The Heritage Foundation Backgrounder

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HOW TO CLOSE DOWN THE DEPARTMENT OF COMMERCE

INTRODUCTION

The congressional budget resolution for fiscal year 1996[1] calls for elimination of the U.S. Department of Commerce (DOC). With its many sweeping changes, this resolution is both symbolic of the change in philosophy of this Congress and a very practical proposal to restructure a collection of programs and agencies that have little reason to share a common organizational structure. Legislation has been introduced in both the House and Senate to dismantle the Department of Commerce,[2] and both the House Commerce Committee and Senate Governmental Affairs Committee have held hearings.[3] The congressional leadership has indicated that the FY 1996 budget reconciliation bill will include language to close down the Commerce Department.[4]

The idea of closing the department comes entirely from Congress. The Administration's reinventing government initiative barely touches the Department of Commerce, which indeed cannot be "reinvented." The proper course of action is to dismantle the agency, which is little more than a collection of disparate programs. The Commerce Department has 20 undersecretary and assistant secretary offices, six directors and administrators, and 263 political appointees, and shares four budgetary functions with eight other Cabinet and sub-Cabinet departments.

1 House Concurrent Resolution 67, June 29, 1995.

2 H.R. 1756, introduced by Representative Dick Chrysler (R-MI) with 60 cosponsors on June 7, 1995, and S. 929, introduced by Senator Spencer Abraham (R-MI) with 5 cosponsors on June 15, 1995. Subsequent footnote references are to sections of this legislation unless otherwise noted.

3 On July 24 and July 25-27, 1995, respectively.

4 Patrice Hill, "Commerce Fuels Discord in GOP," *The Washington Times*, July 27, 1995, p. A9.

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

To close the department, obsolete and outmoded programs should be terminated, and duplicative programs should be consolidated with other departments. Commercial activities should be privatized or ended—leaving private corporations to pay for their own research, advertising, and other costs of doing business.

Specifically, Congress should:

- ✔ **Close down** the Office of the Secretary and Departmental Administration.
- ✔ **Use** the staff of the Inspector General as the core for the transition work but abolish the office upon completion of this work.
- ✔ **Close** the Economic Development Administration, with outstanding loans to be collected by the Treasury Department.
- ✔ **Consolidate** the Bureau of the Census and other federal statistical agencies, including the Economics and Statistics Administration, within a single new independent agency.
- ✔ **Transfer** trade functions to the Treasury Department, including the International Trade Administration.
- ✔ **Transfer** the Bureau of Export Administration to the Defense Department.
- ✔ **Close** the domestic offices of the U.S. and Foreign Commercial Service.
- ✔ **Close down** the Minority Business Development Agency.
- ✔ **Close down** the Travel and Tourism Administration.
- ✔ **Transfer** the National Oceanic and Atmospheric Administration—the major part of the Commerce Department—to other Cabinet departments that perform similar functions and close down the NOAA Corps.
- ✔ **Establish** the National Weather Service as an independent agency, with commercial services privatized.
- ✔ **Establish** the Patent and Trademark Office as an independent corporation.
- ✔ **Close down** the Office of Technology Policy (Technology Administration).
- ✔ **Privatize** the National Technical Information Service.
- ✔ **Close down** the National Institute of Standards and Technology and transfer residual functions to the National Academy of Engineering.
- ✔ **Close down** the National Telecommunications and Information Administration and privatize electromagnetic spectrum.

A Cabinet department reporting directly to the President of the United States ought to have a clearly defined mission and not continue year after year to function simply as an organization chart, tying together a loose collection of agencies. Defenders of the Commerce Department argue that its various activities are valuable and useful, but no case has been made that these functions cannot be performed in the private sector or elsewhere in government, or that they are more valuable than the budgetary resources consumed.

