 (c) AMOUNT.—Except to the extent obligated, the
15 amount rescinded by subsection (b) is \$942,000 (Confer-
16 ence Report to accompany H.R. 5021, House Report 101-
17 909, page 16).

18 **SEC. 204. SPECIAL AREA MANAGEMENT PLANNING.**

19 (a) FINDINGS.—Congress finds that—

20 (1) the amount listed in subsection (c) is set
21 aside for Charleston, South Carolina, special area
22 management planning; and

23 (2) the project referred to in paragraph (1)
24 was—

25 (A) not authorized;

1 (B) not awarded on a competitive basis;

2 and

3 (C) first added by the committee of confer-
4 ence on the Departments of Commerce, Justice,
5 and State, the Judiciary, and Related Agencies
6 Appropriations Act, 1991, including a provision
7 waiving the financial matching requirements for
8 the project.

9 (b) RESCISSION.—There are rescinded—

10 (1) the amount listed in subsection (c), which
11 was set aside or otherwise made available out of ap-
12 propriations made by the Departments of Com-
13 merce, Justice, and State, the Judiciary, and Relat-
14 ed Agencies Appropriations Act, 1991 (Public Law
15 101-515; 104 Stat. 2101); and

16 (2) the underlying appropriation for the
17 amount.

18 (c) AMOUNT.—Except to the extent obligated, the
19 amount rescinded by subsection (b) is \$400,000 (Confer-
20 ence Report to accompany H.R. 5021; House Report 101-
21 909, page 15).

22 **SEC. 205. RESEARCH VESSEL.**

23 (a) FINDINGS.—Congress finds that—

24 (1) the amount listed in subsection (c) is set
25 aside for the purchase of a research vessel for the

1 University of Massachusetts—Project Oceanology;
2 and

3 (2) the project referred to in paragraph (1)
4 was—

5 (A) not authorized;

6 (B) not awarded on a competitive basis;

7 and

8 (C) not the subject of congressional com-
9 mittee or subcommittee hearings.

10 (b) RESCISSION.—There are rescinded—

11 (1) the amount listed in subsection (e), which
12 was set aside or otherwise made available out of ap-
13 propriations made by the Departments of Com-
14 merce, Justice, and State, the Judiciary, and Relat-
15 ed Agencies Appropriations Act, 1991 (Public Law
16 101-515; 104 Stat. 2101); and

17 (2) the underlying appropriation for the
18 amount.

19 (c) AMOUNT.—Except to the extent obligated, the
20 amount rescinded by subsection (b) is \$100,000 (Confer-
21 ence Report to accompany H.R. 5021, House Report 101-
22 909, page 17).

1 **Subtitle B—Small Business**
2 **Administration**

3 **SEC. 211. TREE PLANTING PROGRAM.**

4 (a) FINDINGS.—Congress finds that the program re-
5 pealed under subsection (d)—

6 (A) was both authorized and appropriated
7 in an appropriations Act, in violation of estab-
8 lished congressional procedures;

9 (B) is similar to existing programs carried
10 out by the Department of the Interior and the
11 Department of Agriculture; and

12 (C) was first added by the committee of
13 conference on the Departments of Commerce,
14 Justice, and State, the Judiciary, and Related
15 Agencies Appropriations Act, 1991.

16 (b) RESCISSION.—There are rescinded—

17 (1) the amount listed in subsection (c), which
18 was set aside or otherwise made available out of ap-
19 propriations made by the Departments of Com-
20 merce, Justice, and State, the Judiciary, and Relat-
21 ed Agencies Appropriations Act, 1991 (Public Law
22 101-515; 104 Stat. 2101); and

23 (2) the underlying appropriation for the
24 amount.

1 (c) AMOUNT.—Except to the extent obligated, the
2 amount rescinded by subsection (b) is \$15,000,000 to im-
3 plement section 24 of the Small Business Act (Depart-
4 ments of Commerce, Justice, and State, the Judiciary, and
5 Related Agencies Appropriations Act, 1991 (104 Stat.
6 2139)).

7 (d) REPEAL.—Section 24 of the Small Business Act
8 (15 U.S.C. 651) is repealed.

9 **SEC. 212. MISCELLANEOUS DIRECT GRANTS.**

10 (a) FINDINGS.—Congress finds that—

11 (1) the amounts listed in subsection (c) are set
12 aside as direct grants for miscellaneous projects; and

13 (2) the grants were—

14 (A) not authorized;

15 (B) not awarded on a competitive basis;

16 (C) not the subject of congressional com-
17 mittee or subcommittee hearings; and

18 (D) in the cases of the grants described in
19 paragraphs (4), (5), and (6) of such subsection,
20 first added by the committee of conference on
21 the Departments of Commerce, Justice, and
22 State, the Judiciary, and Related Agencies Ap-
23 propriations Act, 1991.

24 (b) RESCISSION.—There are rescinded—

1 (1) the amounts listed in subsection (c), which
2 were set aside or otherwise made available out of ap-
3 propriations made by the Departments of Com-
4 merce, Justice, and State, the Judiciary, and Relat-
5 ed Agencies Appropriations Act, 1991 (Public Law
6 101-515; 104 Stat. 2101); and

7 (2) the underlying appropriations for the
8 amounts.

9 (c) AMOUNTS.—Except to the extent obligated, the
10 amounts rescinded by subsection (b) are as follows:

11 (1) \$1,500,000 for a grant to St. Norbert Col-
12 lege in De Pere, Wisconsin, for a regional center for
13 rural economic development (Departments of Com-
14 merce, Justice, and State, the Judiciary, and Relat-
15 ed Agencies Appropriations Act, 1991 (104 Stat.
16 2139)).

17 (2) \$100,000 for a grant to the School of For-
18 estry of the University of Montana for a planning
19 study for locating a Value-Added Wood Products
20 Development Laboratory at the University of Mon-
21 tana (Departments of Commerce, Justice, and State,
22 the Judiciary, and Related Agencies Appropriations
23 Act, 1991 (104 Stat. 2139)).

24 (3) \$200,000 for a grant to Central Arkansas
25 University to establish a national communications

1 and data center for the Small Business Administra-
2 tion program (Departments of Commerce, Justice,
3 and State, the Judiciary, and Related Agencies Ap-
4 propriations Act, 1991 (104 Stat. 2139)).

5 (4) \$1,500,000 for a grant to the University of
6 Kentucky's Somerset Community College for a re-
7 gional center for rural economic development (De-
8 partments of Commerce, Justice, and State, the Ju-
9 diciary, and Related Agencies Appropriations Act,
10 1991 (104 Stat. 2139)).

11 (5) \$1,500,000 for a grant to the West Phila-
12 delphia Economic Development Corporation for a
13 national demonstration project for community eco-
14 nomic development and small business assistance
15 (Departments of Commerce, Justice, and State, the
16 Judiciary, and Related Agencies Appropriations Act,
17 1991 (104 Stat. 2139)).

18 (6) \$500,000 for a Center for Manufacturing
19 Productivity at the University of Massachusetts at
20 Amherst (Departments of Commerce, Justice, and
21 State, the Judiciary, and Related Agencies Appro-
22 priations Act, 1991 (104 Stat. 2139)).

1 **TITLE III—TREASURY, POSTAL**
2 **SERVICE, AND GENERAL**
3 **GOVERNMENT APPROPRIA-**
4 **TIONS**

5 **SEC. 301. FEDERAL BUILDINGS FUND.**

6 (a) FINDINGS.—Congress finds that—

7 (1) the amounts listed in subsection (c) are set
8 aside for projects funded through the Federal Build-
9 ings Fund, under the jurisdiction of the General
10 Services Administration;

11 (2) the Federal Buildings Fund provides for the
12 construction, leasing, operations, and maintenance of
13 Federal buildings and is not authorized to make
14 grants for projects to State and local governments
15 or to private entities; and

16 (3) the projects were—

17 (A) not authorized;

18 (B) not awarded on a competitive basis;

19 (C) earmarked in violation of the process
20 prescribed by law; and

21 (D) in the cases of the projects described
22 in paragraphs (2) through (9), (14) through
23 (18), (22), and (25) through (28) of such sub-
24 section, first added by the committee of confer-

1 ence on the Treasury, Postal Service and Gen-
2 eral Government Appropriations Act, 1991.

3 (b) RESCISSION.—There are rescinded—

4 (1) the amounts listed in subsection (c), which
5 were set aside or otherwise made available out of ap-
6 propriations made by the Treasury, Postal Service
7 and General Government Appropriations Act, 1991
8 (Public Law 101-509; 104 Stat. 1389); and

9 (2) the underlying appropriations for the
10 amounts.

11 (c) AMOUNTS.—Except to the extent obligated, the
12 amounts rescinded by subsection (b) are as follows:

13 (1) \$4,500,000 for Southwest Forestry Science
14 Complex, Northern Arizona University, Flagstaff,
15 AZ (Conference Report to accompany H.R. 5241,
16 House Report 101-906, page 68).

17 (2) \$350,000 for the California State Universi-
18 ty, East Los Angeles, CA (Conference Report to ac-
19 company H.R. 5241, House Report 101-906, page
20 68).

21 (3) \$39,000 for a grant to the Japanese-Ameri-
22 can National Museum, Los Angeles, CA (Conference
23 Report to accompany H.R. 5241, House Report
24 101-906, page 68).

1 (4) \$4,000,000 for a grant to Loyola
2 Marymount University, Los Angeles, CA (Confer-
3 ence Report to accompany H.R. 5241, House Report
4 101-906, page 68).

5 (5) \$1,750,000 for a grant to Children's Hospi-
6 tal, San Diego, CA (Conference Report to accompa-
7 ny H.R. 5241, House Report 101-906, page 68).

8 (6) \$1,000,000 for a grant to the National Re-
9 search Center for Environmental Lung Disease,
10 Denver, CO (Conference Report to accompany H.R.
11 5241, House Report 101-906, page 68).

12 (7) \$1,908,000 for a grant to the American In-
13 dian Higher Education Consortium, District of Co-
14 lumbia (Conference Report to accompany H.R.
15 5241, House Report 101-906, page 68).

16 (8) \$1,750,000 for a grant to the District of
17 Columbia Children's National Medical Center (Con-
18 ference Report to accompany H.R. 5241, House Re-
19 port 101-906, page 68).

20 (9) \$1,750,000 for a grant to the Mt. Sinai
21 Medical Center, Miami, FL (Conference Report to
22 accompany H.R. 5241, House Report 101-906, page
23 68).

24 (10) \$1,000,000 for a grant to the University
25 of Georgia, Dean Rusk Center for International and

1 Comparative Law (Conference Report to accompany
2 H.R. 5241, House Report 101-906, page 68).

3 (11) \$5,800,000 for a grant to the University
4 of Idaho, Environmental Lab, Moscow, ID (Confer-
5 ence Report to accompany H.R. 5241, House Report
6 101-906, page 69).

7 (12) \$2,200,000 for a grant to the Iowa State
8 University, Midwest Supercomputer Access Center,
9 Ames, IA (Conference Report to accompany H.R.
10 5241, House Report 101-906, page 69).

11 (13) \$5,000,000 for a grant to Pittsburg State
12 University, School of Technology Complex, KS (Con-
13 ference Report to accompany H.R. 5241, House Re-
14 port 101-906, page 69).

15 (14) \$4,000,000 for a grant planning and de-
16 sign of Christopher Columbus Center on Marine Re-
17 search and Exploration, Baltimore, MD (Conference
18 Report to accompany H.R. 5241, House Report
19 101-906, page 69).

20 (15) \$1,375,000 for a grant to the University
21 of Maryland for superconducting materials research,
22 College Park, MD (Conference Report to accompany
23 H.R. 5241, House Report 101-906, page 69).

24 (16) \$4,000,000 for a grant to establish and
25 conduct a National Center for Complex Systems at

1 Brandeis University, Waltham, MA (Conference Re-
2 port to accompany H.R. 5241, House Report 101-
3 906, page 69).

4 (17) \$4,750,000 for a grant for the continued
5 development of the Marine Biomedical Institute for
6 Advanced Studies, Woods Hole, MA (Conference Re-
7 port to accompany H.R. 5241, House Report 101-
8 906, page 69).

9 (18) \$1,750,000 for a grant to Michigan Tech-
10 nological University for construction of a center for
11 applied metallurgical, minerals, and materials re-
12 search, Houghton, MI (Conference Report to accom-
13 pany H.R. 5241, House Report 101-906, page 69).

14 (19) \$5,000,000 for a grant to the McLaughlin
15 Research Institute for Biomedical Sciences, MT
16 (Conference Report to accompany H.R. 5241, House
17 Report 101-906, page 69).

18 (20) \$4,500,000 for a grant to the University
19 of Nebraska, George W. Beadle Center for Genetic
20 and Biomaterials Research, Lincoln, NE (Confer-
21 ence Report to accompany H.R. 5241, House Report
22 101-906, page 69).

23 (21) \$2,000,000 for a grant to Creighton Uni-
24 versity, Criss Research Building, Omaha, NE (Con-

1 ference Report to accompany H.R. 5241, House Re-
2 port 101-906, page 69).

3 (22) \$4,000,000 for a grant to the Primate Re-
4 search Institute Site and Facilities, Alamogordo,
5 NM (Conference Report to accompany H.R. 5241,
6 House Report 101-906, page 70).

7 (23) \$3,000,000 for a grant to the Sandia Na-
8 tional Laboratory for research in environmentally
9 conscious manufacturing, Albuquerque, NM (Confer-
10 ence Report to accompany H.R. 5241, House Report
11 101-906, page 70).

12 (24) \$1,000,000 for a grant to Columbia Uni-
13 versity, Center for Disease Prevention, New York,
14 NY (Conference Report to accompany H.R. 5241,
15 House Report 101-906, page 70).

16 (25) \$1,750,000 for a grant to the Rochester
17 Institute of Technology for a strategic materials re-
18 search center, Rochester, NY (Conference Report to
19 accompany H.R. 5241, House Report 101-906, page
20 70).

21 (26) \$778,000 for a grant to the Philadelphia
22 Urban League for the establishment of the Institute
23 for National Drug Abatement Research at the Texas
24 Engineering Station, TX (Conference Report to ac-

1 company H.R. 5241, House Report 101-906, page
2 70).

3 (27) \$1,000,000 for a grant to Texas A&M
4 University for the establishment of the Institute for
5 National Drug Abatement Research at the Texas
6 Engineering Experiment Station, College Station TX
7 (Conference Report to accompany H.R. 5241, House
8 Report 101-906, page 70).

9 (28) \$1,500,000 for a grant to the University
10 of Texas, El Paso, TX (Conference Report to accom-
11 pany H.R. 5241, House Report 101-906, page 70).

12 **TITLE IV—AGRICULTURE**
13 **APPROPRIATIONS**

14 **SEC. 401. SPECIAL RESEARCH GRANTS.**

15 (a) FINDINGS.—Congress finds that—

16 (1) the amounts listed in subsection (c) are set
17 aside for special research grants provided by the
18 Secretary of Agriculture under section 2(c) of the
19 Act of August 4, 1965 (7 U.S.C. 450i(c)); and

20 (2) the grants were—

21 (A) not authorized;

22 (B) not awarded on a competitive basis;

23 and

24 (C) not the subject of congressional com-
25 mittee or subcommittee hearings.

1 (b) RESCISSION.—There are rescinded—

2 (1) the amounts listed in subsection (c), which
3 were set aside or otherwise made available out of ap-
4 propriations made by the Rural Development, Agri-
5 culture, and Related Agencies Appropriations Act,
6 1991 (Public Law 101-506; 104 Stat. 1320); and

7 (2) the underlying appropriations for the
8 amounts.

9 (c) AMOUNTS.—Except to the extent obligated, the
10 amounts rescinded by subsection (b) are the following
11 amounts provided for special research grants (Conference
12 Report to accompany H.R. 5268, House Report 101-907,
13 pages 11 and 12):

Aflatoxin (IL)	\$131,000
Agribusiness management (MS)	75,000
Agricultural diversification (HI)	154,000
Agricultural management systems (MA)	275,000
Agricultural trade (ND)	596,000
Agriculture utilization research (MN)	500,000
Alternative cropping systems (Southeast)	277,000
Alternative crops (ND)	497,000
Alternative marine and fresh water species (MS)	275,000
Alternative pest control (AR)	1,139,000
Alternative to dinoseb (OR)	225,000
Animal science food safety consortium (AR, KS, IA)	1,845,000
Animal waste disposal (MI)	37,000
Apple quality research (MI)	94,000
Aquaculture (general)	656,000
Aquaculture (Stoneville, MS)	600,000
Asparagus yield decline (MI)	94,000
Bean and beet (MI)	189,000
Beef fat content (IA)	200,000
Belgian endive (MA)	67,000
Blueberry shoestring virus (MI)	92,000
Broom snakeweed (NM)	150,000
Celery fusarium (MI)	39,000
Chesapeake Bay aquaculture	437,000
Cool season legume research	375,000
Cottonseed extraction and oil refining (TX)	75,000

Cranberry/blueberry disease and breeding (NJ)	260,000
Dairy and beef photoperiod (MI)	33,000
Dairy goat research (TX)	75,000
Delta rural revitalization (MS)	175,000
Dogwood anthroacnose (GA, NC, TN)	100,000
Dried bean research (ND)	93,000
Easter filbert blight (OR)	75,000
Enhanced livestock production (ND)	250,000
Environmental research (NY)	297,000
Ethanol research (AR)	100,000
Expanded wheat pasture (OK)	275,000
Export services (OR)	348,000
Floriculture (HI)	296,000
Food and Agricultural Policy Institute (IA, MO)	750,000
Food irradiation (IA)	100,000
Food marketing policy center (CT)	393,000
Food systems research group (WI)	261,000
Grasshopper biocontrol (ND)	73,000
Human nutrition research (NY)	556,000
Human nutrition research (IA)	300,000
Human nutrition (LA)	800,000
Integrated forest management (AR)	25,000
Integrated orchard management (VT)	49,000
Integrated pest management	4,000,000
Integrated production systems (OK)	186,000
International livestock program (KS)	94,000
Iowa biotechnology consortium (IA)	1,756,000
Irrigation/fish production (AR)	167,000
Leafy spurge biocontrol (MT)	125,000
Livestock and dairy policy (NY, TX)	525,000
Lowbush blueberry research (ME)	202,000
Low-input agriculture (MN)	174,000
Maple research (VT)	99,000
Michigan Institute (MI)	2,246,000
Midwest biotechnology consortium	2,730,000
Milk safety research (PA)	283,000
Milkweed research (NE)	80,000
Minor crop pest control (HI)	285,000
Minor use animal drugs (IR-4)	450,000
Mosquito research (AR, CA, LA, MS, TX)	453,000
Multicropping strategies for aquaculture (HI)	150,000
National biological impact assessment	300,000
Nematode resistance genetic engineering (NM)	150,000
New uses for agricultural products (OH)	140,000
Non-food agriculture products (NE)	110,000
Oil from jojoba (NM)	200,000
Oregon-Massachusetts biotechnology research (OR, MA)	500,000
Peach tree short life (SC)	192,000
Peanut breeding (GA)	47,000
Pecan weevil (OK)	25,000
Pesticide clearance (IR-4)	3,000,000
Pesticide impact assessment	2,968,000
Pesticide research (WA)	484,000
Phytophthora root rot (NM)	125,000
Research on obtaining plastic from cornstarch (NE)	40,000
Potato research	1,371,000
Preservation and processing research (OK)	265,000
Prime farm land reclamation (IL, KY)	609,000

Regional barley gene mapping project	262,000
Regionalized implications of farm programs (MO, TX)	348,000
Rural development centers (PA, IA, (ND), MS, OR)	500,000
Rural economic development (GA)	744,000
Rural environmental research (IL)	75,000
Rural policies institute (AR, NE, MO)	375,000
Russian wheat aphid research (WA, OR, ID, CA)	350,000
Safflower research (ND, MT)	248,000
Sandhills grazing management practices (NE)	99,000
Seafood and aquaculture harvesting, processing, and market- ing (MS)	361,000
Seedless table grapes research (AR)	50,000
Seedstocks enhancement (ND)	198,000
Small fruit research (OR, WA, ID)	125,000
Southwest consortium for plant genetics and water resources .	400,000
Soybean bioprocessing (IA)	200,000
Soybean cyst nematode (MO)	330,000
STEEP II—water quality in Northwest	980,000
Stone fruit decline (MI)	283,000
Stored grain insects (KS)	285,000
Subirrigation research (MI)	262,000
TCK smut (wheat)	250,000
Tropical and subtropical	3,320,000
Urban pests (GA)	76,000
Water management (AL)	397,000
Water quality research	8,000,000
Wheat genetic research (KS)	149,000
Wild rice research (MN)	50,000
Wood utilization research (OR, MS, MI)	2,852,000
Wool research (TX)	198,000
World food systems research (IN, (OH)	357,000
Youth Science Camp (WV)	94,000

1 **SEC. 402. RURAL DEVELOPMENT GRANT.**

2 (a) FINDINGS.—Congress finds that—

3 (1) the amount listed in subsection (c) is set
4 aside for a rural development grant provided by the
5 Secretary of Agriculture under section 310B(c) of
6 the Consolidated Farm and Rural Development Act
7 (7 U.S.C. 1932(f)); and

8 (2) the grant was—

9 (A) not authorized;

10 (B) not awarded on a competitive basis;

11 and

1 (C) not the subject of congressional com-
2 mittee or subcommittee hearings.

3 (b) RESCISSION.—There are rescinded—

4 (1) the amount listed in subsection (c), which
5 was set aside or otherwise made available out of ap-
6 propriations made by the Rural Development, Agri-
7 culture, and Related Agencies Appropriations Act,
8 1991 (Public Law 101-506; 104 Stat. 1332); and

9 (2) the underlying appropriation for the
10 amount.

11 (c) AMOUNT.—Except to the extent obligated, the
12 amount rescinded by subsection (b) is \$500,000 provided
13 for a rural development grant for the restoration of the
14 birthplace of Lawrence Welk or the construction, alter-
15 ation, or repair of a Lawrence Welk museum (Conference
16 Report to accompany H.R. 5268, House Report 101-907,
17 page 82).

18 **TITLE V—TRANSPORTATION** 19 **APPROPRIATIONS**

20 **SEC. 501. FEDERAL HIGHWAY DEMONSTRATION PROJECTS.**

21 (a) FINDINGS.—Congress finds that—

22 (1) the amounts listed in subsection (c) are set
23 aside for Federal Highway Administration demon-
24 stration projects; and

25 (2) the demonstration projects were—

- 1 (A) not authorized;
- 2 (B) not awarded on a competitive basis;
- 3 and
- 4 (C) not the subject of congressional com-
- 5 mittee or subcommittee hearings.

6 (b) RESCISSION.—There are rescinded—

7 (1) the amounts listed in subsection (c), which

8 were set aside or otherwise made available out of ap-

9 propriations made by the Department of Transpor-

10 tation and Related Agencies Appropriations Act,

11 1991 (Public Law 101-516; 104 Stat. 2155); and

12 (2) the underlying appropriations for the

13 amounts.

14 (c) AMOUNTS.—Except to the extent obligated, the

15 amounts rescinded by subsection (b) are the following

16 amounts provided for Federal Highway Administration

17 demonstration projects (Conference Report to accompany

18 H.R. 5229, House Report 101-892, pages 28 through

19 33):

Alabama highway bypass demonstration project	\$8,500,000
Intersection safety demonstration project (CA)	3,060,000
Highway capacity improvement demonstration project (FL) ...	1,700,000
Highway widening and improvement demonstration project	
(KY)	3,400,000
Kentucky bridge demonstration project	3,400,000
Highway safety improvement demonstration project	7,650,000
Urban highway corridor and bicycle transportation demon-	
stration projects (MI)	9,350,000
Urban airport access safety demonstration project (MI)	9,350,000
Highway safety and economic development demonstration	
project (MS)	17,000,000
Highway-railroad grade crossing safety demonstration project	
(NY)	6,800,000
Climbing lane and highway safety demonstration project (PA)	10,200,000
Corridor G improvement program (WV)	33,275,000

Corridor H improvement project (WV)	51,500,000
Turquoise Trail project (AZ)	4,684,000
Trade enhancement demonstration project (AZ)	10,625,000
California feasibility studies (Dixon grade separations and State Route 12 bypass, city of Rio Vista) (CA)	200,000
California Highway 156 bypass (Hollister)	1,275,000
Florida causeway tunnel 31 project	3,692,000
Florida U.S. 27 (Palm Beach County)	5,950,000
Biscayne Boulevard renovation (Miami, FL)	1,700,000
Olive Road crossing (Augusta, GA)	1,675,000
Bridge construction (Hillsboro, IL)	430,000
Rural economic development demonstration project (IL)	1,500,000
Illinois interchange (I-80 and Houbolt Road)	3,000,000
Muncie, IN, State road 67 (I-69 to Muncie bypass) (IN)	1,190,000
Highway 61 (Keokuk to Dubuque, IA)	5,100,000
Fifth/Sixth Street improvements (Waterloo, IA)	3,400,000
Ottumwa Road extension project (IA)	8,500,000
Iowa connector project	1,488,000
Highway 20 realignment project (IA)	2,500,000
Highway 63 (Waterloo, IA, and Rochester, MN)	212,000
Center Street extension (Pittsfield, MA)	3,360,000
Blackstone River Bikeway project (MA)	255,000
Michigan Bristol Road relocation project (Flint and Genesee County)	5,374,000
Michigan M-84 Expansion (Saginaw 7 Bay Counties)	2,125,000
Michigan U.S. 31 (city of Niles and city of Benton Harbor) ...	850,000
Rail consolidation/highway safety (Monroe, MI)	2,975,000
Minnesota U.S. Highway 212 (I-495 to in-place 212 west of Chaska)	1,700,000
Norell Road and Interstate 20 (Hinds County, MS)	1,700,000
Mississippi feasibility study (Jackson)	255,000
Interstate 90 interchange (Bozeman, MT)	4,462,000
U.S. 95 corridor preservation (Las Vegas, NV)	2,500,000
Conway Bypass (NH)	1,700,000
Route 21 improvements (Newark, NJ)	1,488,000
Grand Concourse Avenue traffic improvement (Bronx, NY) ...	425,000
Hubbard Expressway project (Youngstown, OH)	2,550,000
Interstate 680 access ramps project (Youngstown, OH)	1,700,000
(Ohio Route 35 and a routing to be determined in West Vir- ginia) (OH, WV)	510,000
Pototoc County Rural Industrialization and Skill Center ac- cess road (Ada, OK)	1,275,000
Lakeview Road (Stillwater, OK)	2,550,000
Pennsylvania industrial park access (Donora-Monessen Bridge)	1,275,000
Pennsylvania U.S. 220 (Bald Eagle to Centre County line) ...	1,700,000
Pennsylvania U.S. Route 202 bypass (Montgomeryville and Doylestown)	1,360,000
Pennsylvania State Route 711 bypass (Ligonier)	3,400,000
Pennsylvania reconstruction demonstration project	17,000,000
Pennsylvania toll road demonstration project	5,100,000
Traffic control system (Charleston, SC)	337,000
Cordull Hull Bridge (Carthage, TN)	730,000
Great River Road bridge (Dyer/Lauderdale Counties, TN)	4,250,000
Texarkana, TX, road improvements (Leopard Drive, off U.S. Highway 59) (Redwater Minton Road)	1,445,000
Ninth Street crossing (Provo, UT)	2,500,000
Grade crossing (White River Junction, VT)	170,000
Interstate 5 HOV Lanes (Seattle to Dupont, WA)	3,400,000
Washington State Route 509 East-West corridor (Tacoma) ...	2,550,000
Corridor D improvement project (WV)	10,000,000

Bypass construction project (WV)	42,500,000
Ramp relocation and reconstruction demonstration project (WI)	10,200,000

1 **TITLE VI—HOUSING AND URBAN**
 2 **DEVELOPMENT APPRO-**
 3 **PRIATIONS**

4 **SEC. 601. SPECIAL PURPOSE GRANTS.**

5 (a) FINDINGS.—Congress finds that—

6 (1) the grants listed in subsection (c) are “Spe-
 7 cial Purpose Grants” funded under Annual Contri-
 8 butions for Assisted Housing;

9 (2) until the enactment of the Department of
 10 Housing and Urban Development Reform Act of
 11 1989 (12 U.S.C. 1701q-1), Special Purpose Grants
 12 were funded by the Secretary of Housing and Urban
 13 Development’s discretionary fund under section 107
 14 of the Housing and Community Development Act of
 15 1974 (42 U.S.C. 5307);

16 (3) the Department of Housing and Urban De-
 17 velopment Reform Act of 1989 (12 U.S.C. 1701q-
 18 1) eliminated the use of the Secretary’s discretionary
 19 fund for Special Purpose Grants;

20 (4) Congress continues to fund Special Purpose
 21 Grants through Annual Contributions to Assisted
 22 Housing, in violation of the spirit of the Department
 23 of Housing and Urban Development Reform Act of
 24 1989 (12 U.S.C. 1701q-1); and

1 (5) the grants listed in subsection (c) were—

2 (A) not authorized;

3 (B) not the subject of congressional com-
4 mittee or subcommittee hearings;

5 (C) not awarded on a competitive basis;

6 and

7 (D) in the cases of the grants described in
8 paragraphs (29) through (60) of such subsec-
9 tion, first added by the committee of conference
10 on the Department of Veterans Affairs and
11 Housing and Urban Development, and Inde-
12 pendent Agencies Appropriations Act, 1991.

13 (b) RESCISSION.—There are rescinded—

14 (1) the amounts listed in subsection (c), which
15 were set aside or otherwise made available out of ap-
16 propriations made by the Departments of Veterans
17 Affairs and Housing and Urban Development, and
18 Independent Agencies Appropriations Act, 1991; and

19 (2) the underlying appropriations for the
20 amounts.

21 (c) AMOUNTS.—Except to the extent obligated, the
22 amounts rescinded by subsection (b) are as follows:

23 (1) \$5,900,000 for the conversion of 200 units
24 of public housing to resident homeownership at the
25 Carr Square Village project in St. Louis, Missouri

1 (Conference Report to accompany H.R. 5158, House
2 Report 101-900, page 16).

3 (2) \$1,500,000 for low-income housing and eco-
4 nomic development to be applied in equal amounts
5 to the Hilltop neighborhood in Tacoma, Washington,
6 and the Central Area neighborhood in Seattle,
7 Washington (Conference Report to accompany H.R.
8 5158, House Report 101-900, page 16).

9 (3) \$1,500,000 for a senior citizen employment
10 and social services center connected to the Krueger
11 Mansion in Newark, New Jersey (Conference Report
12 to accompany H.R. 5158, House Report 101-900,
13 page 16).

14 (4) \$500,000 for the Success Through Academ-
15 ic and Recreational Support (STARS) program run
16 by the Fort Myers, Florida, public housing authority
17 for the protection of at-risk children in public hous-
18 ing (Conference Report to accompany H.R. 5158,
19 House Report 101-900, page 16).

20 (5) \$2,500,000 for the removal of asbestos and
21 site clearing activities at the Rath Packing Plant in
22 Waterloo, Iowa (Conference Report to accompany
23 H.R. 5158, House Report 101-900, page 16).

24 (6) \$500,000 for drug elimination activities at
25 the Vernon Manor and Morning Star housing

1 projects in Tulsa, Oklahoma (Conference Report to
2 accompany H.R. 5158, House Report 101-900, page
3 17).

4 (7) \$1,200,000 for Hawaiian homeland infra-
5 structure development (Conference Report to accom-
6 pany H.R. 5158, House Report 101-900, page 17).

7 (8) \$500,000 for the development of a National
8 Center for the Revitalization of Central Cities at the
9 University of New Orleans in New Orleans, Louisi-
10 ana (Conference Report to accompany H.R. 5158,
11 House Report 101-900, page 17).

12 (9) \$200,000 for the completion of the para-
13 lyzed veterans center in Omaha, Nebraska (Confer-
14 ence Report to accompany H.R. 5158, House Report
15 101-900, page 17).

16 (10) \$2,000,000 for completing the demolition
17 of the Old Morrell site in Ottumwa, Iowa (Confer-
18 ence Report to accompany H.R. 5158, House Report
19 101-900, page 17).

20 (11) \$500,000 for low-income tenants of the
21 Highgate Apartments in Barre, Vermont, to avoid
22 the loss of their units for low-income housing (Con-
23 ference Report to accompany H.R. 5158, House Re-
24 port 101-900, page 17).

1 (12) \$50,000 for drug elimination activities at
2 the Newport Apartments project in Mount Clemens,
3 Michigan (Conference Report to accompany H.R.
4 5158, House Report 101-900, page 17).

5 (13) \$250,000 for the construction of a youth
6 and community facility at New Haven, West Virgin-
7 ia (Conference Report to accompany H.R. 5158,
8 House Report 101-900, page 17).

9 (14) \$2,000,000 for site work connected with
10 economic redevelopment of Sioux City, Iowa (Confer-
11 ence Report to accompany H.R. 5158, House Report
12 101-900, page 17).

13 (15) \$200,000 for the Marshall County Senior
14 Citizens Center in Marshall County, Tennessee, to
15 convert an existing school building for use to provide
16 senior citizen services (Conference Report to accom-
17 pany H.R. 5158, House Report 101-900, page 17).

18 (16) \$1,300,000 to assist in job retention for
19 agricultural workers at Hamakua coast sugar cane
20 mills in Hawaii that are suffering continued econom-
21 ic hardship (Conference Report to accompany H.R.
22 5158, House Report 101-900, page 17).

23 (17) \$2,000,000 for the Teen Education,
24 Achievement and Management Program in New Or-
25 leans, Louisiana, which targets teenage parents in

1 public housing (Conference Report to accompany
2 H.R. 5158, House Report 101-900, page 17).

3 (18) \$500,000 for the County of Hawaii for an
4 environmental impact statement for the development
5 of a water resource system for the community of
6 Kohala, Hawaii (Conference Report to accompany
7 H.R. 5158, House Report 101-900, page 17).

8 (19) \$500,000 for infrastructure development
9 in West Valley, Utah (Conference Report to accom-
10 pany H.R. 5158, House Report 101-900, page 17).

11 (20) \$3,150,000 for neighborhood economic im-
12 provement for the city of New Orleans, Louisiana
13 (Conference Report to accompany H.R. 5158, House
14 Report 101-900, page 17).

15 (21) \$1,000,000 for a rural, community-based
16 health insurance program in two communities in the
17 Mississippi River Delta region of Arkansas (Confer-
18 ence Report to accompany H.R. 5158, House Report
19 101-900, page 17).

20 (22) \$700,000 for infrastructure improvements
21 for the town of Clinton, Tennessee (Conference Re-
22 port to accompany H.R. 5158, House Report 101-
23 900, page 17).

1 (23) \$500,000 for housing rehabilitation in
2 Ogden, Utah (Conference Report to accompany H.R.
3 5158, House Report 101-900, page 17).

4 (24) \$1,110,000 for the expansion of the
5 Charles Drew Health Center in Omaha, Nebraska,
6 to provide additional space for health facilities and
7 an early childhood program (Conference Report to
8 accompany H.R. 5158, House Report 101-900, page
9 17).

10 (25) \$250,000 for the Utah revolving loan fund
11 pilot program (Conference Report to accompany
12 H.R. 5158, House Report 101-900, page 17).

13 (26) \$500,000 for elderly housing activities in
14 Salt Lake City, Utah (Conference Report to accom-
15 pany H.R. 5158, House Report 101-900, page 17).

16 (27) \$250,000 for a rural, community-based
17 health care project in Nebraska (Conference Report
18 to accompany H.R. 5158, House Report 101-900,
19 page 17).

20 (28) \$30,000 for a water system study in For-
21 est Heights, Illinois (Conference Report to accompa-
22 ny H.R. 5158, House Report 101-900, page 17).

23 (29) \$1,000,000 for the relocation of the St.
24 Mary's food kitchen in Kansas City, Kansas (Con-

1 ference Report to accompany H.R. 5158, House Re-
2 port 101-900, page 17).

3 (30) \$175,000 for expansion of the Paulter
4 Senior Center in Clarkston, Washington (Conference
5 Report to accompany H.R. 5158, House Report
6 101-900, page 17).

7 (31) \$120,000 for construction of handicapped
8 access facilities for the Northeast Tri-County Health
9 District's new clinic at Colville, Washington (Confer-
10 ence Report to accompany H.R. 5158, House Report
11 101-900, page 18).

12 (32) \$640,000 for the Spokane Housing Au-
13 thority to establish a Housing Capital Needs, Infra-
14 structure and Non-Profit Capacity-Building Pro-
15 gram to address the city's low-income housing crisis,
16 Spokane, Washington (Conference Report to accom-
17 pany H.R. 5158, House Report 101-900, page 18).

18 (33) \$3,000,000 for the relocation of residents
19 from the Southtown area of Peoria, Illinois (Confer-
20 ence Report to accompany H.R. 5158, House Report
21 101-900, page 18).

22 (34) \$667,000 for the city of Chicago, Illinois,
23 to assist the Ashland II Redevelopment Project
24 (Conference Report to accompany H.R. 5158, House
25 Report 101-900, page 18).

1 (35) \$520,000 for building facilities and infra-
2 structure of a regional equipment center in Nanti-
3 coke City, Pennsylvania (Conference Report to ac-
4 company H.R. 5158, House Report 101-900, page
5 18).

6 (36) \$526,000 for a transitional housing and
7 handicapped sheltering project of the Berkshire
8 Community Action Council (Conference Report to
9 accompany H.R. 5158, House Report 101-900, page
10 18).

11 (37) \$1,350,000 for the Bickerdike Redevelop-
12 ment Corporation for the rehabilitation of 70 units
13 in three buildings, for rental to low-income tenants
14 in Chicago, Illinois (Conference Report to accompa-
15 ny H.R. 5158, House Report 101-900, page 18).

16 (38) \$1,000,000 for the Bedford Stuyvesant
17 Restoration Corporation for capital repair, develop-
18 ment of a wholly owned housing management com-
19 pany, community planning and program review
20 (Conference Report to accompany H.R. 5158, House
21 Report 101-900, page 18).

22 (39) \$500,000 for refurbishing and renovation
23 of a community humanities and cultural center in
24 Fairmont, West Virginia (Conference Report to ac-

1 company H.R. 5158, House Report 101-900, page
2 18).

3 (40) \$795,000 to rehabilitate the Old Post Of-
4 fice Building in Lynn, Massachusetts (Conference
5 Report to accompany H.R. 5158, House Report
6 101-900, page 18).

7 (41) \$275,000 for the Twin Pines Ranch Resi-
8 dential Treatment Program expansion for high risk
9 juvenile offenders in Riverside, California (Confer-
10 ence Report to accompany H.R. 5158, House Report
11 101-900, page 18).

12 (42) \$250,000 to provide residential treatment
13 for chemically addicted battered women and children
14 at Tabor House in San Bernadino County, Califor-
15 nia (Conference Report to accompany H.R. 5158,
16 House Report 101-900, page 18).

17 (43) \$350,000 for land acquisition for an alco-
18 hol treatment center in Tulare County, California
19 (Conference Report to accompany H.R. 5158, House
20 Report 101-900, page 18).

21 (44) \$150,000 for the renovation of a rehabili-
22 tation center in Kings County, California (Confer-
23 ence Report to accompany H.R. 5158, House Report
24 101-900, page 18).

1 (45) \$995,000 for a performing arts and cul-
2 tural center in North Miami Beach, Florida (Confer-
3 ence Report to accompany H.R. 5158, House Report
4 101-900, page 18).

5 (46) \$950,000 for housing, community, and
6 economic development activities through the Ark-Tex
7 Council of Governments, located in Bowie County,
8 Texas (Conference Report to accompany H.R. 5158,
9 House Report 101-900, page 18).

10 (47) \$195,000 for the Helen Brown Senior
11 Center in Cleveland, Ohio (Conference Report to ac-
12 company H.R. 5158, House Report 101-900, page
13 18).

14 (48) \$197,000 for the Murtis Taylor Center
15 Substance Abuse program in Cleveland, Ohio (Con-
16 ference Report to accompany H.R. 5158, House Re-
17 port 101-900, page 18).

18 (49) \$205,000 for the Karamu Theater Project
19 in Cleveland, Ohio (Conference Report to accompany
20 H.R. 5158, House Report 101-900, page 18).

21 (50) \$300,000 for infrastructure development
22 in Lake Catherine, Louisiana (Conference Report to
23 accompany H.R. 5158, House Report 101-900, page
24 18).