Because Commerce would be the first Cabinet department in U.S. history to be dismantled, the absence of clear precedents and procedure presents a challenge for the House and Senate task forces chaired by Representative Dick Chrysler (R-MI) and Senator Spencer Abraham (R-MI). Title I of both their bills establishes a temporary Commerce Programs Resolution Agency modeled after the Resolution Trust Corporation, created by Congress to dispose of the assets of failed thrift institutions closed in the late 1980s. An administrator of this temporary agency, appointed by the President, would have broad powers to "allocate or reallocate any function" according to "a plan for winding up the affairs of the Agency" that the President must submit to Congress within six months. The agency would have three years to terminate programs, reassign civil service personnel, and dispose of surplus property.[5]

THE "DEPARTMENT OF MISCELLANEOUS AFFAIRS"

According to its own Inspector General, Commerce has evolved into "a loose collection of more than 100 programs delivering services to about 1,000 customer bases."[6] The General Accounting Office reports the department "faces the most complex web of divided authorities" and shares "missions with at least 71 federal departments, agencies, and offices."[7]

Most of the department's resources have little or no relation to its purported mission: "encourag[ing], serv[ing], and promot[ing] the Nation's international trade, economic growth, and technological advancement."[8] For instance, nearly 60 percent of the agency's budget (about $2 billion per year) and some 37 percent of its staff are in the National Oceanic and Atmospheric Administration (NOAA), which conducts a number of environmental programs, including weather-related activities and research programs in marine and atmospheric sciences. Meanwhile, export promotion programs are distributed among ten different federal agencies: "The U.S. Department of Agriculture, not Commerce, receives about 74 percent of total funding for these programs, although it accounts for only about 10 percent of U.S. exports."[9]

Not only are many of the department's other activities—especially its commercial operations—questionable as federal functions, but most badly need modernization and capital investment. Due to political and budgetary pressures, much of its capital stock is in disrepair. The GAO reports that departmental infrastructure—"federal laboratories, a fleet of ships, weather satellites and radar, information systems, and other facilities and equipment—will require investments of at least $7.4 billion over a 15-year period."[10] The National Weather Service modernization program "has exceeded its expected cost and is far behind schedule. The initial cost estimate of nearly $2 billion has risen to $4.6 billion," and the projected completion date has slipped from 1994 to 1998.[11]

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5 Sections 105 and 106.

6 U.S. General Accounting Office, Transition Series, *Commerce Issues*, GAO/OCG-93-12TR, December 1992, p. 7.

7 *Ibid.*

8 *The United States Government Manual 1994/95* (Washington, D.C.: Federal Register, 1994), p. 158.

9 GAO, Transition Series, *Commerce Issues*, pp. 9-10.

10 *Ibid.*, p.11.

The Department of Commerce cannot be "reinvented." The optimal course of action is indicated by the congressional budget resolution: The department should be dismantled. Its obsolete and outmoded programs should be terminated. Its duplicative programs should be consolidated with other departments, and its commercial activities should be privatized or closed.

The following analysis examines each organizational unit in the Commerce Department and recommends how to terminate or transfer its activities. For reference, data from the President's budget[12] are included in tables at the head of each section, with full-time employment levels and budget outlays in millions of dollars for fiscal years 1994 through 1997. In addition, major programs are detailed with obligated spending in millions of dollars.

Office of the Secretary and Departmental Administration

	1994	1995	1996	1997
Outlays (millions)	$ 34	$ 40	$ 37	$ 34
Personnel	971	953	919	920
Programs				
Executive direction	$12.9	$15.0	$13.7	$14.0
Department staff services	$21.6	$22.9	$22.1	$23.0

The position of Commerce Secretary was established in 1913 when Labor was separated from the original Department of Commerce and Labor, which was established in 1903. The new agency was supposed to foster modern industrial production, rather than agriculture (which already enjoyed its own Cabinet department for 41 years).

The Secretary of Commerce often is portrayed as the advocate of pro-business policies in a President's cabinet.[13] But public policy decisions affecting business generally are not made in the Commerce Department. Rather they come from such agencies as the President's Economic Council, the Environmental Protection Agency, the Internal Revenue Service, or the Department of the Interior. The Secretary of Commerce, in recent administrations, has served more often as an important fund-raiser for his President's election campaigns than as the architect of policies to help the nation's commerce.

What Congress Should Do:

The administrative and coordination functions of the Secretary of Commerce and supporting bureaus under his immediate authority should be assigned to a temporary Commerce Programs Resolution Agency, as provided in Title I of the legislation introduced by Representative Chrysler and Senator Abraham. The President would submit to Congress within six months "a plan for winding up the affairs of the Agency," and an administrator appointed by the President would have broad powers to "allocate or

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11 *Ibid.*, p.14.

12 Appendix, *Budget of the United States Government, FY 1996* (Washington, D.C.: U.S. Government Printing Office, 1995), pp. 251-87.