1 (51) \$660,000 for Marabeau Apartments and
2 Learning Center in New Orleans, Louisiana (Confer-
3 ence Report to accompany H.R. 5158, House Report
4 101-900, page 18).

5 (52) \$600,000 for elderly housing rehabilitation
6 in New Orleans, Louisiana (Conference Report to
7 accompany H.R. 5158, House Report 101-900, page
8 18).

9 (53) \$1,500,000 to address ground subsidence
10 problems in the Roxborough/Logan areas of Phila-
11 delphia, Pennsylvania (Conference Report to accom-
12 pany H.R. 5158, House Report 101-900, page 18).

13 (54) \$975,000 for the Philadelphia Develop-
14 ment Partnership, Philadelphia, Pennsylvania (Con-
15 ference Report to accompany H.R. 5158, House Re-
16 port 101-900, page 19).

17 (55) \$1,950,000 for the revitalization of the
18 New Freedom Theater in Philadelphia, Pennsylvania
19 (Conference Report to accompany H.R. 5158, House
20 Report 101-900, page 19).

21 (56) \$600,000 for Windber Recreation Park in
22 Windber, Pennsylvania (Conference Report to ac-
23 company H.R. 5158, House Report 101-900, page
24 19).

1 (57) \$71,000 for Barnes Memorial Park in
2 Barnesboro, Pennsylvania (Conference Report to ac-
3 company H.R. 5158, House Report 101-900, page
4 19).

5 (58) \$585,000 for public safety equipment in
6 Lawrence, Massachusetts (Conference Report to ac-
7 company H.R. 5158, House Report 101-900, page
8 19).

9 (59) \$790,000 for park improvements and
10 shoreline protection in Saginaw, Michigan (Confer-
11 ence Report to accompany H.R. 5158, House Report
12 101-900, page 19).

13 (60) \$769,000 for Riverwalk, Bigelow Park,
14 bridge lighting and other improvements in Bay City,
15 Michigan (Conference Report to accompany H.R.
16 5158, House Report 101-900, page 19).

17 **TITLE VII—DEFENSE** 18 **APPROPRIATIONS**

19 **SEC. 701. GRANTS TO UNIVERSITIES.**

20 (a) FINDINGS.—Congress finds that—

21 (1) the amounts listed in subsection (c) are set
22 aside for direct grants to universities; and

23 (2) the grants were—

24 (A) not authorized;

1 (B) awarded after a waiver of the competi-
2 tive procedures applicable to the grants;

3 (C) not the subject of congressional com-
4 mittee or subcommittee hearings; and

5 (D) in the case of the grant described in
6 paragraph (1) of such subsection, first added by
7 the committee of conference on the Department
8 of Defense Appropriations Act, 1991.

9 (b) RESCISSION.—There are rescinded—

10 (1) the amounts listed in subsection (c), which
11 were set aside or otherwise made available out of ap-
12 propriations made by the Department of Defense
13 Appropriations Act, 1991 (Public Law 101-511;
14 104 Stat. 1856); and

15 (2) the underlying appropriations for the
16 amounts.

17 (c) AMOUNTS.—Except to the extent obligated, the
18 amounts rescinded by subsection (b) are as follows:

19 (1) \$10,000,000 for facilities and equipment
20 supporting the Center for Technology and Applied
21 Research at the University of Scranton (Department
22 of Defense Appropriations Act, 1991 (104 Stat.
23 1870)).

24 (2) \$6,000,000 for the Advanced Manufactur-
25 ing Institute at the Stevens Institute of Technology

1 (Department of Defense Appropriations Act, 1991
2 (104 Stat. 1870)).

3 (3) \$15,000,000 for the Liberty Science Center
4 (Department of Defense Appropriations Act, 1991
5 (104 Stat. 1870)).

6 (4) \$10,000,000 for a facility under the College
7 of Pharmacy and Health Sciences of Drake Univer-
8 sity (Department of Defense Appropriations Act,
9 1991 (104 Stat. 1870)).

10 (5) \$3,500,000 for the Center for Advanced In-
11 formation and Resource Management Studies of
12 Loyola College (Department of Defense Appropria-
13 tions Act, 1991 (104 Stat. 1870)).

14 **SEC. 702. MISCELLANEOUS PROJECTS.**

15 (a) FINDINGS.—Congress finds that—

16 (1) the amounts listed in subsection (c) are set
17 aside for miscellaneous projects; and

18 (2) the projects were—

19 (A) not authorized;

20 (B) not the subject of congressional com-
21 mittee or subcommittee hearings;

22 (C) without meaningful relationship to the
23 Act under which they were funded; and

24 (D) in the case of the project described in
25 paragraph (2) of such subsection, first added by

1 the committee of conference on the Department
2 of Defense Appropriations Act, 1991.

3 (b) RESCISSION.—There are rescinded—

4 (1) the amounts listed in subsection (c), which
5 were set aside or otherwise made available out of ap-
6 propriations made by the Department of Defense
7 Appropriations Act, 1991 (Public Law 101-511;
8 104 Stat. 1856); and

9 (2) the underlying appropriations for the
10 amounts.

11 (c) AMOUNTS.—Except to the extent obligated, the
12 amounts rescinded by subsection (b) are as follows:

13 (1) \$5,000,000 for the design and construction
14 of a parliament building in the Solomon Islands
15 (Section 8099(a) of the Department of Defense Ap-
16 propriations Act, 1991 (104 Stat. 1897)).

17 (2) \$5,000,000 for the repair, improvement,
18 and construction of port facilities and harbor im-
19 provements, including dredging, at the islands of
20 Ofu and Ta'u in the Territory of American Samoa
21 (Section 8099(b) of the Department of Defense Ap-
22 propriations Act, 1991 (104 Stat. 1897)).

1 **TITLE VIII—FOREIGN**
2 **OPERATIONS APPROPRIATIONS**

3 **SEC. 801. GRANT TO UNIVERSITY.**

4 (a) FINDINGS.—Congress finds that—

5 (1) the amount listed in subsection (c) is set
6 aside for a grant relating to foreign development and
7 development assistance; and

8 (2) the grant was—

9 (A) not authorized;

10 (B) not the subject of congressional com-
11 mittee or subcommittee hearings; and

12 (C) not awarded on a competitive basis.

13 (b) RESCISSION.—There are rescinded—

14 (1) the amount listed in subsection (c), which
15 was set aside or otherwise made available out of ap-
16 propriations made by the Foreign Operations, Ex-
17 port Financing, and Related Programs Appropria-
18 tions Act, 1991 (Public Law 101-513; 104 Stat.
19 1979); and

20 (2) the underlying appropriation for the
21 amount.

22 (c) AMOUNT.—Except to the extent obligated, the
23 amount rescinded by subsection (b) is \$10,000,000 to
24 carry out the activities of the Center for Cultural and
25 Technical Interchange Between North and South de-

1 scribed in section 206 of the House engrossed amendment
2 (as passed the House of Representatives on May 24, 1990)
3 to the bill S. 2364, as enacted by the Foreign Operations,
4 Export Financing, and Related Programs Appropriations
5 Act, 1991 (104 Stat. 1984).

6 **TITLE IX—LEGISLATIVE BRANCH** 7 **APPROPRIATIONS**

8 **SEC. 901. HOUSE GYMNASIUM STUDY.**

9 (a) FINDINGS.—Congress finds that—

10 (1) the amount listed in subsection (c) is set
11 aside to study the location for a new staff gymnasi-
12 um for the House of Representatives; and

13 (2) the study—

14 (A) was not authorized;

15 (B) was not the subject of congressional
16 committee or subcommittee hearings;

17 (C) was earmarked in violation of estab-
18 lished congressional procedures; and

19 (D) is of no regional or national signifi-
20 cance.

21 (b) RESCISSION.—There are rescinded—

22 (1) the amount listed in subsection (c), which
23 was set aside or otherwise made available out of ap-
24 propriations made by the Legislative Branch Appro-

1 priations Act, 1991 (Public Law 101-520; 104 Stat.
2 2254); and

3 (2) the underlying appropriation for the
4 amount.

5 (c) AMOUNT.—Except to the extent obligated, the
6 amount rescinded by subsection (b) is \$25,000 for the lay-
7 out of fitness facilities for House office buildings (Commit-
8 tee Report to accompany H.R. 5399, House Report 101-
9 648, page 26).

10 **TITLE X—SUPPLEMENTAL AP-**
11 **PROPRIATIONS (PUBLIC**
12 **LAW 102-27)**

13 **SEC. 1001. SERVICE LIFE EXTENSION PROGRAM.**

14 (a) FINDINGS.—Congress finds the following:

15 (1) Of the \$405,000,000 appropriated under
16 the Dire Emergency Supplemental Appropriations
17 for Consequences of Operation Desert Shield/Desert
18 Storm, Food Stamps, Unemployment Compensation
19 Administration, Veterans Compensation and Pen-
20 sions, and Other Urgent Needs Act of 1991 (Public
21 Law 102-27; 105 Stat. 130) for the service life ex-
22 tension program for the U.S.S. Kennedy—

23 (A) \$113,000,000 was proposed and au-
24 thorized; and

1 (B) the remaining \$292,000,000 was not
2 authorized but was added by the Appropriations
3 Committee of the House of Representatives
4 without a hearing.

5 (2) Section 203 of such Act—

6 (A) required that the service life extension
7 program for the U.S.S. Kennedy be conducted
8 at the Philadelphia Naval Shipyard; and

9 (B) except in the case of such service life
10 extension program, prohibited the obligation of
11 funds available to the Department of Defense
12 for the advance procurement of material and
13 other efforts associated with the industrial
14 availability of the U.S.S. Kennedy.

15 (3) The requirement and prohibition contained
16 in section 203 of such Act—

17 (A) is not relevant to the purposes of a
18 dire emergency supplemental appropriation; and

19 (B) conflicts with the policy established by
20 the Department of the Navy with respect to the
21 cancellation of the service life extension pro-
22 gram.

23 (b) RESCISSION.—There are rescinded—

24 (1) the amount listed in subsection (c), which
25 was set aside or otherwise made available out of ap-

1 appropriations made by the Dire Emergency Supple-
2 mental Appropriations for Consequences of Oper-
3 ation Desert Shield/Desert Storm, Food Stamps,
4 Unemployment Compensation Administration, Veter-
5 ans Compensation and Pensions, and Other Urgent
6 Needs Act of 1991 (Public Law 102-27; 105 Stat.
7 130); and

8 (2) the underlying appropriation for the
9 amount.

10 (c) AMOUNT.—Except to the extent obligated, the
11 amount rescinded by subsection (b) is \$292,000,000 for
12 the service life extension program for the U.S.S. Kennedy
13 to be conducted at the Philadelphia Naval Shipyard (sec-
14 tion 203 of the Dire Emergency Supplemental Appropria-
15 tions for Consequences of Operation Desert Shield/Desert
16 Storm, Food Stamps, Unemployment Compensation Ad-
17 ministration, Veterans Compensation and Pensions, and
18 Other Urgent Needs Act of 1991 (105 Stat. 139)).

19 **SEC. 1002. GRANT TO UNIVERSITY.**

20 (a) FINDINGS.—Congress finds that—

21 (1) the amount listed in subsection (c) is set
22 aside for a grant related to activities of the Depart-
23 ment of Education; and

24 (2) the grant was—

25 (A) not awarded on a competitive basis;

1 (B) not the subject of congressional com-
2 mittee or subcommittee hearings;

3 (C) without meaningful relationship to the
4 Act under which it was funded;

5 (D) earmarked in violation of established
6 congressional procedures; and

7 (E) first added by the committee of confer-
8 ence on the Dire Emergency Supplemental Ap-
9 propriations for Consequences of Operation
10 Desert Shield/Desert Storm, Food Stamps, Un-
11 employment Compensation Administration, Vet-
12 erans Compensation and Pensions, and Other
13 Urgent Needs Act of 1991.

14 (b) RESCISSION.—There are rescinded—

15 (1) the amount listed in subsection (c), which
16 was set aside or otherwise made available pursuant
17 to section 208 of the Dire Emergency Supplemental
18 Appropriations for Consequences of Operation
19 Desert Shield/Desert Storm, Food Stamps, Unem-
20 ployment Compensation Administration, Veterans
21 Compensation and Pensions, and Other Urgent
22 Needs Act of 1991 (Public Law 102-27; 105 Stat.
23 130); and

24 (2) the underlying appropriation for the
25 amount.

1 (c) AMOUNT.—Except to the extent obligated, the
2 amount rescinded by subsection (b) is \$8,000,000 for the
3 cost of construction and related costs of establishing a
4 Center for Commerce and Industrial Expansion at Loyola
5 University of Chicago which amount was made available
6 by transfer pursuant to section 208 of such Act.

O

**CITIZENS FOR A SOUND ECONOMY: 1990 ANNUAL REPORT
COMMON SENSE ECONOMICS TO BUILD A BRIGHTER FUTURE**



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MISSION

CSE, a free market advocacy group, promotes economic freedom and opportunity for all citizens by mobilizing people who can change public policy.

By mobilizing policymakers in Washington, members of the media, and citizens across the country, CSE transforms policy proposals into reality. CSE goes beyond the boundaries of traditional policy organizations by working to *implement* our agenda.

CSE Foundation, an educational and research affiliate of CSE, develops innovative solutions to today's economic problems through private sector initiatives that reduce government intervention in the economy.

STRATEGY

SELECT ISSUES. CSE selects issues that allow us to leverage free-market victories. We seek victories that can both unleash entrepreneurial energy in the private sector and create pressure for further political change.

IDENTIFY CONSTITUENCIES. For each issue, CSE identifies the constituencies (citizens, policymakers, or journalists) whose mobilization gives us the greatest chance of achieving our goals. Constituencies are called upon to exercise influence directly and to provide resources that we can employ in mobilization efforts.

SELECT AND UTILIZE TOOLS TO MOBILIZE CONSTITUENCIES. The appropriate tools will vary from issue to issue, depending on whether grass-roots pressure, lobbying by influential individuals or corporations, media activity, policy studies, legal activity, or activism by political insiders will most effectively achieve victory. Actual mobilization efforts put the chosen tools to work in an integrated campaign to achieve change.

FOLLOW-UP. Not all of the constituencies we mobilize are committed to a broad free-market agenda, but many are sympathetic. Consequently, we use each mobilization effort as an opportunity to find common ground with allied constituencies and incorporate them into future mobilization efforts.

PRESIDENT'S LETTER
A YEAR OF GROWTH

*The people of CSE
pledge that the
growth and inno-
vation that were the
hallmarks of 1990
will continue in the
years to come.*

For Citizens for a Sound Economy, 1990 was a year of tremendous growth and innovation. The challenges we face in implementing sound economic policy require continuous improvement, and we made great strides during the year to make CSE a more effective organization than ever before.

The battle over the federal budget took center stage in 1990. The year was a disaster for the taxpayer, as the vast majority of Washington power brokers pushed through the largest first-year tax increase in our nation's history. Against this move, CSE fought with a tenacity that left some of the most powerful lawmakers in the capital muttering to themselves.

CSE mobilized its grassroots membership like never before, sending 160,000 hand-written letters to the White House and hundreds of thousands more to Capitol Hill calling for no new taxes. Our timely analyses of budget developments, numerous newspaper articles, the mass-distributed book *Wasting America's Money*, and some adroit lobbying helped us to defeat the first budget summit agreement, and narrowly missed defeating the final agreement. Though we lost the battle, CSE developed citizen mobilization skills that will make victory more likely in the years ahead.

Elsewhere, CSE Legal Alliance scored a major victory by stopping a bill that would have gutted the Paperwork Reduction Act and paved the way for massive and costly government regulations in the coming years.

CSE responded to growing concerns for the environment and congressional reform by launching two new organizations: Citizens for the Environment and Citizens for Congressional Reform. These organizations will make their presence known in the years to come.

Our success is due to a dedicated, creative, and rapidly expanding staff; to an enthusiastic board of directors committed to our ideals; and to our 250,000 members whose involvement makes our work possible and whose activism is our strongest weapon.

CSE's strength comes from these people, all working together to accomplish our mission. The people of CSE pledge that the growth and innovation that were the hallmarks of 1990 will continue in the years to come, as we build for ourselves and for coming generations a healthy economy, a free and prosperous America, a brighter future.



PAUL BECKNER
PRESIDENT



CHAIRMAN'S LETTER

CSE FOUNDATION IS OUR LEGACY

If I've learned anything, I've learned this: Time is our most precious resource. How we spend that time determines our legacy to future generations. How do we want to be remembered?

Do we want to be remembered as the ones who created an enormous national debt that stretched into the next century?

Or do we want to be among those who took measures to reduce that debt...

Do we want to be remembered as the ones who squandered the nation's wealth on wasteful pork-barrel projects that served only a narrow interest?

Or do we want to be among those who instituted controls on federal spending—and stuck to them....

Do we want to be remembered as the ones who allowed our economy to stagnate under excessive government regulations and protectionist policies?

Or do we want to be among those who broke those chains and advanced the principles of competition in the marketplace... The answers are obvious to me, and so I choose to spend my time with my eyes fixed firmly on the future ahead of us.

CSE Foundation shares my commitment to this vision. Through its educational and research programs, it has demonstrated to me time and time again that the future of our nation can be directed along a positive route. The way to accomplish this is to educate citizens, policymakers, and members of the media about the dangers we face and how to overcome them through the implementation of sound economic policies.

The decision to devote one's time and resources to improving our world and our future is not to be made lightly. But it's a decision that, for me anyway, has no alternative answer. To build a future, we must invest in the present. I hope you will join me in this noble cause.

David H. Koch

DAVID H. KOCH
CHAIRMAN, CSE FOUNDATION



Through its educational and research programs, CSE Foundation has demonstrated to me time and time again that the future of our nation can be directed along a positive route.

CHAIRMAN'S LETTER

CSE REPRESENTS THE INTERESTS OF CITIZENS

The first time I met CSE's founder, Rich Fink, he told me with great gusto of his plans to put together a *grassroots* organization "to represent the true interest of consumers and taxpayers." I was intrigued by the idea and told my wife about it. But at the end of my narrative, I said, "It just won't work. He'll never get more than a few thousand people to support sound policy in Washington."

Boy, was I wrong! In less than a decade, CSE has become a broad-scale membership organization and one of the most influential voices in Washington—not to represent special interests, but to represent *citizens'* interests. These interests include opposition to: profligate, wasteful spending; tax increases that lower disposable incomes; mounting deficits that reduce our standards of living and burden future generations; excessive regulation and paperwork requirements that raise costs and stifle innovation; and protectionist trade measures that eliminate jobs and reduce competition. CSE's efforts on behalf of citizens include the promotion of: privatization of government functions to lower costs and improve services; better management of government; empowerment of people—to allow them, rather than the politicians, to make the key decisions that affect their lives; and a setting free of the power of the marketplace to enable people to satisfy their wants and pursue their individual interests.

The effectiveness of CSE is vitally dependent on you, the CSE members. Every time one of you makes a phone call to your congressman, writes a letter to the editor of your home-town newspaper, or shares views about national issues with others, CSE's message carries that much more weight here in Washington.

Thanks to the involvement of the more than 250,000 CSE members, the scales are tipping in support of sound economic policy.

Without a doubt, CSE's greatest challenges as well as its greatest accomplishments lie ahead. But when CSE wins, the American taxpayer wins. When CSE wins, the voters win. When CSE wins, the whole country wins.

It is your activism and your support that make this possible.



JAMES C. MILLER III
CHAIRMAN, CSE

JOHN M. OLIN DISTINGUISHED FELLOW, CSE FOUNDATION

CSE Foundation Chairman David Koch (left) helped found CSE Foundation and has been active in the organization since its inception in 1984. CSE Chairman James C. Miller III came on board in 1988.



A CLOSER LOOK

HOW CSE BUILDS VICTORIES

In the closing days of the 101st Congress, CSE Legal Alliance (CSELA) achieved one of its most significant victories. CSELA played a major role in killing a bill that would have gutted one of the most effective tools in stopping costly regulation.

Under the Paperwork Reduction Act, the Office of Management and Budget (OMB) has applied cost-benefit analysis to all proposed paperwork requests in federal regulations, and in the process has defeated many of the most onerous. Last February, the Supreme Court ruled that OMB couldn't apply that analysis to third-party disclosure rules. Because of this change, it became possible for agencies to rewrite their regulations to avoid OMB review. That allows agencies to impose burdensome regulations that cost Americans billions of dollars annually.

To reverse the Supreme Court's ruling, CSELA supported amending the Paperwork Reduction Act. But two bills introduced in Congress not only failed to amend the Act, they also further weakened OMB's role.

Throughout 1990, CSELA lobbied against the two bills and urged Congress to reverse the court case. Unfortunately, the Administration, at the urging of Senator John Glenn (D-OH), decided not to stop a bill that severely weakened OMB's role in paperwork reduction.

When it became clear that opposition to the bill was crumbling, CSELA called several senators and asked that they put a "hold" on the bill. A "hold" is an informal legislative device that keeps a bill from going to a vote. Two senators did so. Two days before Congress was to recess, the Administration convinced those senators to release the "holds." Thus, the bill was set to sail through the Senate and House.

The next day, CSELA engaged in a last-ditch effort to stop the bill. Through phone calls to several dozen legislative offices, we found senators and congressmen willing to put a "hold" on the bill.

When Senator Glenn tried to bring the bill to a floor vote on the last day Congress was in session, he discovered that the bill had two more "holds" on it. Furthermore, if those "holds" were removed, two more would be put on it. The bill was stopped.

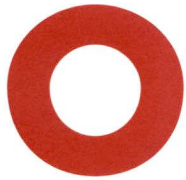
In early 1991, CSELA began working on the Paperwork Reduction Act of 1991 that will not only remedy the court case but also strengthen OMB's power to kill overly costly regulations. CSELA aggressively acquired bipartisan support, and the bill was introduced in April 1991.



Building coalitions between organizations with similar goals is a critical element of CSE's strategy to mobilize a wide range of citizens on key issues. CSE President Paul Beckner speaks at a press conference organized by a coalition to introduce budget reforms.

MEMBERSHIP

REPRESENTING THE VIEWS OF 250,000 CITIZENS



Our members are the cornerstone of CSE and CSE Foundation. Not only do members provide the financial support we need to strengthen our educational, research, and lobbying programs, but the collective strength of our members gives us the clout on Capitol Hill and at the White House that allows us to make a difference in Washington.

In 1990, CSE educational materials and calls to action were received by several million households, and tens of thousands of new members from all over the country joined CSE. This indicates to us an increasing concern among Americans about the dangers of continuing to pursue current economic policies. People are upset and unsure—and rightfully so—about their own economic future and that of their children and grandchildren. These concerns cannot be ignored.

We are proud that these citizens have chosen CSE to faithfully represent their views in Washington.

A WAY TO VOICE CONCERNS

Not only does CSE represent these citizens, we provide a means for individual taxpayers to voice their concerns—and make sure those concerns are heard—at the highest levels. Last summer, CSE members sent more than 160,000 handwritten letters to President Bush urging him to stick to his “No New Taxes” pledge. Ultimately, the President broke his pledge, but CSE demonstrated once again that our members are a powerful force not to be taken lightly. The administration knows that unacceptable policies will garner an immediate and powerful response from our quarter-million members.

Our members were an integral component in our fight to pass the Balanced Budget Amendment. We came closer than ever to getting this legislation through Congress—we picked up over 40 more votes from the last time the Amendment was voted on, and the credit goes to our steadfast CSE members. We targeted 50 congressmen who were sitting on the fence and were undecided about which way to cast their vote on the Balanced Budget Amendment. We telephoned members in these targeted districts and asked if they would like to be directly “patched through” via a phone hook-up to their congressman’s office. In the few days before the vote, more than 1,500 CSE members said “yes.” The final results? Over half of the targeted congressmen voted *for* the Amendment, and we got calls from many congressional staffers asking us to ease the pressure!

A SOUP KITCHEN in Kansas City was given a million dollars to move to a new building it didn't even want thanks to pork-barrel spending. Members of Congress continue to use appropriations bills to hide their pork from taxpayers.

“We feel very let down by the current talk there may be new tax increases. THIS IS NOT THE ANSWER— American taxpayers have surrendered an average of more than \$40 billion in additional taxes each year since 1980. Yet Congress has averaged a deficit of more than \$200 billion each year since 1980. It is time to stop all the lip service and to start cutting out the wasteful spending.”

BARTON L. STAUFFER, ORLANDO, FLORIDA—CSE MEMBER

FROM A LETTER WRITTEN TO MEMBERS OF CONGRESS DURING THE BUDGET SUMMIT NEGOTIATIONS

KEEPING TAXPAYERS EDUCATED

We continue to fulfill our mission to educate taxpayers through various membership special issues mailings, as well as through our monthly newsletter, *On Alert*. The year-end issue featured a comprehensive vote tally on key congressional votes, including the various votes that led to the final budget agreement. To better serve our members' needs, each senator's and congressman's vote was labeled as being either FOR or AGAINST the American taxpayer.

CSE's commitment to education is carried through on a one-to-one level. We received many thousands of letters from our members in 1990, and each was read carefully and answered with a personal response. The comments and suggestions offered by our members are regularly compiled and distributed to staff members.

What sets CSE and CSE Foundation apart from other organizations devoted to changing public policy is that we are constantly mindful of the people we are working for: our members, the average American taxpayers—regular people who expect their government to pursue sound economic policies so that they can in turn pursue their dreams.

TAX AND BUDGET SCORING VICTORIES AGAINST THE ODDS

To combat the tax-and-spenders entrenched in Washington, CSE and CSE Foundation must do remarkable things with the limited resources entrusted to us. Considering that the bureaucratic welfare state buys support for higher taxes by spending the equivalent of CSE's annual budget every three minutes, it's clear that CSE and CSE Foundation face an uphill battle every day. Though 1990 was a disastrous year for American taxpayers due to passage of the second largest tax increase in our nation's history, we were able to score some important victories in our ongoing efforts to build a more prosperous future for America.

THE TAX AND BUDGET WAR OF 1990

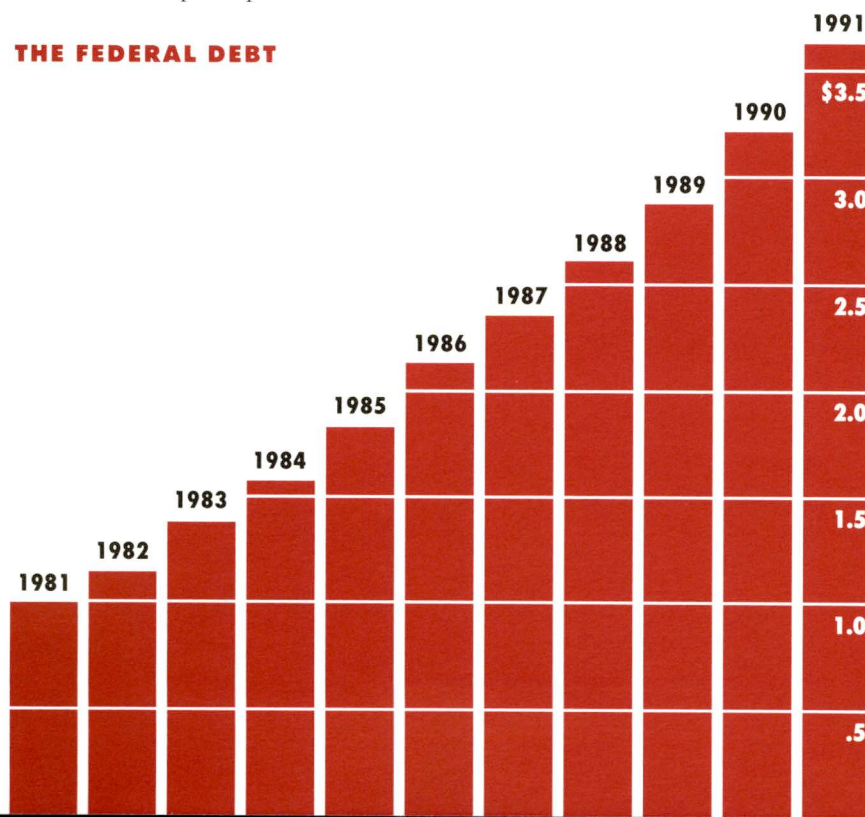
From the moment that President Bush submitted his "no new taxes" budget in January of 1990, CSE has been on the move, beginning with the timely analysis of the budget that was widely distributed the following day.

CSE has become known for such timely analyses, which are sent to the media, the policy and business communities, the administration, and Capitol Hill, before most people have even digested the latest tax and budget developments.

CSE's immediate response was a tremendous asset in the tax and budget war of 1990; this was perhaps the most challenging fight in our history. The most powerful forces in Washington—President Bush, the joint Democratic and Republican leadership in the House and Senate, and a sizeable segment of the Washington business community—devoted six months of their time and efforts in preparation for the mighty challenge: to produce a budget summit agreement containing the second largest tax increase in history.

Despite the awesome array of political forces in support of the original budget agreement, the agreement went down to defeat in the House. CSE was one of the principal architects of this defeat.

THE FEDERAL DEBT



PHONY BUDGET CUTS ARE CREATED to prevent any true budget savings from being realized. The current services budget is used as a starting point by policymakers who look at the projected figures—higher than last year's budget due to predicted inflation and other factors—and then make their "cuts." For example, Medicare "cuts" of \$1.7 billion were proposed, yet the program itself still would have grown by \$8 billion.

The federal debt has more than tripled since 1981. If projected figures prove correct, the national debt will soar to \$3.62 trillion in 1991. That figure represents more than \$14,500 for every man, woman, and child in America. Last year's budget summit agreement is projected to increase the debt by \$800.5 billion over the next three years.

IN THE FOREFRONT

The conventional wisdom held that tax increases were virtually a certainty after the president abandoned his “no new taxes” position. Yet we knew that a tax increase was not the solution to our nation’s economic problems: out-of-control government spending has put us in our current fiscal bind; more taxes would simply be spent on more useless pork-barrel projects. And taxpayers across the country, including our 250,000 members, knew that, too.

However, trying to defeat the president and the bipartisan leadership of both the House and the Senate was thought to be impossible. At a time when other national organizations and members of Congress rationalized their inactivity—or, indeed, their support for tax increases—CSE was in the forefront of the charge against tax increases. Targeting congressmen on the fence, mobilizing grassroots support, and blanketing the airwaves with our anti-tax message, CSE had the tools and expertise to implement this strategy. We were also well-known, trusted, and relied upon by those congressmen and senators who led the fight for us within Congress. CSE met with this leadership every week for five months to develop and implement our strategy.

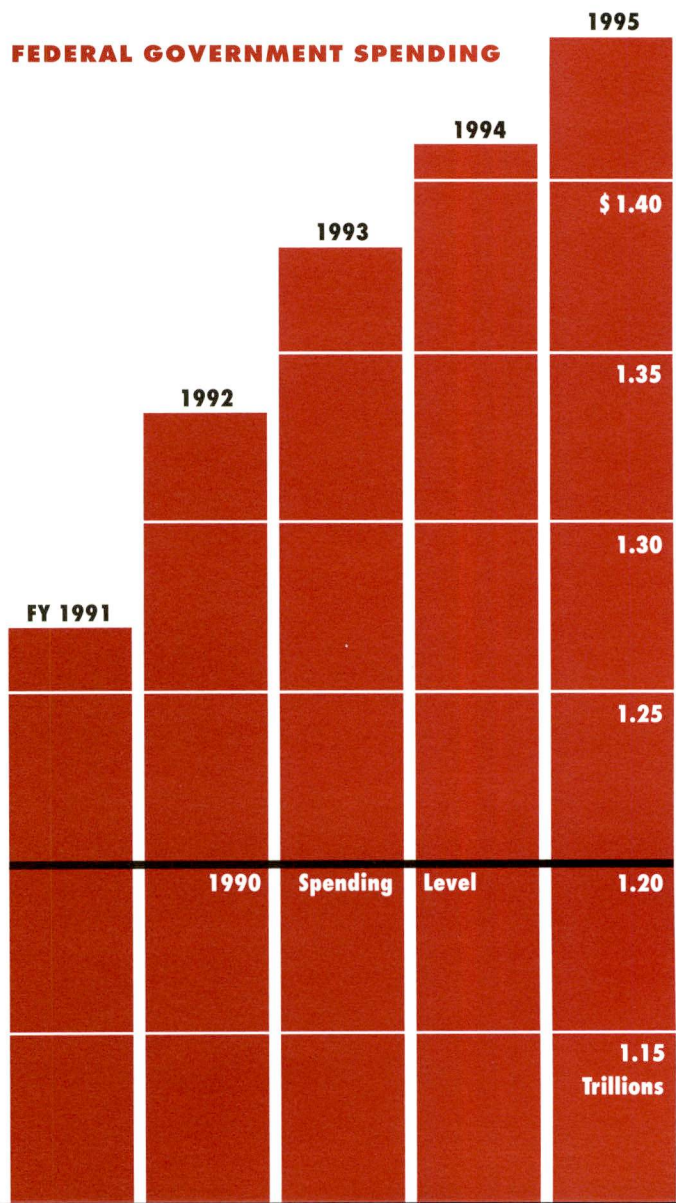
Congressional leaders at the start of the budget summit said there would be no deal unless there was a hostage exchange: a majority of both parties would have to support it. Neither party wanted to go on record as supporting a huge tax increase in an election year without the other party joining them. So CSE targeted the weak link of this agreement: House Republicans.

A KING-SIZE MONKEY WRENCH

Building on a firewall of representatives pledged to oppose tax increases, CSE was instrumental in passing the Arney Resolution, which committed the House Republican Conference to a “no new taxes” position. Passage of the Arney Resolution served as a king-size monkey wrench thrown into the budget negotiations, and it bought us precious time to gear up our grassroots.

Meanwhile, on the other end of Pennsylvania Avenue, CSE was working furiously to shore up President Bush’s “no new taxes” pledge with an avalanche of 160,000 hand-written anti-tax increase letters that were prompted by CSE’s campaign to alert one mil-

The “deficit reduction agreement” does not cut spending—federal spending will increase every year. The so-called “cuts” in spending were decreases of projected increases: hardly a meaningful solution to the fiscal crisis.



lion Americans to the dangers of a massive new tax increase. Washington saw CSE bumper stickers that served as a reminder of a promise made: "READ OUR LIPS... NO NEW TAXES."

Nonetheless, when the budget summit agreement was finally reached, the White House bore down hard on likely opponents to a huge tax increase. Group after group caved in.

CSE came under intense lobbying from the Bush Administration to either come out in support of the agreement or stand idly by. But CSE rode tall and returned fire. CSE shot out a devastating analysis, the first to document the budget agreement's fatal flaws: it contained the second largest tax increase in American history; spending would actually increase every year, and there were no enforcement mechanisms to hold deficit spending in check.

CSE Senior Advisor Michael Monroney, at the helm of the Coalition for Fiscal Restraint (COFIRE), rallied opposition to the budget agreement. COFIRE membership numbered over 90 organizations and associations.

We also activated our media outreach program. CSE staff appeared on 42 television talk shows and 136 radio talk shows. Additionally, we published four exclusive editorials in *The Wall Street Journal*, including "Pull the Plug on the Budget Deal" by CSE Chairman James C. Miller III.

Our efforts succeeded in keeping a majority of Republicans from voting for a tax increase. When this became clear in the final moments of the vote, so many Democrats abandoned the budget agreement that it went down in flames. While a second agreement ultimately passed, we narrowly missed defeating that deal, too, coming within 14 votes in the House.

AN ONGOING CAMPAIGN

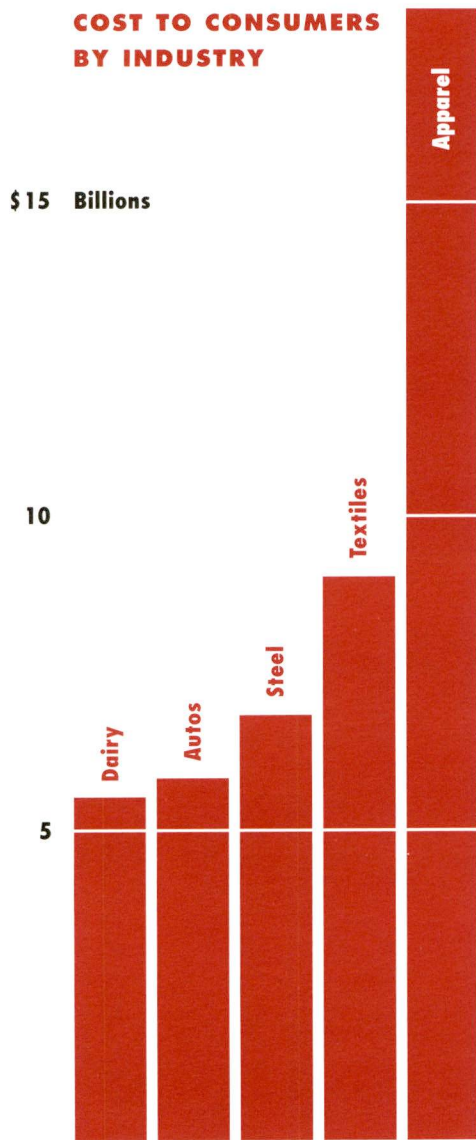
All in all, in the 1990 campaign for deficit reduction through spending restraint, CSE generated half a million letters from our members to Capitol Hill; distributed 350,000 copies of *Wasting America's Money*, our booklet documenting outrageous pork-barrel spending; published six studies on tax issues; wrote two dozen different newspaper columns; coordinated more than 200 lobbying visits to Congress; and conducted hundreds of radio and television interviews. CSE Chairman James C. Miller III appeared on numerous nationally broadcast programs.

We will continue to use our resources in the most effective way possible in our ongoing campaign to bring about the fiscal reforms our country so desperately needs. Nineteen-ninety demonstrates that CSE, CSE Foundation, and COFIRE are willing to stand firm on our commitment to represent the voice of America's taxpayers in Washington.



The CSE push for "no new taxes" is reaffirmed as CSE Chairman James C. Miller III addresses a crowded press conference held at the Capitol.

TRADE DEFENDING CONSUMERS UNDER ATTACK



The cost of trade barriers to consumers is hidden in the final price of the products. Recent protectionist measures have cost consumers billions of dollars for a variety of products.

Throughout 1990, American consumers were under attack as Congress considered a number of proposals that would have drastically restricted Americans' access to imported merchandise and capital. While many of these legislative proposals were the work of special-interest trade groups, there were also a number of proposals that attempted to blackmail foreign markets into becoming more open by threatening U.S. protectionist measures as a consequence. In all cases, CSE was at the front of the battle to advocate open markets.

Our position on trade is based upon one of the most universally-supported economic principles: free trade is good policy because it stimulates economic growth and provides consumers with better and cheaper goods. Protectionism is the economic equivalent of imposing a military blockade on ourselves. Yet this simple proposition continues to come under attack from a number of sources, and 1990 was no exception. Some industries blatantly called for protectionism, some demanded protectionism under the guise of "fair trade," and some promoted policies that amounted to hidden protectionism.

SPECIAL INTERESTS DEMANDING PROTECTION

One prime example of blatant special interest protectionism came when the textile industry asked for restrictive new legislation. This legislation was even more alarming than previous textile bills because it threatened the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). Had the legislation been enacted, it would have upset the delicate give-and-take in which countries (including the United States) agreed to lower textile barriers in return for increased access to markets in developing countries.

In other words, Americans would have lost twice: we would have had to pay higher clothing prices, and we would have lost the \$16,800 that the Office of the United States Trade Representative estimates the average family of the four will gain over the next decade from a successful GATT round due to lower trade barriers.

Though it's difficult to envision a more clear-cut case of special interests demanding protection at the expense of American consumers, opponents of the textile legislation faced an uphill battle. The textile industry proved a formidable opponent, as it easily persuaded both the Senate and the House to support the bill.

However, CSE was not deterred, and we kept up the pressure through a concentrated program of editorials, policy papers, radio interviews, and grassroots outreach. President Bush vetoed the textile bill, and Congress upheld his veto; thus we chalked up a victory for American consumers.

IMPORT RESTRICTIONS BOOST CLOTHING COSTS by 40 percent. Reduce these restrictions and consumers could save \$20 billion annually. Ironically, the poor pay more: protectionism typically accounts for 33 percent of the price at a discount store versus 3 percent in exclusive department stores.

Quotas on peanuts cost consumers an estimated \$190 million annually. Director of Trade Bryan Riley urges removal of these quotas at a press conference.