13 Donald R. Whitnah, "Department of Commerce," in *Government Agencies: The Greenwood Encyclopedia of American Institutions* (Westport, Conn.: Greenwood Press, 1983), pp. 91-97.

reallocate any function." This temporary agency would have no more than three years to execute the legislative mandate: terminating programs, reassigning civil service personnel, and disposing of surplus property.[14]

Inspector General

	1994	1995	1996	1997
Outlays (millions)	$15	$17	$22	$22
Personnel	191	198	219	220

The Office of Inspector General was established in 1978 to provide agency-wide audits and investigations and to recommend corrections for waste, fraud, and mismanagement.

What Congress Should Do:

Congress should close the Office of Inspector General, although its personnel could form the core staff for the temporary Commerce Programs Resolution Agency established by the Chrysler-Abraham legislation.

Economic Development Administration

	1994	1995	1996	1997
Outlays (millions)	$232	$376	$427	$380
Personnel	344	350	309	300
Programs				
Administration	$28	$31	$31	$30
Grants	204	362	401	350

During the Johnson Administration, the Public Works and Economic Development Act of 1965 established a program of grants and other financial assistance to targeted cities and rural regions identified as "economically distressed." The Economic Development Administration (EDA) also operates the Revolving Loan Fund, lending money to state and local governments that they in turn lend to businesses. The EDA will spend roughly $362 million in fiscal 1995 and $401 million in fiscal 1996.[15]

What Congress Should Do:

Congress should close down the Economic Development Administration and direct the U.S. Treasury to collect all outstanding loans.[16] Congress approved $408 million in EDA spending for fiscal 1995, including $202 million for public works, $26 million in planning grants, $120 million for defense economic conversion, and $45 million in economic adjustment grants.[17] The EDA's development functions duplicate the activi-

14 Sections 105 and 106.

15 Appendix, *Budget of the United States Government, FY 1996*, p. 254. These totals do not include operating expenses which amounted to $31 million for both years.

16 Section 201 repeals the Public Works and Economic Development Act of 1965 and directs the Secretary of the Treasury to collect outstanding loans; Section 212 abolishes the Economic Development Administration.

17 Appendix, *Budget of the United States Government, FY 1996*, p. 254.

ties of programs within the departments of Agriculture, Defense, Interior, and Housing and Urban Development, the Appalachian Regional Commission, the Small Business Administration, and the Tennessee Valley Authority.[18] On these grounds alone the program should be terminated.

Throughout the EDA's history, grants have been used by Members of Congress to distribute favors to constituents by "earmarking" funding to projects, bypassing the formal hearing process. This often means EDA grants go to locations with healthy economies that do not need federal assistance. In fact, the 17 states represented by the members of the relevant House and Senate subcommittees received $1.10 per capita in EDA grants during 1994, compared with 68 cents per capita in those states without representation, despite the fact that the average unemployment rate for the states represented was only 5.2 percent, compared with the national average of 5.4 percent that year.

The pork-barrel projects funded in the FY 1995 appropriation bill include:

- **Egegik, Alaska.** The small fishing village of Egegik, with a population of 101, rests on the western shore of Alaska. Egegik has a per capita income of nearly $20,000 and is home to 23 families with an average family income of more than $60,000. Yet, in 1994, EDA granted the village $826,000 for the construction of a public dock. This is the equivalent of $8,178 for every person in Egegik.

- **Key Biscayne, Florida.** A town of 8,854 residents, Key Biscayne is located in the middle of one of the most popular vacation spots in the country. Taking advantage of its beautiful climate and year-round influx of tourists, the local population enjoys a per capita income of more than $37,500. Yet Key Biscayne was awarded a 1994 EDA grant of $750,000 for the installation of a storm sewer system.

- **St. Cloud, Minnesota.** St. Cloud University was awarded $91,512 in 1994 for the rehabilitation of its university center. According to EDA guidelines, these centers "must focus on service areas with significant economic distress."[19] But this area hardly qualifies as distressed; St. Cloud has an unemployment rate of 3.0 percent and an above-average per capita income. Minnesota's unemployment rate is 3.2 percent, the fourth lowest in the nation.

18 J.F. Hornbeck and Susan Cox, "Federal Economic Development Assistance: A Summary of Major Programs," Congressional Research Service, *CRS Report for Congress*, 93-32E, January 8, 1993.