THE MYTH OF RETALIATION

Not all protectionists were so obvious in their efforts to restrict the free flow of trade and investment. "Sophisticated" protectionists advocated a number of trade policies that threatened U.S. consumers. One of these relied on the popular Washington myth that the government can use the threat of retaliation to force open markets.

We pointed out the shortcomings in this approach to trade policy through a series of policy papers and newspaper articles. While retaliating against countries that trade "unfairly" sounds attractive, such policies rarely succeed in opening foreign markets. More often these policies lead to closed markets in the U.S. and trade wars that limit American access to foreign markets.

DEFEATING PROTECTIONIST FOREIGN INVESTMENT BILLS

The foreign investment debate was on the minds of many in Washington and throughout the country. However, in part because of our past success in defeating protectionist foreign investment legislation, the worst of the investment bills were never introduced. One bill raised particular concern: Congressional worries about a lack of detailed information about foreign investors in the U.S. led to the introduction of legislation that would have required foreign firms—but not U.S. firms—to disclose confidential business information. This could have discouraged foreign investors while threatening Americans who invest overseas. CSE and CSE Foundation pointed out the drawbacks to this legislation, and Congress eventually approved a watered-down bill that treated U.S. and foreign firms equally. The compromise bill marked another victory.

In 1990, we also laid the ground for proactive proposals to open markets. We started the year with a release of an analysis of the U.S.-Canada Free Trade Agreement and some of the many benefits that it brought to the United States. A later analysis previewed the potential benefits of a U.S.-Mexico free trade agreement.

In the future, bilateral and multilateral agreements such as these, along with GATT, may provide the best opportunity to continue to lower U.S. trade barriers. Such agreements will lead to a freer, more open economy, one that will foster healthy competition that benefits consumers and businesses alike in the global marketplace.



REGULATORY REFORM CURBING EXCESSIVE REGULATIONS

Congress has concocted a multitude of laws that shackle the U.S. economy by creating barriers to competition. Agencies exacerbate the problem by using these laws to write anti-competitive regulations. Federal judges play the game, allowing Congress and the agencies to create and perpetuate government-sanctioned cartels.

Using free-market analysis, Citizens for a Sound Economy Legal Alliance (CSELA) works in *all* branches of government to destroy those cartels. CSELA not only challenges judges' anti-competitive interpretations of laws and regulations, it challenges the laws and regulations themselves. With its comprehensive strategy, CSELA is one of the few public-interest legal groups battling so-called "consumer" groups and special interests where they hurt the economy most.

A LEGAL FRAMEWORK THAT MANDATES DEREGULATION

The deregulation of the early 1980s is now but a fond memory. The current administration has made scant progress in curbing excessive regulation, and many agency and department heads have introduced potentially costly regulatory initiatives. The costs of complying with the government's increasing regulatory requirements played a significant role in 1990's economic downturn. To reverse this trend, CSELA's top priority is creating a legal framework that *mandates* deregulation.

The Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA) currently serves as the government's only watchdog over excessive regulation. Under the Paperwork Reduction Act, OIRA reviews agencies' proposed regulations and has the power to veto those that impose greater costs than benefits.

In 1990, Congress tried to eviscerate OIRA, and the administration, unfortunately, went along. In a last-ditch effort, CSELA killed a bill that would have given agencies a free rein to implement extremely burdensome regulations. CSELA is not content to rest on this victory. Future efforts will be devoted to working with various coalitions to write a new Paperwork Reduction Act. Instead of weakening OIRA, CSELA's bill will dramatically strengthen the agency's ability to curb regulatory excess. In addition, it will force federal agencies to do far more to justify their onerous regulatory proposals.

HOSTAGE TO AN IRRELEVANT LAW

Communications technology has altered the world economy by making a wealth of computer-based information instantly available. Already, communications is the most important component of private-sector productivity. Entire industries, such as financial services, have been dramatically re-

Michael Boskin, Chairman of the President's Council of Economic Advisers, discusses the future regulation of the financial services industry at a CSE Foundation-hosted luncheon on the savings and loan bailout.



shaped. National borders are becoming increasingly irrelevant to the flow of information, thus enhancing trade among firms in all countries.

Despite these advances, the communications industry labors under the 1934 Communications Act, which ensured that broadcasting and telephone services would be government-sanctioned monopolies. Even though modern technology, particularly the silicon chip, has rendered the law irrelevant, it remains in effect.

Even worse, in 1982, federal district court Judge Harold Greene appointed himself as the sole overseer of much of the telecommunications industry. Unfortunately, Judge Greene is firmly rooted in the faulty economic notions prevalent at the turn of the century. He has created a legal framework that requires seven large high-technology firms—the regional Bell companies—to request his permission whenever they wish to compete, no matter how minimally. Worse, he has banned those companies from developing astonishing new computer technologies for the mass market.

The Legal Alliance entered into an effort to dismantle this legal roadblock by joining the appeal of Judge Greene's refusal to lift these nonsensical competitive bans. In 1990, adopting the logic CSELA set out in its brief, the D.C. Circuit Court of Appeals reversed a significant part of that decision and sent it back to Judge Greene. CSELA has since intervened in Judge Greene's court, urging him to lift the bans. In addition, CSELA formed a coalition with a wide array of public interest groups, including the NAACP and several groups representing the disabled, in the process exposing a much broader group to free-market thinking.

The Legal Alliance also attacked Judge Greene's anti-competitive decisions by urging Congress to reverse him. To that end, CSELA published *Endless Error: The Case for Lifting the Bell Restrictions*, a comprehensive analysis of the reasons for lifting the bans. That study established CSELA's position among policymakers and served as the basis for our congressional testimony.

In the agencies, CSELA has repeatedly filed comments with the Federal Communications Commission and the Department of Commerce, urging the agencies to continue their deregulatory course of the 1980s.

Finally, CSELA continues to attack the 1984 Cable Act, which banned all telephone companies from providing cable service and created cable monopolies.

SOARING POSTAL COSTS AND DECLINING SERVICE

Current law gives the U.S. Postal Service unfettered discretion to define the scope of its monopoly and set postal rates. As a result, consumers face soaring postal costs and declining service.

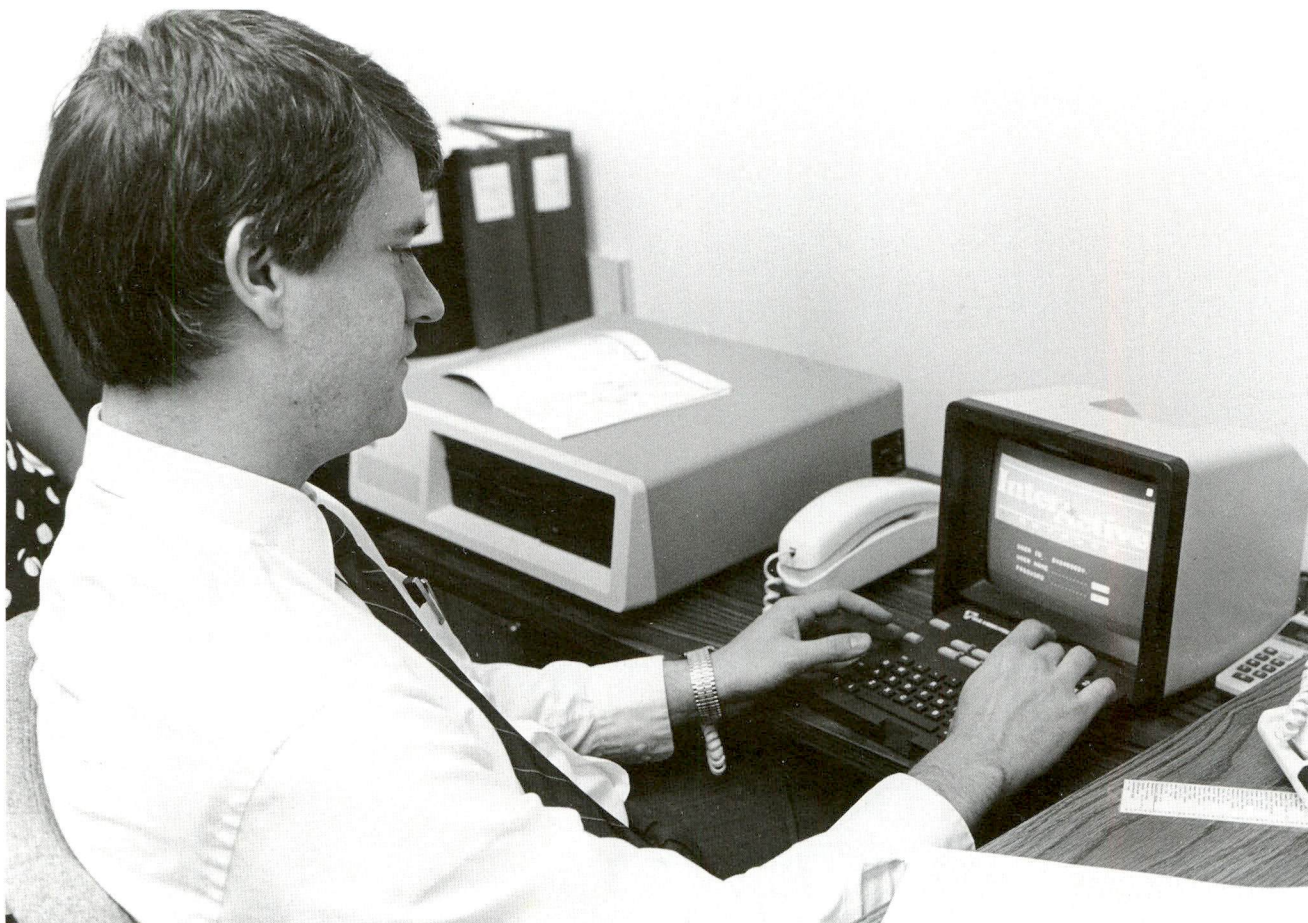
The Legal Alliance entered the most recent rate case in early 1990 and

“If the postal service is so good, so low in price, and so wonderful a bargain, what does it have to fear from competition?”

JAMES C. MILLER III
CSE CHAIRMAN
ABC “NIGHTLINE”
MARCH 16, 1990

IT TAKES MORE THAN 200 PAGES to publish each day's edition of *The Federal Register*, a compilation of the newest rules and regulations in government. In 1936, its first year, 3,439 documents were received for publication; last year there were 30,126.

THE FRENCH "MINITEL" SYSTEM allows telephone users to access more than 8,000 services from their telephones, including purchasing travel tickets and home banking. Current laws forbid the 7 Bell telephone companies from creating and generating such information services that could benefit consumers.



Phillip Mink, General Counsel, CSE Legal Alliance, demonstrates how easily consumers can access information on the French "minitel" system.

throughout the year urged the Postal Service to scale back its monopoly. Although the Postal Service has implemented a rate increase, CSELA continues to press the agency to recognize the inefficiencies of its monopoly and allow competition.

To complement these regulatory initiatives, CSELA will attack the law giving the Postal Service the power to define its monopoly. CSELA is developing a legislative strategy to limit the monopoly's scope, thereby reducing the Postal Service's power to regulate itself, and allowing competition.

Consumers and businesses alike benefit from a market where competition is robust. Excessive government intervention and regulation can only stifle the market forces that made America an industrial leader. CSELA will continue to fight to free those forces.

ADDITIONAL CONCERNS HEADING OFF THREATS FROM MANY DIRECTIONS

THE INCREASED PROMINENCE OF ENERGY ISSUES

The situation in the Persian Gulf brought forth renewed calls for a national energy policy. As a result, many politicians mistakenly called for an increased government role in the energy area. At the same time, the crisis highlighted many current regulations that harm the interests of Americans.

Recognizing the increased prominence of energy issues, CSE began an energy project late in 1990. Already we have been active in opposing "price gouging" legislation and legislation which would inhibit the way companies market gasoline. In the coming year, we plan to deepen our involvement in areas such as the debate over President Bush's national energy strategy, fuel efficiency standards for automobiles, and the implementation of the Clean Air Act.

SUGAR QUOTAS HARM CONSUMERS

Sugar quotas force U.S. consumers to pay roughly double the world price for sugar. CSE's agricultural project continued to attack these quotas through release of numerous policy papers and editorials, testimony before the House Ways and Means trade subcommittee, and personal lobbying of key Senate and House leaders.

LAYING TO REST MYTHS ABOUT DEREGULATION

The Staggers Act of 1980 deregulated most railroad rates, generating large consumer savings and enhancing American competitiveness. As President Bush prepared to nominate new members of the Interstate Commerce Commission, observers feared that congressional critics of deregulation would grab the opportunity to re-open debate on revising the Staggers Act. To help head off such a debate, CSE Foundation prepared an *Economic Perspective* summarizing the Staggers Act's consumer benefits and refuting the Consumer Federation of America's claims on "monopoly pricing."

CSE Foundation continued to work to lay to rest myths about airline deregulation with an integrated research and public education campaign that included an evaluation of major government and industry studies of deregulation.

CSE Chairman James C. Miller III and former policy analyst Virginia Stouffer explain the consumer benefits of trucking deregulation during testimony before a House subcommittee.



STATE PROJECTS EXPANDING INTO NEW AREAS

Educational choice—allowing parents to choose the schools their children will attend—was on the November ballot in Oregon . . . and supported by CSE. At a CSE dinner in Washington, Vice President Dan Quayle expressed his support for educational choice nationwide. Former CSE President Wayne Gable greets the Vice President.



The work we do to bring about change in the status quo on the federal level goes hand in hand with our rapidly expanding state projects program. State projects are designed to educate citizens and affect policy on the state and local level.

Virginia Citizens for a Sound Economy maintained a strong presence at the Virginia General Assembly and worked throughout the year to encourage Governor Douglas Wilder to hold his strong stand against new taxes.

VCSE won a victory for Virginia consumers with an aggressive campaign against the petroleum “divorcement” and “open supply” legislation. The bill, had it passed, would have prohibited gasoline refiners from running their own gasoline stations. This intervention would have significantly reduced the consumer’s ability to choose among a number of competing gasoline stations, and could have resulted in higher prices at the pump. VCSE was a key force in the successful defeat of the legislation: staff members testified several times before the Study Committee on Divorcement and Representative Offering for Inclusion in the Virginia Petroleum Franchise Act.

The first annual VCSE Awards Banquet raised a large part of VCSE’s operating budget and recognized four state legislators for their exemplary work on issues ranging from taxes to privatization. Attendance reached almost 200—including 22 members of the General Assembly—a reflection of the fine reputation VCSE enjoys in the Commonwealth.

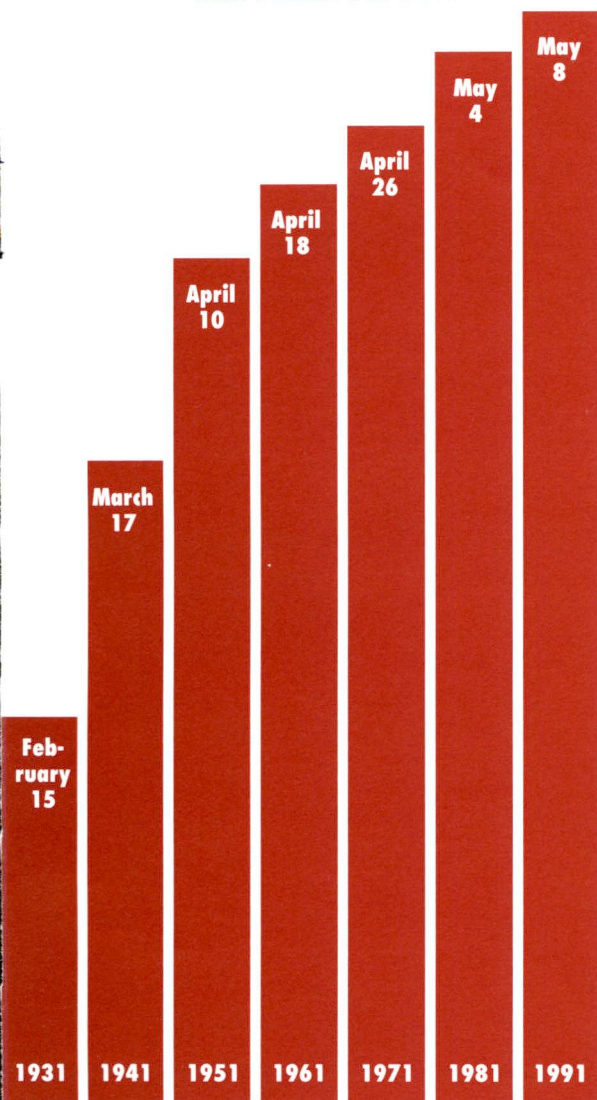
THE TIME IS RIGHT FOR A MESSAGE OF FISCAL REFORM

Thanks to three major grants awarded to CSE Foundation in late 1990, new state projects in New York and New Jersey are off to a running start, and we feel confident that our message will find willing ears. Severe budgetary problems in these states indicate that the time is right for our message of fiscal reform.

There are enormous opportunities ahead for us to play a leading role in affecting policy change at the state and local levels. With these changes, we will further our goal to help Americans everywhere find a brighter future through economic freedoms.

TAX FOUNDATION OBJECTIVE RESEARCH AND PUBLIC EDUCATION

TAX FREEDOM DAY



Tax Freedom Day is the day when the average American worker has finally earned enough money to pay all his taxes. In 1991, Tax Freedom Day was the latest ever—May 8.

As the size of government continues to grow, so does the need for reliable information about its cost and scope. Since 1937, the Tax Foundation has been monitoring tax and fiscal activities at all levels of government: federal, state, and local. In that year, far-sighted citizens and civic-minded businessmen envisioned an independent group of researchers who, by gathering data and publishing information on the public sector in an objective, unbiased fashion, could counsel government, industry and the citizenry on public finance.

More than 50 years later, in a radically different public arena, the Tax Foundation continues to fulfill the mission set out by its founders. It does so under the guidance of its Policy Council and Program Committee, two groups of executives who provide leadership and technical expertise to Foundation staff.

In 1990, the Foundation recorded an extremely productive year. In addition to its monthly newsletter, *Tax Features*, and its annual handbook on public finance, *Facts and Figures on Government Finance*, the Foundation conducted four seminars and one national conference, and published and disseminated five special reports, three seminar proceedings, fifteen press releases, and two issue briefs.

HAVING AN IMPACT ON POLICY DECISIONS

Tax Foundation publications educate not only the general public but policymakers and have an impact on the decisions made in Washington and state capitals around the nation. For example, in an issue brief entitled *A Decade of Budget Summitry*, published as budget negotiations began in June, staff economist Paul Merski examined ten years of similar efforts by the president and Congress, concluding that fiscal years preceded by budget summits actually had higher deficits than years not controlled by a summit agreement.

Several congressmen placed the Tax Foundation's analysis in the Congressional Record, and this exposé of budget summits' poor deficit reduction record was carried by dozens of publications nationwide.

The Tax Foundation's stated mission has always been to provide objective research and public education on the taxing and spending activities of federal, state, and local governments. In pursuit of this goal, it strips away partisanship and rhetoric in favor of facts and clear-cut analysis. In a nutshell, it helps the American people to know what is happening to their money.

In 1990 the Tax Foundation operated as a separate unit of Citizens for a Sound Economy Foundation. On January 1, 1991, the Tax Foundation began operation once again as an independent 501(c)(3) organization incorporated in the District of Columbia.

CITIZENS FOR THE ENVIRONMENT OFFERING FREE-MARKET ALTERNATIVES

NINETY PERCENT OF AVAILABLE WATER in the arid West goes to agriculture, leaving only one in ten gallons for city and suburban use. Government policies encourage agricultural waste: farmers who don't use up federally-mandated water allocations one season risk losing some of that water next season.

“Car tailpipe emissions have been cut by 96 percent since 1970, according to the auto industry. The new clean air laws are expected to reduce emissions only 2 percent further.”

**ANGELA LOGOMASINI
POLICY ANALYST, CFE
THE ORANGE COUNTY REGISTER**

CSE and CSE Foundation believe sound public policy should promote environmental stewardship consistent with economic growth. That is why in late 1990 we launched two new grassroots organizations, Citizens For the Environment (CFE) and its affiliate, CFE Action Fund. As alternatives to conventional environmental groups, CFE and CFE Action Fund advocate market- and science-based solutions to environmental problems. Prior to the official introduction of the groups, CSE saw the need for educational and political action on several key environmental issues.

LEGISLATION COSTS FAR EXCEEDED BENEFITS

CSE became active in opposing the Clean Air Act of 1990 in late summer. Experts say the legislation's costs—estimated at between \$25 billion and \$50 billion annually—far exceed any environmental benefits. To contest the bill, CSE Chairman James C. Miller III and six prominent economists, including three Nobel laureates, sent President Bush a letter urging him to consider the harsh economic consequences of the Act. A copy of the letter appeared in Congress' newspaper, *Roll Call*, and the letter was quoted on numerous occasions during the congressional debate. Though the bill was enacted into law, CFE has continued pressuring the administration to ensure that it is implemented in the most cost-effective and efficient way.

SOUNDLY DEFEATED BY CALIFORNIA VOTERS

California's Proposition 128—the “Big Green” initiative—was another piece of well-intentioned but badly misguided legislation. The proposition tried to handle numerous environmental concerns, often using extreme measures, and would have created a powerful regulatory office to enforce these measures at all levels.

CSE worked with California-based groups to combat the bill. A letter exposing the poor science of the initiative and signed by six well-known California scientists was distributed around the state. Several California newspapers published CSE editorial columns.

In November, California voters soundly defeated “Big Green” by a margin of two to one.

More recently, CFE has started work in other areas—such as municipal solid waste and the national energy strategy—where legislation and regulation can actually stifle useful innovation, and where market solutions would likely prove more successful.

TRAINING AND PLACEMENT

TAKING STUDENTS BEYOND THEIR TEXTBOOKS

One of the building blocks essential to creating a prosperous, free economy is the ongoing education of the young people who will become tomorrow's leaders. CSE Foundation's successful internship program continues to attract bright, motivated college students eager to learn more about free-market economic principles and teaches them how to apply these principles to the public policy debate.

Our internship program has been singled out by past participants as being one that goes beyond a "textbook experience." We're proud of this distinction because we seek to teach these students through practical training such as authoring newspaper articles, researching facts for testimony and analyses, writing for our member newsletters, attending briefings, and a myriad of other hands-on activities.

EXPERIENCE THAT WILL COMPLEMENT OUR EFFORTS

With the experience gained here, we hope these students will in time advance to positions where they can further their knowledge and apply it in ways that complement the efforts of CSE and CSE Foundation.

Such is also the goal for the policy analyst program, which is designed to provide positions for graduate students interested in policy research. Policy analysts work directly with staff economists to develop and write policy papers and articles as well as conduct research on a variety of key issues.

Through these educational programs, we are setting a sturdy foundation that will carry our work well into the next century and beyond.

CSE staff and interns gather on the steps of the U.S. Capitol to protest mandated parental leave legislation. The House was trying to override President Bush's veto of the bill; it was unable to do so, marking a victory for the 89 percent of Americans who oppose mandated benefits.



MEDIA OUTREACH

FINDING A RECEPTIVE AUDIENCE

Ideas publicized in the media are often at the cutting-edge of public policy change. With our media outreach program, CSE aims to identify media sources supportive of our ideas. Once identified, we educate these journalists about key economic issues so that they will use their influence to contribute the voice of economic sense to the ongoing debate.

Through this process, we hope to reach those people in positions to effect change, as well as those Americans concerned about the economy who may not be finding proper expression of their views through regular channels.

THE RESULTS TELL THE STORY

Exposure in both broadcast and print media reached record levels for CSE and CSE Foundation and our subsidiary organizations in 1990. Aggressive media strategies have led to increased radio and television air-time. In fact, such exposure is at an all-time high.

Exclusive placements of newspaper op-eds at the national level remained strong in 1990, and mass op-ed placements around the country are sustaining impressive levels in the print media.

Talk radio was effectively targeted as an outlet for exposure on issues such as “Tax Freedom Day,” the budget summit, parental leave, and the textile bill. These campaigns were highly successful: radio appearances alone were up by 35 percent over 1989.

When these mediums are added together, the results tell the story: Print coverage for CSE tripled in the past year, and broadcast coverage has more than quadrupled.

What that means is that we are getting the message out—and we are finding a receptive audience.

Perhaps the greatest achievement of the media outreach program has been in its consistency. Repeatedly,

CSE enhanced its media presence dramatically during 1990. Seen here is Director of Tax and Budget Policy J. Marc Wheat taping a satellite interview for broadcast on affiliate stations across the nation.



we have placed stories around the country on a wide variety of issues, both local and national in scope. Our audience now spans both urban and rural markets and encompasses most of the United States.

A RESOURCE FOR RELIABLE INFORMATION

Widespread distribution of the many materials produced at CSE and CSE Foundation demonstrates that we have become a trusted information source for the media. There is a notable increase in the number of print reporters and broadcast journalists coming to us for their background information. We regularly supply interviews with staff members, policy papers, and a wide array of literature for background material.

Through close working relationships with respected journalists, the media outreach program has created a pipeline for analyses and articles, as well as a reputation for being newsworthy and timely in news releases. The result is mass distribution and a growing public and media awareness of our efforts. The media looks to us not only as a responsible policy advocate, but as a valued resource for reliable information.

ISSUE ADVERTISEMENTS: A CRITICAL NEW ELEMENT

Along with a leaner, more streamlined distribution system for print publicity and a more aggressive broadcast program, the production of radio and television advertising spots became a critical element of the 1990 media program. Issue advertisements were able to enhance our efforts to influence policy and public opinion.

Early in the year, radio spots were produced and targeted at states with key swing votes in the battle to give the president the line-item veto. More recently, we turned to locally-aired radio ads to express opposition to the budget agreement that came out of summit negotiations. Television and radio advertisements were also generated in support of a ballot initiative in Oregon for educational choice in an effort to influence voters in that region.

CSE and CSE Foundation are dynamic, growing organizations, and the media outreach program is charged with harnessing this energy and directing it in a timely fashion to the appropriate audience.

Please see pages 28–30 for a detailed listing of articles and publications.



Former CSE president Wayne Gable's symbolic presentation of a six-foot-long pencil to White House Counsel C. Boyden Gray at a line-item veto press conference helped thrust the issue onto the evening network news shows.

PEACE, FREEDOM, AND PROSPERITY

The future of our nation should be as strong as the foundation it rests upon. As time has shown, the foundation of economic and political freedoms given to us by the founding fathers is very sturdy indeed. Yet over recent years, it is becoming more and more evident that we have not constructed an entirely worthy structure on this foundation.

Our government expects us to stand idly by while it fritters away our hard-earned dollars on dubious endeavors such as spending \$500,000 in taxpayer dollars to restore Lawrence Welk's boyhood home. Meanwhile, the national debt skyrockets; again, we are expected to ignore this catastrophe. Special interest groups hold Congress hostage, and all of Washington seems to operate on a policy of "you-scratch-my-back, I'll-scratch-yours."

Forgotten amidst all this squabbling and posturing are the people.

But to CSE and CSE Foundation, the people are the very reason for our existence: to ensure that the people are *not* forgotten. To ensure that government does not stand in the way of the hopes and dreams of individual citizens. Peace, freedom, and prosperity are goals common to all of us, and we will continually strive to help achieve those goals.

FINANCIAL REPORT FOR 1990
WORKING TO REALIZE OUR POTENTIAL

Countless individuals, corporations and foundations across the nation share in our commitment to build a brighter future. With each day that passes, all of us at CSE, CSE Foundation, and our affiliate organizations are reminded of how grateful we are for this unwavering support.

We are especially pleased to report that in 1990, the generosity of our supporters led us to achieve impressive financial results, as revenues increased by 88 percent over 1989. The combined revenues of CSE, CSE Foundation, and our affiliates topped \$8.2 million. This financial growth allows us to expand our programs and more fully realize the potential of CSE and CSE Foundation.

That revenues grew during an economic slowdown reflects the strength of our message. Support from the grassroots membership—those individuals who share the vision of a prosperous economy and creative free enterprise—proves to be the foundation of our support, as they still provide the largest source of our funding.

Corporations and foundations continue to express enthusiasm for CSE and CSE Foundation and our message. In 1990, we added a dozen new corporate members to a growing list that includes 18 *Fortune* 100 companies. Similarly, CSE and CSE Foundation welcomed several new foundation supporters. We have received considerable support towards the creation of our new state projects in New York and New Jersey.

Consistent with past years, we met our goal of keeping administrative and fund-raising expenses significantly below the guidelines established by organizations that monitor fund-raising activities of non-profits.

CSE and CSE Foundation maintain their independence through a formal separation of operations and activities. With distinct constitutional by-laws, different boards of directors, and separate bank accounts and financial statements, each is a separate entity. CSE Foundation is classified under section 501(c)(3) of the Internal Revenue Code, and donations to it are tax-deductible. CSE is a 501(c)(4) organization to which donations are not tax-deductible.

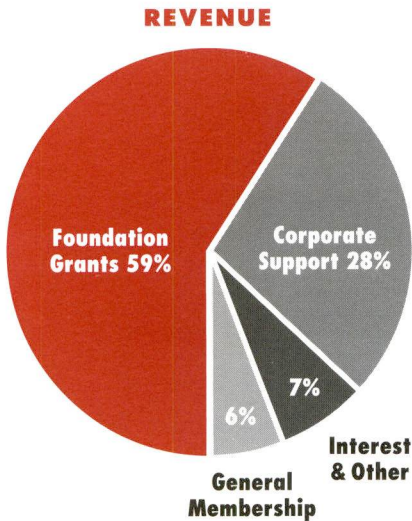
Financial statements audited by KPMG Peat Marwick are available upon request. Financial information on the following pages is excerpted from the audited financial statements.

*That revenues
grew during an
economic slowdown
reflects the strength
of our message.*

STATEMENT OF REVENUES AND EXPENSES

For year ended December 31, 1990

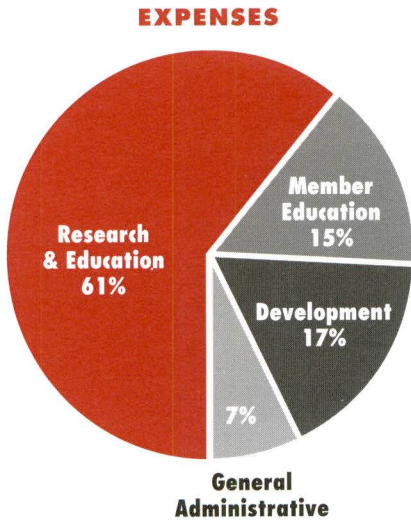
CSE FOUNDATION



REVENUE	AMOUNT
General Membership	\$ 123,453
Foundation Grants	1,368,425
Corporate Support	654,612
Interest & Other	168,564
Total Revenue	\$ 2,315,054

EXPENSES

Research & Education	\$ 1,647,317
Member Education	404,075
Development	457,290
General Administrative	204,217
Total Expenses	\$ 2,712,899



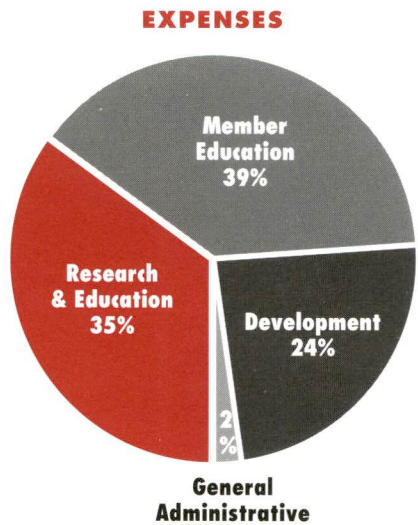
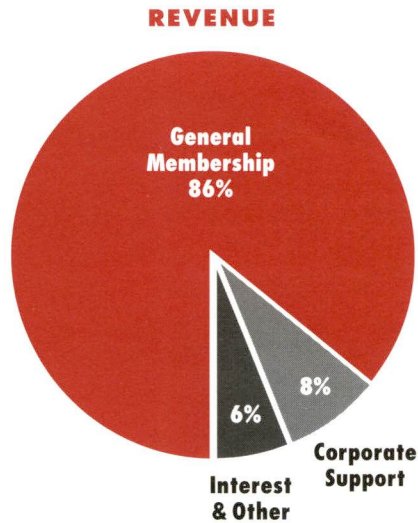
BALANCES

As of December 31, 1990,
Citizens for a Sound Economy Foundation
maintained the following balances:

Total Assets	\$ 1,538,949
Total Liabilities	746,213
Fund Balance	\$ 792,736

STATEMENT OF REVENUES AND EXPENSES

For year ended December 31, 1990



CSE

REVENUE

	AMOUNT
General Membership	\$ 4,728,135
Corporate Support	450,530
Interest & Other	332,035

Total Revenue	\$ 5,510,700
---------------	--------------

EXPENSES

Research & Education	\$ 1,774,941
Member Education	1,956,280
Development	1,220,970
General Administrative	89,896

Total Expenses	\$ 5,042,087
----------------	--------------

BALANCES

As of December 31, 1990,
Citizens for a Sound Economy
maintained the following balances:

Total Assets	\$ 1,264,668
Total Liabilities	450,574

Fund Balance	\$ 814,094
--------------	------------

PUBLICATIONS

BOOKLET

Wasting America's Money: Your Tax Dollars At Work

by Wayne Gable with Guy Lushin

POLICY PERSPECTIVES

Airline Competition: A Consumer Perspective

by Jerome Ellig, No. 27

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The 1991 Bush Budget And Deficit Reduction: Highlights And Analysis

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Implications Of A Value-Added Tax

by Bryan Riley

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Gramm-Rudman-Hollings And The 1991 Budget Process

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Tough Trade Policy: Shooting Ourselves In The Foot?

by Nancy Oliver & Phillip Mink

The Truth About Excise Taxes

by Virginia Stouffer & Bryan Riley

Can The United States Improve Its Foreign Direct Investment Policy Without Discouraging Foreign Investors?

by Bryan Riley

The Budget Summit Agreement: A Formula For Higher Taxing And Spending

by J. Marc Wheat

"Soaking The Rich" Is All Wet

by J. Marc Wheat & Angela Stevens

ARTICLES

GENERAL EDITORIALS

"The New Year Could Bring Savings To Consumers"

Lee Coppock

"Regulation Thwarts U.S. Competitiveness"

Nancy Oliver & B.R. McConnon

"Child Care: A Parent's Choice"

Trudy Pearce

"Tax Cuts Are On The Table In 1990"

David Makarechian

"U.S.-Canada Free Trade Agreement Promoting Opportunities"

Angela Logomasini

"The Budget Re-Run In Washington"

Bryan Riley & David Makarechian

"Mandated Parental Leave: A Burden America Is Not Willing To Bear"

Trudy Pearce

"Airline Competition: The Numbers Add Up To Success"

Jerome Ellig

"To Brave The Storm Of The Textile Lobby"

Trudy Pearce

"Congress Takes One Step Forward, Two Steps Back"

B.R. McConnon

"Pork Buster"

Bryan Riley

"Celebrating Tax Freedom Day"

Bryan Riley

"It's Time For Some Serious Congressional Reform"

Trudy Pearce

"Frankly Scandalous"

Trudy Pearce

"Summer of Discontent Over For Big Spenders"

David Makarechian

"Should Taxes Go Up? Take The Budget Quiz And See"

Chong Kim & David Makarechian

"Higher Taxes To Finance Pork-Barrel Spending"

Mark Bradford & David Makarechian

"Clean Air Bill: Will We Get Our Money's Worth?"

Angela Logomasini

"Moscow On The Potomac"

Michael Becker

"The Big Green Steamroller"

Dr. Jo Kwong

"Clean Air Politics: When Looking Good Prevails Over Doing Good"

Angela Logomasini

"The Christmas Tax"

Bryan Riley

"Averting A GATTastrophe"

Bryan Riley

STATE-TARGETED EDITORIALS

"Put The Brakes On Child-Care Regulation"

Lee Coppock
(VA)

"Regulators' 12-Year Itch"

Virginia Stouffer
(MN, TX, TN, MO, UT)

"Pork Buster"

Bryan Riley
(MI, NY, VA, GA)

"Virginia's Taxpayers"

B.R. McConnon
(VA)

"Nothing Big And Green Could Come Out of This"

Dr. Jill Snowdon
(CA)

1990 EXCLUSIVE EDITORIALS

"First Amendment Fantasies"

Telephony Magazine

Michele Isele & Phillip Mink

"A Presidential Veto For Pork Spending"

The Wall Street Journal

James C. Miller III

"Competition From Banks"

The Richmond Times-Dispatch

Michael Becker

"Rostenkowski's Bogus Cuts"

The Wall Street Journal

James C. Miller III

"Postal Service Is Asking Lots More For Lots Less"

San Diego Union

Jerome Ellig

"Stop the Deficit Dodge"

Christian Science Monitor

David Makarechian & Bryan Riley

"New Reform Would Hit The Old Dominion Hard"

The Richmond Times-Dispatch

Trudy Pearce

"Budget Summits: The Pits For Presidents"

The Wall Street Journal

James C. Miller III

"Higher Taxes Open Way To Spending"

San Diego Union

Michael Becker & Bryan Riley

"Perverse Twist To Cooperation"

The Journal of Commerce

Nancy Oliver & Brad Larschan

"GOP Tax Targets—State By State"

The Wall Street Journal

Paul Merski

"The Best Of Virginia Pork"

The Richmond Times-Dispatch

James Lamb & Chris Kelly

"It's Time To Let The Baby Bells Grow Up"

Legal Times

Phillip Mink & Michele Isele

"What The Budget Deal Costs You, State By State"

The Wall Street Journal

Paul Merski

"Pull The Plug On The Budget Deal"

The Wall Street Journal

James C. Miller III

1990 THE ECONOMY & YOU

"Peace Dividend Is No Excuse To Raise Spending"

"It's Time To Change The Spending Tradition"

"A Bright Future For U.S.-Canada Free Trade Agreement"

"Rearming For A Capital Gains Tax Cut"

"Stirring Up A VAT Of Trouble"

"Foreign Influence: A Threat To America"

"Don't Abandon Deficit Reduction"

"Social Insecurity"

"Pork Buster"

"A Breakthrough For Women?"

"Sunny Prospects For A U.S.-Mexico Free Trade Agreement"

"The Sugar Program: It's Everything But Sweet"

"No New Taxes?"

"Running The Government On Gasoline"

"Pass The Airline Magazines, We're Going To Be Here Awhile"

"Tired Of Paying For Junk Mail"

"The Unanswered Call For Lower Cable Bills"

"Should Taxes Go Up? Take The Budget Quiz And See"

"The Textile Industry's Cry For Protection"

"Making Elderly Americans Pay"

"The Clean Air Act's Hidden Price Tag"

"Congress' Fatal Attraction To Tough Trade Policy"

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INTERNS

WINTER 1990

Christine Clinton
Mount Holyoke College

Jill Fisher
Mount Holyoke College

Mary Alice Taliak
Mount Holyoke College

SUMMER 1990

Mark D. Bradford
University of California at Berkeley

Susan Curry
University of Massachusetts

Juliana Ivescu
University of Chicago

Christopher Kelly
Villanova University

Chong H. Kim
Yale University

Alexander Maskovitz
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Molly Moy
Oregon State University

Danielle Kerrin Paul
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Ripon College

Robyn Goldstein
Emory University

John Pisano
Marymount University

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Hood College

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Printing by Wolk Press, Inc.,
Woodlawn, Maryland

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SATURDAY
AUG 17 199141 BURRELLE'S 61
...wbk ...

EDITORIALS

Silsbee recycles;
Officer didn't think

^{E 4209}
Bouquets go this week to:
• Silsbee City Council, which has joined several other Southeast Texas communities in the movement toward curbside recycling.

City officials recently awarded a contract to a Beaumont waste management firm to begin picking up recyclable materials from residents' homes. The firm will pick up glass, plastic, aluminum and newspapers for recycling.

The aim is to reduce garbage taken to local landfills.

One by one, communities are climbing aboard the recycling bandwagon.

Congratulations are due the Silsbee City Council.

• The Texas Legislature, which has honored the memory of a former Southeast Texas newspaper publisher with a formal expression of condolences.

The resolution was for the family of Fred Hartman, former publisher of the Baytown Sun, who died July 27 at the age of 83.

Hartman, who also served on the Lamar University Board of Regents, founded Southern Newspapers Inc., which at one time owned the Beaumont Enterprise.

Fred Hartman was a giant in Texas newspaper publishing who dedicated a large part of his life to public service. In addition to his stint as a Lamar regent, Hartman served on the Texas Air Control Board and was chairman of the Harris County District Board.