19 Office of Public Affairs, Economic Development Administration, *Programs of the Economic Development Administration*, U.S. Department of Commerce, n.d., p. 6.

Almost all federal development programs, moreover, have proven to be expensive failures. Federal public works, job training, and regional development programs create few new jobs for the considerable amounts of money they cost to administer.[20] As a typical example, the General Accounting Office noted that no more than 35 percent of the beneficiaries of the Emergency Jobs Act of 1983 actually had been unemployed.[21] Another analysis suggested that only 84 previously unemployed people received jobs under the program at a cost of some $307,000 per job. The average private-sector job costs only about $40,000 to create.[22] Congress could do far more to spur economic development by closing down the EDA and using the savings to reduce the tax burden faced by private-sector employers, who are in a better position to create jobs.

The House Transportation and Infrastructure Committee, which has jurisdiction over the sections of the Commerce Department Dismantling Act that abolish EDA, voted instead on August 2 to support a measure that would preserve all of the pork barrel substance of the program.[23] It creates a new Undersecretary of Commerce and an Office of Economic Development to "replace" the current EDA and authorizes funding of $340 million per year for five years. Section 605 of the legislation even contains a provision to assure that EDA's functions will survive the elimination of the Commerce Department.

The proposed substitute bill adopts the model of the Appalachian Regional Commission, established in 1965 as a temporary response to poverty in 13 states, which today continues to provide highway construction grants and other financial aid to those states and local governments. The House committee not only reauthorized the Appalachian Regional Commission for five years, it created eight additional regional commissions as independent agencies, administering grants and loans for spending on government-financed projects. Up to 45 percent of the United States would qualify for pork barrel spending based on the following eligibility criteria: per capita income of 80 percent or less of the national average; or an unemployment rate one percent above the national average for the most recent 24-month period; or sudden and severe job loss; or "a pocket of poverty."[24]

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20 See John Semmens, "Government Investments Yield Poor Results," *A Heartland Perspective*, The Heartland Institute (Chicago), October 18, 1993; U.S. General Accounting Office, "Emergency Jobs Act of 1983: Funds Spent Slowly, Few Jobs Created," Report to the Chairman, Subcommittee on Employment and Productivity, Committee on Labor and Human Resources, U.S. Senate, GAO/HRD-87-1, December 1986; Kevin G. Salwen and Paulette Thomas, "Job Programs Flunk at Training But Keep Washington at Work," *The Wall Street Journal*, December 16, 1993, p. A1; Bruce Bartlett, "How Not to Stimulate the Economy," *The Public Interest*, No. 112 (Summer 1993), pp. 99-109; Edward L. Hudgins and Ronald D. Utt, eds., *How Privatization Can Solve America's Infrastructure Crisis* (Washington, D.C.: The Heritage Foundation, 1992); Edward L. Hudgins, "Why Infrastructure Spending Won't Jump Start the Economy," Heritage Foundation *Memo to President-Elect Clinton* No. 9, January 15, 1993.

21 GAO, "Emergency Jobs Act of 1983: Funds Spent Slowly, Few Jobs Created."

22 Hudgins and Utt, *How Privatization Can Solve America's Infrastructure Crisis*, p. 6.

23 H.R. 2145, introduced on August 2, 1995, by Representative Wayne T. Gilchrest (R-MD) and cosponsored by the committee's chairman, Representative Bud Shuster (R-PA), and ranking minority member, Representative Norman Y. Mineta (D-CA).

24 Section 502. Cited from the Committee's section-by-section summary of the legislation.

This effort by the House Transportation and Infrastructure Committee is extremely ill-advised. The proposal for a group of regional commissions to hand out grants and below-cost loans will only perpetuate and expand the unsound practices of subsidizing construction projects for political gain.

Bureau of the Census

	1994	1995	1996	1997
Outlays (millions)	$250	$282	$315	$340
Personnel	7,401	7,383	7,653	7,900

The Bureau of the Census was established as a permanent office in 1902. In addition to conducting the decennial census as required by the U.S. Constitution, the bureau continuously gathers and tabulates a wide range of economic and demographic statistics.