The Legislature honored a fine citizen.

• Teachers throughout Southeast Texas, who next week open their doors to returning students for the 1991-92 school year.

Where did the summer go?

It was a quick three months, made even quicker by the earlier-than-before start of the school year. The Legislature mandated five extra days of class beginning this year.

So, it is time once again to salute the teachers who will educate our children, to help through another school year.

It also is time to wish good luck to the students as they tackle the challenges before them.

You all, teachers and students, deserve our very best wishes.

• Citizens for a Sound Economy, a Washington-based lob-

Bouquets and Brickbats

EDITORIAL

by, which has blown the whistle once more on government waste.

CSE has become a renowned watchdog organization. Its latest target is Congress, which is trying to appropriate a number of pork-barrel projects.

They include: \$150,000 to interpret the Hatfield-McCoy feud in Matewan, W.Va.; \$320,000 to purchase President McKinley's mother-in-law's house; \$2 million to develop and stimulate sales of Hawaiian handicrafts; \$37,000 to study handling of manure.

CSE brought these spending programs to light while praising the efforts of lawmakers seeking to end the practice of pork-barrel spending.

As worthwhile as it is for groups such as CSE to continue dogging government, it remains a frustration that Congress continues to send wasteful spending measures to the White House — and the president keeps signing them into law.

Still, Citizens for a Sound Economy deserves a pat on the back — as do other watchdog groups — for trying to keep us all informed about some of the ways the government is spending our money.

• • •

And a brickbat goes this week to:

• San Mateo County (Calif.) lawmen, for issuing a traffic ticket to a driver in obvious distress.

John Hall, of Pacifica, Calif., had just driven his pregnant wife and 2-year-old son to the hospital. His wife, Debra, had gone into labor. His son, who was recovering from surgery, stopped breathing en route to the hospital. Debra Hall had to administer CPR to the boy between labor contractions.

Then the family arrived at the hospital, delivered a 7-pound baby girl in the car outside the emergency room — only to have a police officer who had followed them at high speed make another delivery of his own, a traffic ticket.

Go figure.

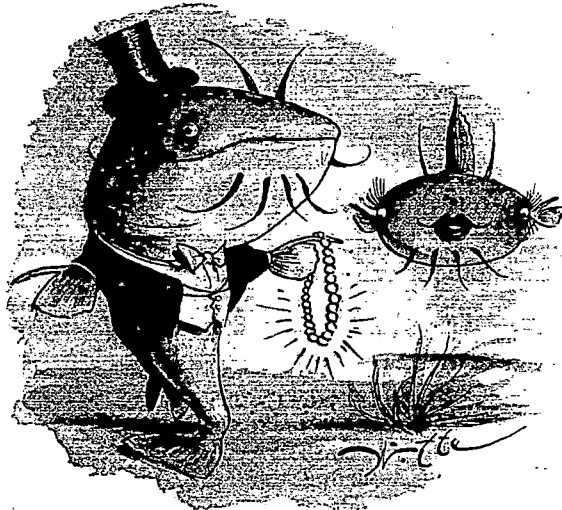
A Catfish That Oinks . . .

. . . and other tales of how Congress wastes money on pork-barrel projects

By HAYS GOREY WASHINGTON

As always, there were howls of outrage in Congress last week when the Pentagon unveiled the list of military bases it wants to phase out or scale down in order to save \$850 million. Angry lawmakers protested that the closings would cause irreparable economic harm to their districts and vowed to thwart them. But since none of the bases is considered essential to national defense, they fall into the category of pork: dubious spending programs that Congressmen support to curry favor with the folks back home.

Not all pork, however, comes wrapped in a khaki uniform. The federal budget is larded with highly questionable nonmilitary projects that receive lavish funding while more urgent national needs like fighting infant mortality and improving education are strapped for cash. None of the individual programs is large enough to worsen the \$318 billion deficit significantly. But lumped together, the plethora of porcine projects adds huge sums to federal outlays. Freshman Republican Senator Bob Smith of New Hampshire has been combing the budget for examples of nondefense pork, specifically projects that were never voted or debated but somehow were slipped into appropriations bills. Among the squealers he has unearthed:



Feeding the Fish

SPONSOR: Senator Dale Bumpers, Democrat of Arkansas

COST: \$2.7 MILLION

Bumpers' staff explains that the Senator has a deep interest in aquaculture. The money is to be used for construction and renovations at the catfish farm in Stuttgart, Ark. Why should the Federal Government dole out funds to an industry that is already flourishing because of the surge in interest in simple down-home cooking? Because Bumpers, who has been in the Senate since 1974, is likely to run for another term in 1994.

The Bicycle Bonanza

SPONSOR: Congressman Martin Sabo, Democrat of Minnesota

COST: \$1 MILLION

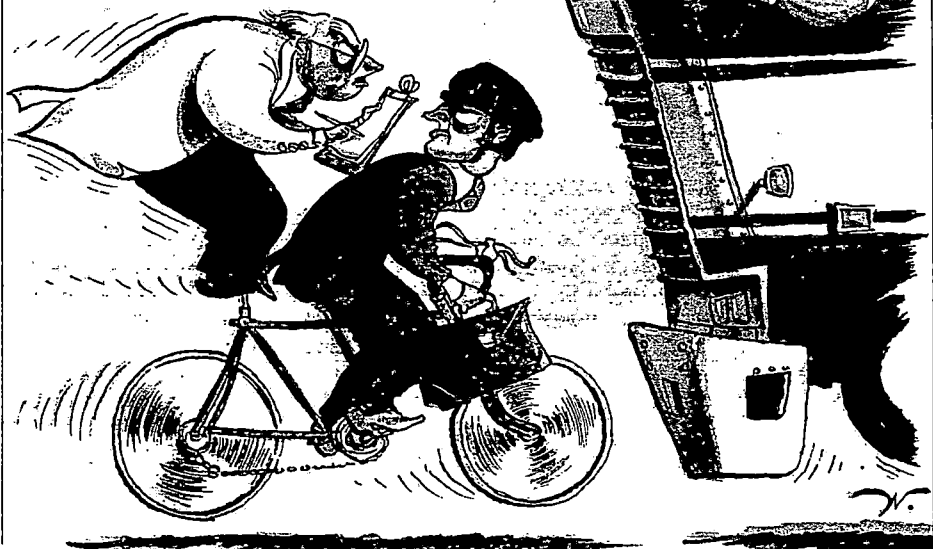
Sabo wants to know why more people don't ride bicycles to work. The appropriation he sponsored will fund a Department of Transportation study of the nonrider-ship problem. That investigation might discover that traffic lanes specifically designated for bicycles, more courtesies from motorists, an increased number of theft-proof places to park bicycles, and promotional campaigns pointing out the environmental and health benefits could encourage the use of two-wheelers. Sabo doesn't ride a bicycle. But his two daughters, who do, probably could tell him as much as a high-priced DOT study.

The Subway Steal

SPONSOR: Unknown

COST: \$6 MILLION

Why the sparkling underground railway that ferries Senators back and forth between their offices and the Capitol should be converted into a nonstop people mover remains a mystery. Built in 1912, the subway was completely refurbished in 1958; the current plan is to create a "loop" of cars that run slowly but continuously so people can step on and off. But the old system is in no evident need of repair. Perhaps that is why no Senator will admit sponsoring this expenditure, which was added to the appropriation bill of the Senate Appropriations Committee's legislative-branch subcommittee at a session during which no recorded vote of the members was taken.





The Tree Caper

SPONSOR: Congressman
Neal Smith,
Democrat of Iowa

COST: \$15 MILLION

Planting trees is a good idea, since they not only are beautiful but also can help ward off global warming by draining carbon dioxide from the atmosphere. But why should the Federal Government spend \$15 million (plus \$30 million annually over the next three years) to plant 50,000 trees on land owned by local governments, an expense that seems more appropriate for state and local governments? That question baffles Neal Smith. "Are you for tree planting or not?" he asks, with some exasperation. "This project is in everyone's interest. Grants go to all the states, not just Iowa. It's a conservation and beautification program that is very much worthwhile. I always thought 'pork' was what went to somebody else's district."

Solomonic Spending

SPONSOR: Congressman
Stephen Solarz,
Democrat of New York

COST: \$5 MILLION

The money is for a new building to replace the 50-year-old Quonset hut in which the Parliament of the Solomon Islands has been meeting. Solarz says the building will give "tangible support for democracy in

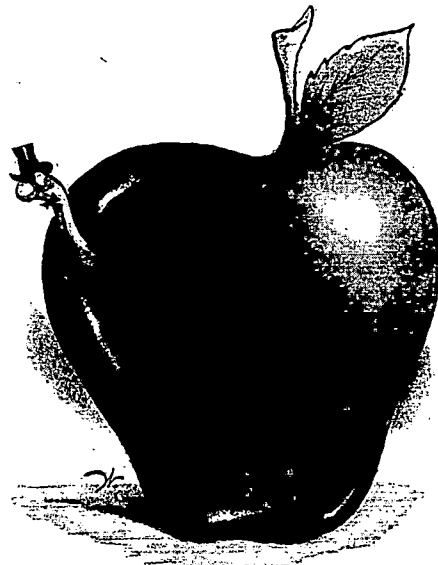
that part of the world." A noble purpose, but why was the appropriation tucked into a spending bill titled "Procurement for the United States Navy"? Solarz's explanation: he considers the new building to be a monument to the American G.I.s who perished in the World War II battle of Guadalcanal.

Burnishing Biscayne

SPONSOR: Congresswoman
Ileana Ros-Lehtinen,
Republican of Florida

COST: \$1.36 MILLION

The money will pay for "preliminary engineering" on a project to turn Miami's Biscayne Boulevard into "an exotic garden for people to enjoy the richness of city life," with 90-ft.-wide medians sculpted with tropical plants, broad sidewalks and miles of brick walkways. Why Miami doesn't raise the funds locally was not explained.



Polishing the Apple

SPONSOR: Congressman
Bob Traxler,
Democrat of Michigan

COST: \$94,000

As a veteran member of the Appropriations and Agriculture committees, Traxler has a reputation for bringing home the bacon. A case in point: this appropriation, which will fund research on methods of cutting losses in the handling and shipping of apples, thus benefiting consumers to whom such losses are passed along. Though no apples are grown in Traxler's district, Michigan's apple crop ranks third among the states and earns about \$75 million annually. Says Traxler: "I'm proud of the program."

Mom-in-Law's House

SPONSOR: Congressman
Ralph Regula,
Republican of Ohio

COST: \$320,000

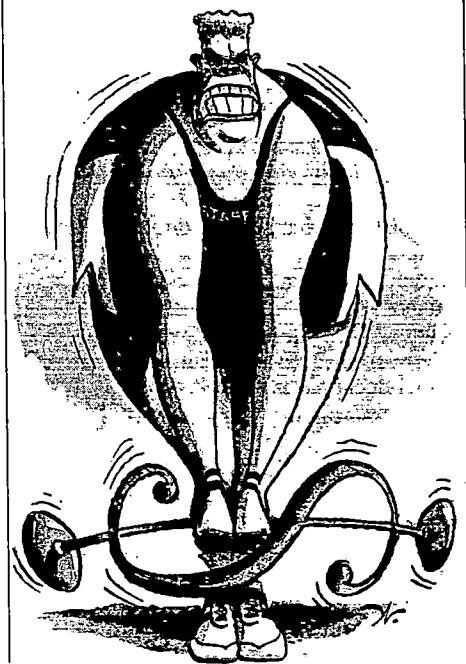
Though Ohio has many memorials to William McKinley, Regula says the purchase of the 25th President's wife's parents' home is justified because the house McKinley was born in has been destroyed. After all, he did reside there for a few years, and maintaining it will not cost the government a penny because the house will be turned over to private groups that will finish restoring it. Regula says it is merely a coincidence that he graduated from a law school named after—you guessed it—William McKinley.

The Gym Grab

SPONSOR: Unknown

COST: \$25,000

The money will pay for a study to determine where a new workout facility for congressional staff members should be located. They are not eligible to use the lawmakers' lavishly equipped private gym. Like the Senate subway bill, this expenditure was approved in a session of the legislative subcommittee of the House Appropriations Committee, with no recorded vote. Weeks of efforts to discover the identity of the sponsor have been fruitless. It may be a Congressman whose staff members are out of shape. How much the gym itself will cost has yet to be determined.



Fire Engines Red

MANY TOWNS and cities that broke with tradition and colored their fire engines yellow are returning to red.

Scott Krueger, marketing manager at Pierce Manufacturing, Appleton, Wis., says 75% of fire trucks are ordered entirely or partly red, up from 60% a decade ago. James Schwaller, sales vice president for Emergency One, a subsidiary of Federal Signal and a maker of fire trucks, says, "Studies show that lime yellow probably has more visibility than

pen
... of the ... a soft plas
tic pen cap dispense
correction fluid
"whether you have a hump on it
or not," Mr. Seaman says.

James Banks, general manager of International Rotex, says his company sells far fewer correction pens than bottle-and-brush combinations, because pens do a poor job of correcting errors on paper that's still in a typewriter.

Joseph Coletti, a Gillette product manager, responds that the pen has drawn "a lot of good compliments" and that the belly shape gives users the control they need to make in-typewriter fixes.

This Isn't the First Time Congress Has Done Something a Bit Feudal

By RAJU NARISSETTI

Staff Reporter of THE WALL STREET JOURNAL

Congress is known for its pork-barrel schemes, but critics say this time it has really gone whole hog.

That's because there's \$150,000 in the current federal budget to study the legendary feud between William "Devil Anse" Hatfield and Randolph McCoy.

The feud, which began in 1878—over an alleged theft of a pig—claimed 12 lives before ending at the Supreme Court in 1889. The project aims to document the social and economic contexts of the feud, minimizing the trigger-happy, hillbilly reputation that has since stuck to Matewan (pop. 800), now in the constituency of West Virginia Democratic Rep. Nick J. Rahall II, an ardent supporter of the scheme.

The program has earned the ire of a large coalition of taxpayer groups and congressmen that calls itself, appropriately enough, Porkbusters. "The Hatfield-McCoy program is one of the silliest, junky little programs that the Congress could siphon taxpayer's money into," says J. Marc Wheat of Citizens for a Sound Economy.

Among the coalition's long list of pork-barrel programs: \$11 million to renovate locomotives in Scranton, Pa.; \$320,000 to purchase the house of President William

McKinley's mother-in-law; \$1.7 million on a preliminary survey for converting Biscayne Boulevard in downtown Miami into "an exotic garden for people to enjoy the richness of city life."

The listing of the feud study as a pork-barrel scheme has brought squeals of protest from the National Park Service, which manages the project and whose activities are supervised by a House subcommittee that includes Rep. Rahall. "It sounds silly but it is not something to be ridiculed at all," says project planner Michael Creasey. "The focus is really on community development."

In addition to financing feud research, the money will augment locally funded initiatives for flood protection and town revitalization, a weekly newspaper and a greenway to link hiking trails with recreational and historic areas. "It is about a community working with its history in a positive way," says Paul McAllister, director of the nonprofit Matewan Development Center. "We are not asking the government to buy the town."

Maybe so, but not everyone is convinced it isn't pork-barrel politics. "It's ironic," says Mr. Wheat, "that the Hatfield-McCoy feud started over a pig and ended up as pork."

Eastman Kodak Puts the Focus On Leo Thomas

By JOAN E. RIGDON

Staff Reporter of THE WALL STREET JOURNAL

Leo J. Thomas has the daunting task of streamlining Eastman Kodak Co.'s sprawling imaging business. And if he succeeds, he could emerge as the company's next chief executive.

Mr. Thomas Monday was named president of the newly created Imaging Division, which encompasses both electronic and traditional photography. He says he has "the opportunity to break a couple of dishes" when he takes his post Sept. 1. His chief challenge: casting off ailing electronics businesses that have siphoned off profits.

While Mr. Thomas, who currently heads Kodak's health group, says it is too early to tell what will go, analysts expect that he will sell the troubled Atex pre-press systems and Data Tape, a magnetic data recorder business. Once that's done, he must increase Kodak's traditional photography business and those electronics businesses that can make photo-quality images.

Kodak's announcement this week that Mr. Thomas's new group would combine the company's former photography and information systems units puts the executive in what many consider the No. 2 spot. Reporting to him now are two executives who formerly reported directly to Chief Executive Kay Whitmore. The 58-year-old Mr. Whitmore hasn't yet named a president, fueling speculation that Mr. Thomas, 54, could be named to that post.

Analysts and Kodak watchers say Mr. Thomas is the best person for the job. Please Turn to Page B3, Column 2



Leo J. Thomas

Heart Bypass

By RON WINSLOW

Staff Reporter of THE WALL STREET JOURNAL

Two new studies found that open-heart patients were up to four times as likely to die at certain hospitals and under the care of certain surgeons.

The studies challenge some widely held assumptions that such factors as the number of tests done on patients or the number of procedures a doctor performs clearly affect results. And they raise tough questions over how best to use such information to improve the quality of health care.

Both reports are from collaborative groups of doctors comparing their own results in an effort to learn reasons for differences in outcomes and improve care. One group includes all 18 heart surgeons performing coronary bypass operations in Maine, New Hampshire and Vermont. The other is from five teaching hospitals in Philadelphia.

"What we see is neither alarming to us nor cause for action [against any provider]," says Gerald T. O'Connor, an epidemiologist at Dartmouth-Hitchcock Medical Center, Hanover, N.H., and principal author of one of the reports. "In the variability, there is opportunity to improve outcome. That's why people voluntarily do it," he says.

But a growing number of government agencies and corporate purchasers of health care are eager to use the same kind of information either for ferreting out substandard doctors or for choosing high-quality providers.

"If I lived in northern New England, I'd want to know which hospital was which and which surgeon was which," says Edward L. Hannan, consultant with the New York State Department of Health and author of a similar study that included a public ranking of 28 hospitals by death rates.

Both studies, which appear in today's Journal of the American Medical Association, include rankings of hospitals and surgeons, though none is identified by name. Dr. O'Connor fears that focusing a spotlight on individual providers will discour-

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Market place section, p. B1

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BURRELLE'S

A New Feud?

It's an old story of American folklore about the "bad blood" that developed between the Hatfield and McCoy families in West Virginia, leading to a legendary feud.

That was tough on the Hatfields and the McCoys. It may be hard on you, too. How do you feel about spending \$150,000 of your tax money for a project in Matewan, W. Va., to "interpret" the feud?

That's just one of countless examples of "pork barrel" politics involved in excessive federal spending bills.

An organization called Citizens for Sound Economy is publicizing the efforts of Sen. Robert Smith, R-N.H.; Rep. Harris Fawell, R-Ill., and Rep. Timothy Penny, D-N.M., to try to cut some of the waste.

These things are along the line of the money that was provided with no advance notice for a shrine to band-leader Lawrence Welk — but was eliminated when it got some national publicity.

In addition to the Hatfield-McCoy feud money, here are some examples of the economizers are suggesting be eliminated:

- \$320,000 to purchase the house of President William McKinley's mother-in-law.

- \$37,000 to research apple quality in Michigan.

- \$2 million to develop and stimulate sales of Hawaiian handicrafts.

- \$37,000 to study the "handling of animal manure and the development of resolution techniques to address conflicts between producers and the general public."

There are lots more.

Now, surely there are plausible explanations for some such things. Some good is perceived by someone. But are they high-priority items that deserve hundreds of thousands of tax dollars in a time of recession when taxes are high and deficits are out of control?

If all such projects were put before the entire House of Representatives and Senate in open sessions and on an individual basis, few of them would be adopted. But they get approved because many influential lawmakers tuck their projects for the home folks inside long and complicated bills on much larger matters and the whole package slides through.

There are many "good things" that the people might prefer not to pay for.

Just think how different our national finances would be if each spending item had to be individually voted on in the open — with the tax levy to pay for it attached!

Unfortunately, that's not about to happen. Unfortunately, the excessive spending will continue. But it is encouraging that there are a few who are trying to do what they can to cut down the "pork barrel" spending that victimizes us all unnecessarily.

Cut spending? Forget It.
Pork Is still the main diet on Capitol Hill

Pig Tales for Taxpayers

BY RALPH KINNEY BENNETT

"DIRE EMERGENCY!" Rep. Dan Burton (R., Ind.) mused on the title of the legislation he had just received. It was March 6, 1991, and the "dire emergency" supplemental appropriations bill to cover nonmilitary costs of the Gulf War was moving through a House eager to conclude its business and begin an Easter recess in two weeks.