What Congress Should Do:

Congress should transfer the U.S. Census Bureau to a new independent agency, a Bureau of National Statistics, which would house all data collection functions of the government. Former Bureau of Labor Statistics Commissioner Janet L. Norwood, in her recent *Organizing to Count: Change in the Federal Statistical System*, puts forth a practical and detailed proposal for such reorganization.[25] A centralized statistical agency for the United States, similar to that of Canada, also was recommended in The Heritage Foundation's *Rolling Back Government: A Budget Plan to Rebuild America*[26] and by the National Association of Business Economists.[27]

Section 207 of the Chrysler-Abraham legislation would transfer the Census Bureau to the Treasury Department, which already performs substantial data collection in administering the Internal Revenue Code and collecting customs duties. The House and Senate task forces set out to reduce the size of government, not merely to rename existing bureaucracies (although Census would remain under their bill), so they call for no new independent federal agencies. But the benefits from establishing an independent Bureau of National Statistics are substantial. One of the most important would be to take statistical functions out of politicized bureaucracies and place them in an agency with no policy functions, thereby helping to insure that data collection is not influenced by political considerations.[28]

25 Washington, D.C.: The Urban Institute Press, 1995. See chapter 7, "Organizing to Count: How Can We Improve the Federal Statistical System," pp. 69-87.

26 Scott A. Hodge, ed. (Washington, D.C.: The Heritage Foundation, 1995), p. 27.

27 "Economic Statistics Survey, January 1995," *NABE News*, March 1995, p. 9.

28 Both Norwood, *Organizing to Count*, and other critics attribute current problems with government statistics to "pressures placed on them by policy analysts." See Martin Flemming, "Cottage Industry of Statistics Books Plumbs the Depths and the Heights of the U.S. Statistical System," *NABE News*, July 1995, pp. 5-6.

Economics and Statistics Administration

	1994	1995	1996	1997
Outlays (millions)	$46	$50	$56	$56
Personnel	518	522	549	549

The Bureau of Economic Analysis was established by the Secretary of Commerce in 1953. It reports to the Undersecretary for Economic Affairs, who also oversees the Census Bureau. The two agencies together are known as the Economics and Statistics Administration, although the much larger Census Bureau is always identified separately. The agency draws upon the work of the Bureau of Labor Statistics, the Census Bureau, and other data collection sources to compile the national income and product accounts and prepare forecasts and indicators of economic activity, widely followed by the news media and economists.

What Congress Should Do:

Congress should incorporate the Bureau of Economic Analysis (along with the Census Bureau) within an independent Bureau of National Statistics, which would be responsible for all economic and demographic data collection and analysis for the federal government. Statistical functions of the Departments of Agriculture, Education, Energy, Health, and Labor also should be merged within the new agency.

Section 208 of the Chrysler-Abraham legislation provides for transfer of the Bureau of Economic Analysis to the Federal Reserve System, which already performs substantial data collection as part of its banking regulation and monetary policy functions. As with the Census Bureau, sponsors are reluctant to establish any new federal agencies. The independent Federal Reserve, however, should not be assigned functions by Congress only tangentially related to its central role of monetary policy and policing the nation's payments system.

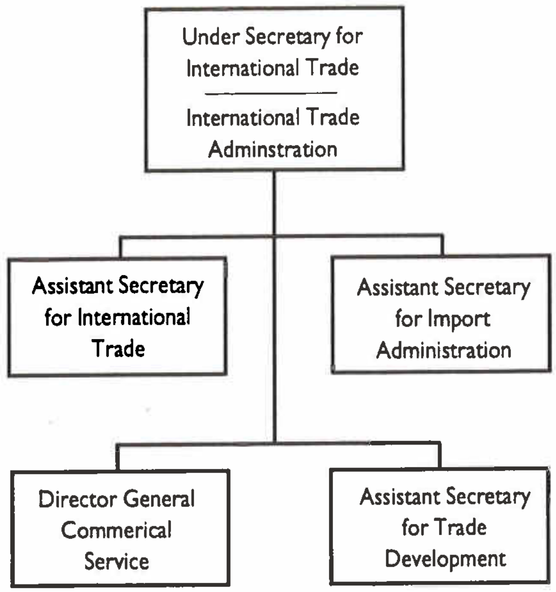
International Trade Administration

	1994	1995	1996	1997
Outlays (millions)	$234	$240	$266	$275
Personnel	2,336	2,385	2,303	2,350
Programs:				
Trade development	$60.0	$67.6	$53.9	$54.0
International economic policy	20.8	27.8	25.7	26.0
Import administration	32.7	30.4	30.5	31.0
Commercial Service	137.8	158.3	169.5	180.0

The International Trade Administration (ITA) was established in 1980 by the Secretary of Commerce and also encompasses the Bureau of Export Administration. The ITA is charged with promoting U.S. exports, both through "export promotion" advocacy and diplomatic intervention by Commerce officials. It also processes petitions by U.S. industries seeking antidumping duties, countervailing duties, and other retaliatory weapons to erect trade barriers against foreign producers and products.[29]

Chart 1

The Office of the Under Secretary of the Treasury for International Trade



Source: Based on *The United States Government Manual 1994/1995.*

The Undersecretary for International Affairs also runs numerous other programs, such as the U.S. Foreign and Commercial Service, which target a handful of industries for export development. The Undersecretary has a Deputy Undersecretary and a Director of Administration, as well as a Deputy Assistant Secretary for Planning and three other Assistant Secretaries, plus the Director General of the U.S. and Foreign Commercial Service (which has offices in 68 countries throughout the world as well as 47 district offices and 21 branch offices in the United States).

What Congress Should Do:

Congress should transfer all Department of Commerce trade policy and trade law enforcement activities to the Treasury Department. An Undersecretary of the Treasury for International Trade should be created to assume all functions of the present Undersecretary of Commerce for International Trade, including direction of the Import Administration, Trade Development, and the Foreign Commercial Service (see chart above). The new Treasury Undersecretary would have the same relative status within a Cabinet department, and the trade functions would complement and reinforce the Treasury Department's current role as the principal agency for international economic policy. There should be no change in the duties of the current Undersecretary of the Treasury for International Affairs.

29 See Greg Rushford, "America's 'MITI Without Brains'," *The Wall Street Journal*, February 3, 1995, p. A12.

The Secretary of the Treasury is the government's principal officer for international economic policy. The Treasury Department has exclusive jurisdiction over all U.S. international economic relations, except trade policy. Outside the United States, the Secretary of Commerce is perceived correctly as a minor Cabinet officer. The Secretary of the Treasury is responsible for U.S. currency exchange rates, U.S. policy in the International Monetary Fund and World Bank, and macroeconomic coordination among the G-7 industrialized countries. Except for the President, the Treasury Secretary has always been the chief spokesman for U.S. economic interests internationally. The more central role assumed by trade policy in the post-Cold War era requires greater coordination with other international economic functions — a magnification of influence that only a Treasury Secretary can bring to the task.

To elevate the importance of enforcing U.S. international trade agreements, a central concern of both U.S. exporters and domestic industries, the Secretary of the Treasury should be given clear authority for all international economic functions. The Treasury Department currently is responsible for all enforcement relating to matters involving taxation of transnational corporations, and this has important trade-related consequences. The Customs Service, within Treasury, is the enforcement agency for any trade regulations issued by the Commerce Department.

As international trade grows, an increasing share consists of intermediate products and semifinished goods. This raises questions concerning the correct pricing of these imports and exports, both for determining taxable U.S. income and for accurately measuring the value of trade. The growing problem of fraudulent invoicing of traded goods affects taxation, balance of payments, and money laundering violations — all of which are Treasury Department concerns.[30]

Section 204 of the Department of Commerce Dismantling Act, which has been considered in hearings before the House Commerce Committee and the Senate Governmental Affairs Committee, transfers all international trade functions of the Department of Commerce to the United States Trade Representative (USTR). The USTR is an extremely effective but small agency within the Executive Office of the President, with fewer than 170 employees, which conducts all trade negotiations and represents the United States in the World Trade Organization. A major reorganization of the USTR would be required to place all trade functions and more than 2,500 additional employees there. The USTR's mission would change dramatically from trade policy negotiation, closely linked to the President's economic leadership among world leaders, to enforcement of U.S. trade laws and promotion of exports. Most witnesses at the recent congressional hearings expressed concerns about this change.