The words "dire emergency" conjured images of some last-chance, patriotic effort to respond to an urgent need. Burton smiled to himself. It was precisely the kind of verbal camouflage Congress uses to cover up a spending binge.

Choice Cut. "I smell pork in this bill," Burton told his staff. "It's ripe for people slipping things in at the last minute. Let's comb through it and see what's in there."

Plowing through the bill's verbal underbrush, staffer Jeff Schaffner

stumbled on Section 203, something to do with the Philadelphia Naval Shipyard. To experienced pork hunters, specific geographic locations in a big spending bill are warning signals. Schaffner began making inquiries and soon found that Section 203 was a real choice cut—a \$1.2-billion loin of pork for Pennsylvania. It specified that money sought by the Defense Department for repairs to the aircraft carrier *USS John F. Kennedy* be spent on a "service life extension program" (SLEP)—a virtual gutting and rebuilding of the carrier—at the Philadelphia Naval Shipyard.

The Pentagon did not want the expensive SLEP but a normal overhaul of the *Kennedy* for an estimated \$500 million. What's more, it wanted to close the obsolete Philadelphia yard. But Rep. John P. Murtha (D., Pa.), the powerful

chairman of the House Appropriations defense subcommittee, had accommodated his Pennsylvania colleagues by slipping the SLEP into the bill. The project had never been voted upon or even discussed in open session.

It was one of the most flagrant pork ploys Burton could remember. He went to the floor on March 7, determined to knock Section 203 out of the bill. But Congressional pork barrelers always outnumber those who defend the general interests of the taxpayer. Burton's attempt was resoundingly beaten 315 to 105.

The fight was not over. Another Hoosier legislator, Sen. Dan Coats (R., Ind.), also pork hunting in the Senate version of the bill, had determined on his own to fight the SLEP issue. On March 20, two days before the Easter recess, Coats walked into the chamber armed with a one-page amendment to strike Section 203 from the bill. "I commend my colleagues from Pennsylvania for their clever drafting of this language," he said wryly. "But the Navy would be forced to spend money in a way they do not want to spend it, and in a place they do not want it spent."

Outraged, Sen. Arlen Specter (R., Pa.) and pro-SLEP Senators from adjoining states rushed to the floor. Specter recalled the past achievements of the Philadelphia yard. Sen. Joseph R. Biden, Jr. (D., Del.) invoked "national security." Sen. Frank R. Lautenberg (D.,

N.J.) sang the praises of previously SLEPed carriers in the Gulf War.

Last-Ditch Effort. After the debate, however, the Senate voted 56 to 44 to knock out Section 203 before passing its version of the bill. Coats left the floor, having won a \$700-million victory for the taxpayer.

Yet he knew that the Senate bill would have to be reconciled in conference with the House version. He was aware of the favor trading and flouted rules that characterize such down-to-the-wire meetings of the two appropriations committees.

The next day, House and Senate conferees went into marathon session. Sometime that evening, as they met in secret, the SLEP was quietly restored. "It wasn't the first time a public victory got lost in private," said Coats.

The next morning, copies of the bill were produced minutes before a vote on the \$5.4-billion measure. Representative Burton rose in a last-ditch effort to preserve what Coats had earlier achieved. Describing the SLEP as "pure unadulterated pork" pushed as an ad-hoc jobs program, Burton sought to have the SLEP removed. He might as well have been standing in front of an avalanche. His attempt was defeated 295 to 91 by legislators anxious to head home. On June 30, a special commission on base closing recommended shutting down the Philadelphia shipyard, but the Navy will be forced to complete the

SLEP of the *Kennedy* at the yard, as ordered by Congress.

Difficult to Digest. For Sen. Robert C. Smith (R., N.H.), another serious pork fighter, the dire-emergency vote confirmed that all the talk of "bare bones" budgeting is just that: talk. Working with Rep. Harris W. Fawell (R., Ill.) and a small group of other legislators, Smith has been trying to rescind the more flagrant pork projects in the 1991 budget and shoot down those emerging in 1992. Unless they succeed, taxpayers will be paying for hundreds of projects like these:

- a \$94,000 study of "apple quality" by Michigan State University, sponsored by Rep. Bob Traxler (D., Mich.).

- \$1 million to determine why people don't use bicycles or walking "as a means of transportation" more often, the brainchild of Rep. Martin Olav Sabo (D., Minn.).

- \$37,000 to develop "comprehensive management technologies" for the handling of animal manure, engineered by Rep. David E. Bonior (D., Mich.).

The list goes on and on: \$1.2 million for "Hawaiian homeland infrastructure development"; \$3 million for "neighborhood economic improvement" in New Orleans; \$2.9 million to find new uses for wood; \$80,000 to determine if floss from milkweed pods could replace goose down in bedding.

Piggyback Express. Reform is difficult; it is much easier to play the game. When Congressmen go

before one another's committees seeking pork, an extravagant ritual courtesy marks the occasion. "Doug, we have helped you in the past," says Transportation Subcommittee Chairman William Lehman (D., Fla.) to Rep. Doug Bereuter (R., Neb.), who is seeking \$3.6 million in special highway funds. "We want you to help us when [the full appropriations bill] comes to the floor."

Legislators who don't cooperate suffer the consequences. When Sen. Quentin N. Burdick (D., N.D.), agriculture appropriations subcommittee chairman and unabashed pork barterer, earmarked \$500,000 to build a museum at the birthplace of band leader Lawrence Welk, taxpayers across the country expressed outrage. Rep. Jim Slattery (D., Kan.) promised his constituents he would try to overturn the Welk grant.

Not long before the House was to vote on Slattery's amendment, a Burdick committee staffer telephoned a dean of Kansas State University (in Slattery's district) and implied that a sought-after \$5.3-million grant might have trouble getting past Burdick. Then Rep. Byron L. Dorgan (D., N.D.) warned that other pork bound for Kansas could be detoured.

The Welk grant had received so much national ridicule that Slattery succeeded in having it rescinded, but the whole exercise was a reminder that the pork game is played hard and fast. "I have no

doubt my district will take a hit somewhere down the line," says Slattery. "I'm sure some committee staffer is waiting to bushwhack me."

Cooked to Order. Many a college alumnus has dreamed of being able to make a big donation to the old alma mater. Congressional porksters get to do so often and with taxpayer funds. The same late-night, closed-door session that put the *Kennedy*-carrier SLEP back into the dire-emergency bill also produced \$8 million for a new building at Chicago's Loyola University. One of the school's most prominent alumni, Chairman Dan Rostenkowski (D., Ill.) of the House Ways and Means Committee, had the bequest dropped into the Pentagon budget in the Gulf War funding bill.

However, Loyola officials were troubled at taking dollars earmarked for defense. No problem. During the House-Senate conference, Rostenkowski somehow had the Pentagon money transferred to the Education Department budget. "We're very proud of him as an alum," says a university official.

A legislator who is justly feared is Sen. Robert C. Byrd (D., W.Va.), chairman of the Senate Appropriations Committee and the acknowledged "prince of pork." Says *Newsweek* correspondent Eleanor Clift, "Cross him and you pay; praise him and you play." Earlier this year, Byrd welcomed two new

Republicans onto the committee with the warning: "If you rock the boat or support a line-item veto, we have a special chute that goes down to the Potomac." It was Byrd's version of the Porkland law: "Go along to get along."

One of Byrd's favorite vehicles for porcine innovation is the Department of the Interior, whose vast stewardship includes public lands, historical sites and national parks. Byrd chairs the Interior subcommittee of the full appropriations committee.

When U.S. Fish and Wildlife officials found they needed a new home for a small fisheries training center near Harpers Ferry, W.Va., the Senator went into full pork alert. The eventual result was a plan for a grandiose training academy cum "wildlife habitat," a kind of combination Sea World, Disneyland and FBI Academy, which would be a "major tourist attraction." According to a Fish and Wildlife official, some engineers now say the plan could cost over \$200 million.

National Pork Service. Thanks to Byrd and other West Virginia legislators, the state is studded with obscure national parks and soon-to-be historic sites. Shouldn't Bramwell be a historic site? Set aside \$150,000 for a "study" on the matter. One of Bramwell's claims to historic status: site of the third drugstore in the United States to sell the perfume Chanel No. 5.

How about Wheeling as a "na-

tional heritage area"? Dole out \$325,000 to look into it. What was that Hatfield/McCoy feud about, anyway? Shovel \$150,000 to someone to "interpret" the feud. While you're at it, designate \$310,000 for a local hiking-trail group. And give the owner of that "historical" Huntington movie house \$4.5 million to transform it into a multiscreen theater.

Other legislators on both sides of the Hill follow Byrd's well-worn path to the pork barrel. Representative Murtha got \$13 million to create a chain of "industrial heritage" parks at old manufacturing sites in Pennsylvania. Sen. Daniel K. Akaka (D., Hawaii) got \$2 million to help perpetuate "native Hawaiian culture and values," which have survived for centuries but now presumably cannot make it without federal funds.

While the National Park Service (NPS) is struggling with scarce funds to repair such crumbling sites as Philadelphia's Independence Hall, it is bound by law to redirect millions into these pork doles. "Some Congressmen see the Park Service as an economic-development agency," says a high Interior official. NPS director James M. Ridenour worries about "lowering our standards, being willing to accept something that is less than nationally significant into our park system." He hopes that the system's truly significant parks, such as the Grand Canyon and Yellowstone, do not "suffer fur-

ther deterioration at the expense of" these new parks.

Pet Catfish. The pork mentality has profoundly changed the way government does business. A former veteran Senate staffer says, "Congress is no longer a legislative body. It has become a bureaucracy and a micromanager, using its power to rearrange things at the lowest levels."

A celebrated example is the federal catfish laboratory at Stuttgart, Ark. Private catfish aquaculture is profitable and thriving all over the United States, and catfish has become a popular food without government help. Every year the House Merchant Marine and Fisheries Committee recommends zero funding for the Stuttgart "farm," which is run by the Interior Department's Fish and Wildlife Service. But every year the farm gets ample funds through an obviously reluctant National Oceanographic and Atmospheric Administration (NOAA), which is a part of the Commerce Department.

The catfish farm is one of Sen. Dale Bumpers's (D., Ark.) pet pork projects. He is on both the Interior and Commerce subcommittees of the Senate Appropriations Committee. In 1991, NOAA stated that its funds "should not support catfish rearing at Stuttgart, because these activities relate to freshwater programs which are the responsibility of the Department of the Interior." Nonetheless, thanks to Bumpers, the Stuttgart catfish got

READER'S DIGEST

\$2.8 million that NOAA would like to have used elsewhere.

Time to Squeal. After the dire-emergency debacle, in which members saw a long and complex spending bill 15 minutes before the vote, Representative Fawell made a modest proposal to the House Rules Committee. He suggested that on spending bills in particular, the House should abide by its own rules—routinely waived—and give members three days to read and consider the measures before a vote.

Rules Committee members fell all over themselves in praising Fawell's idea, reflecting on how it would improve their oversight of public funds. Later that afternoon the committee killed his amendment. Last-minute votes on largely unread bills have become an established procedure in the House.

Presidents may be outraged at all the fat in such bills, but they are reluctant to veto an entire appropriations measure because of it. That's

why numerous Presidents—including Franklin Roosevelt, Harry S. Truman, Dwight Eisenhower and Ronald Reagan—have sought the power to veto *sections* of bills, the so-called line-item veto. With it the President could pass the appropriation but zero out specific items, trimming millions of dollars.

Some Constitutional scholars believe the power of the line-item veto is implicit in the Constitution. Senators Coats and John McCain (R., Ariz.) and Republican Minority Leader Robert Dole of Kansas have joined Senator Smith in a Senate resolution urging President Bush to execute a line-item veto and test the issue. Coats and McCain have also introduced S.196, the Legislative Line-Item Veto Act, which is now before the Senate.

If you believe the President should have such power, contact your Senator or Representative, urging passage of these measures, and write the President, encouraging him to execute a line-item veto.

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The deficit mounts — and the pork barrel rolls on

By J. MARC WHEAT
and JEREMY ROSEN

Miami, Florida, recently announced plans to build "an exotic garden for people to enjoy the richness of city life." The garden is the centerpiece for the revitalization of that city's Biscayne Blvd.

The plans call for 1,000 palms and flowering trees, wider sidewalks, 60 cafe terraces, 27 vending plazas and 12 shaded courtyards. Quite a bargain for \$18.6 million.

Who's paying for this majestic improvement to Miami? Right now, you are. Congress has provided Miami with taxpayer dollars to begin financing the project.

One might think that a local boulevard would be the responsibility of local citizens or government. But with congressional pork-barrel spending, almost any project is worthy of federal funding.

Indeed, pork-barrel spending has become a way of life in Washington. Just this year, Congress spent your money in the following ways: \$5 million to build a parliament building on the Solomon Islands; \$150,000 to interpret the Hatfield-McCoy feud; \$2.7 million for an experimental fish farm; \$320,000 to purchase President McKinley's mother-in-law's house; \$11 million for a locomotive theme park called "Steamtown"; and \$37,000 to study the handling of animal manure. Congress funds these programs at a time when the projected federal deficit will reach a record \$282 billion this year.

As these examples suggest, Biscayne Blvd. is just one of many outrageous, wasteful programs that have been given the congressional green light. Yet, by itself, it is also an interesting case study of

'**L**egislation ... would terminate 325 wasteful programs, including Biscayne Blvd., that are costing taxpayers more than \$1 billion this year.'

the mindset that dominates policy makers in Washington.

The plans for Biscayne Blvd. started as an architect's dream. The architect is Roberto Marx, widely known as "the Picasso of landscape architecture."

He says, "We need a social conscience to understand for what we are creating the garden. It's not only to be seen, but to be lived in. We need to give our life all meaning that other people can find a better balance. That is the landscape architect's mission, to discover the lost paradise."

In 1988, the Miami City Commission approved Marx's plan for Biscayne Blvd. Unfortunately for Marx, Miami had no money to pay for such an extravagant undertaking.

Did the city scrap the project or turn it over to private citizens for funding? Did city commissioners decide it was worthy and cut other projects to pay for it? Of course not. That would represent a form of fiscal responsibility found all too rarely in state and local governments. Instead, the city asked their local congressional delegation whether they could get the federal taxpayer to pay the bill.

Here, the plot thickens a little, as Congress has shrouded the "who done it" question in a bit of mystery. The Miami Herald fingers Rep. William Lehman, D-Fla., of Biscayne Park, who happens to be the Chairman of the House Appropriations Subcommittee on Transportation, as the one responsible for getting the funding for Bis-

cayne Blvd. Rep. Lehman, for his part, lays responsibility at the feet of his colleague Rep. Ileana Ros-Lehtinen, R-Miami. Whatever the case, we can safely assume that it was not a congressman from Maine or Alaska that arranged this particular boondoggle.

For this year, Congress appropriated \$1.7 million to study the engineering and environmental aspects of the program. However, few think this will be the end of the pork. Miami city leaders obviously expect Congress to fund the rest of the \$18.6 million project in the next few years.

Mark Israel, a lobbyist for the City of Miami, said, "The appropriations committee is not going to be in the position of funding the engineering and environmental work and stopping there. They won't make themselves look silly."

It's much too late to save Congress from looking silly. But some in Congress are working to stop future Biscayne Boulevards. Sen. Bob Smith, R-N.H., along with Rep. Harris Fawell, R-Ill., and Timothy Penny, D-Minn., has sponsored legislation that would terminate 325 wasteful programs, including Biscayne Blvd., that are costing taxpayers more than \$1 billion this year. By cutting such programs, the Smith-Fawell-Penny legislation would represent a welcome change in the "business as usual" attitude in Washington.

Asking taxpayers to make sacrifices to close the deficit while funding a tropical garden in Miami is tantamount to a declaration of war on the American taxpayer. As we mortgage our children's future with a mountain of debt, we must ask ourselves: Which will Congress choose, a tropical paradise or fiscal sanity?

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Editor Steve Gray's column, "The Business of Words," will return in two weeks.

TUESDAY
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'Altoona Turkey' symbol of pork barrel spending

By **BILL STERNBERG**
Sun Washington Bureau

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WASHINGTON — They're calling it the "Altoona Turkey."

Critics of the highway bill pending in Congress have made the proposed \$35 million overhead railway project in Altoona the poster child for pork barrel spending.

Citizens for a Sound Economy, an anti-tax, anti-spend group based here, placed the "suspended light rail system technology pilot project" atop its list of 10 objectionable provisions in the House version of the \$153.5 billion highway bill.

The group also circulated an artist's conception of what it dubbed the "Altoona Turkey." The drawing shows a Disneyesque railcar wending along a guideway from downtown Altoona through the hills of central Pennsylvania.

"As far as we're concerned, it's a classic example of pork barrel spending and would never stand on its own merits," said Brian Lopina, director of government relations for the citizen's group.

Lopina added that rail projects are "notoriously inefficient and they all end up being heavily subsidized by taxpayers."

The Altoona railway is among many Pennsylvania projects added to the bill at the behest of Rep. Bud

Shuster, a Republican from Everett who is the top GOP member of the House surface transportation subcommittee.

The version of the highway bill passed by the House Public Works and Transportation Committee would authorize \$5 million in pre-construction funding next year and another \$30 million the following fiscal year.

The project, proposed by a Canadian company, would "demonstrate" a new rail technology involving individual vehicles driven by electric motors along a prefabricated steel guideway.

Although the exact route is uncertain, the most talked about rail link would connect the bus and train station in downtown Altoona with the yet-to-be-built Galleria Mall three miles away.

The Galleria is being developed by George Zamias Inc. of Johnstown.

Federal Election Commission records show that members of the Zamias family and employees of the Zamias construction company contributed at least \$12,000 to Shuster's last two re-election campaigns.

Shuster has denied the rail project is a boondoggle, citing extensive local support for it.

"The senior members of the (public works) committee should be expected to work hard for their states' projects," Shuster said Friday.

Despite Altoona's history as a railroad town, however, enthusiasm for the project inside the Beltway appears thin.

"This country is in a dire financial situation and these politicians couldn't care less. What they do care about is bringing home the pork and getting re-elected; it's as simple as that," Paul Beckner, president of Citizens for a Sound Economy, said.

The Washington Post also cited the Altoona rail project in an article Friday about Shuster's success in obtaining federally funded road projects for his district, including a highway and a bypass named after the congressman.

The Post article said the overhead rail is among the Shuster projects being mentioned as "dubious" and quoted a Blair County resident as noting that most people drive to shopping malls.

The House had been scheduled to take up the highway bill Friday, but action was postponed until September because of disputes involving the bill's proposed 5-cent gasoline tax increase.

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EDITORIAL

U.S. Sen. Robert Byrd of West Virginia has been catching plenty of undeserved flak in the national press for his efforts to move federal jobs to his home state from Washington. The critics would do well to turn their attention to members of the House Surface Transportation Committee. Unlike their efforts, Byrd's jobs-moving program at least involves useful, necessary activities of the government. Fingerprint filing and identification for the FBI, which will be carried out in a huge new facility in Clarksburg, is just one example.

By contrast, the transportation spending bill just passed by the House includes a wide variety of silly, expensive projects, and House members want to pay for these misadventures in transportation with still another nickel in gasoline taxes.

This is a bipartisan affair. While Chicago Democrats wrote into the bill \$24 million to improve the city's State Street pedestrian mall, ranking Republican Bud Shuster, R-Pa., got one more project to name after himself in Altoona, Pa.—a 3-mile, \$35 million Disney-style mono-

rail. Citizens for a Sound Economy calls it the "Altoona Turkey," and if ever there was a turkey of a transportation project, this is it. Monorails have been spectacular failures in cities much larger than Altoona (pop. 57,000). But who cares about success or failure when you have nearly unlimited access to taxpayers' wallets?

It would be difficult to top the Altoona Turkey for simple waste, but there are some close competitors in the transportation bill. Ohio's Greene County would get \$5 million for a "bicycle pedestrian facility," the Niagara Frontier Authority would get \$4 million for the World University Games, and Boston would get \$2 million for bicycle paths under the bill.

Somewhere along the line, House members forgot that transportation bills should have something remotely to do with actually moving traffic. Sports championships, bike paths and the Altoona Turkey. We'd say it looks as though some House members are living in Disney World, but that would be a gross insult to Disney.

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