The prospect of such a major change in the USTR has revived interest in a proposal introduced in previous years to create a Cabinet-level Department of International Trade. Representative John L. Mica (R-FL) has introduced legislation[31] to establish a U.S. Trade Administration, headed by a "U.S. Trade Representative" but actually performing the functions of a Cabinet department. The current role performed by the

30 Damon Darlin, "Salad Oil, $720," *Forbes*, August 14, 1995, p. 56.

31 H.R. 2124, the Trade Reorganization Act of 1995, introduced on July 27, 1995, with 7 cosponsors.

USTR would be performed by a Deputy USTR for Negotiations within the new department. Representative Mica argues that "a new cabinet department" is not being established because the current USTR already enjoys "cabinet status." But moving the USTR out of the Executive Office of the President into a new agency, along with the corresponding demotion to "deputy" status of the actual negotiators of trade agreements, suggests the contrary.

Creating a new Cabinet-level department to replace the USTR is not only contrary to the intent of Congress in the budget resolution, but also would change completely the USTR's function in American trade policy. The President's trade negotiator has always worked directly with the highest ranking officers of other governments and has been most effective as the personal envoy of the head of state. In recent years, direct meetings between heads of state have played an increasing role in international economic relations. The Executive Office of the President requires a negotiation team like the USTR. The insulation of trade policy development from the subsequent administration of trade agreements and other political concerns gives the USTR a necessary flexibility in resolving disputes with foreign governments that is quite different from the routine administrative methods of government bureaucracies.

Any new trade agency outside the Treasury Department would fail to carry the authority that trade policy requires. It would remain a minor voice in the Cabinet. As a part of the Treasury Department, international trade issues would have the same relative status within a Cabinet department as they now enjoy, but an Undersecretary in the principal agency for international economic policy would have more influence in the Administration.

Improve the Administration of U.S. Trade Policy. During the Carter Administration, Congress transferred responsibility for trade policy from the Treasury Department to the new International Trade Administration in Commerce because the Secretary of the Treasury had failed to correct a number of organizational problems. Most important, the Department failed to define and delegate responsibilities for administering U.S. trade laws effectively. The Treasury Department was unenthusiastic about enforcing textile and steel quotas, to the dismay of those industries and their supporters in Congress. The 1994 GATT Uruguay Agreement on textile quotas and other non-tariff trade barriers has removed those concerns. Today, a transfer — without substantial reorganization — of the position of Undersecretary of International Trade to the Treasury Department would protect and enhance U.S. interests in international trade by preserving a clear line of authority for administering U.S. trade laws and giving it more prominent Cabinet status.

Bureau of Export Administration

	1994	1995	1996	1997
Outlays (millions)	$34	$42	$47	$47
Personnel	375	321	366	370

The seven-year-old Bureau of Export Administration (BXA) administers export controls and coordinates the 17-nation Committee on Multilateral Export Controls (COCOM). The BXA's primary mission, therefore, is to safeguard the national interest by monitoring the export of potentially dangerous "dual-use" technologies.

What Congress Should Do:

Congress should transfer the Bureau of Export Administration to the Defense Department. Controlling the export of militarily useful commodities is a national security matter. If such technologies proliferate, the burden falls on the military to solve the problem. The Department of Defense deserves to be involved directly in the export licensing process because it is in the best position to judge the military utility of particular technologies. Putting the responsibility for export controls in the hands of the USTR or the Treasury Department implies that export controls should be treated as a trade issue, not a national security issue. It would be appropriate, however, for controversial licensing decisions to be appealed to the presidential level.

A special interagency report issued by the DOC with the Departments of Defense, Energy, and State drew attention to the duplication of export control programs by the BXA. The four-agency report concluded: "Consolidating these functions under the appropriate official will provide not only the proper oversight but also a more efficient and effective approach for tracking referred applications and examining export trends."[32]

The bill introduced by Senator Abraham transfers BXA functions to the Defense Department, but the version introduced in the House of Representatives by Representative Chrysler transfers export licensing to the State Department.[33] The legislation introduced by Representative Mica transfers all export licensing functions to the proposed new Cabinet department for trade.[34] Both the Chrysler and Mica proposals would introduce greater uncertainty for key U.S. export industries such as aircraft, chemicals, and computer technology. Transferring all BXA responsibilities to the Defense Department would correct the problem of administrative conflicts between agencies, but exporters will object that dual-use technology sales will still be made by other countries. New procedures for review of the Defense Department's licensing decisions at the presidential level are needed to address this concern. The USTR, as the President's trade envoy, would be able to address these problems in trade policy and work to stop foreign export sales of dual-use technology.[35]

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32 *The Federal Government's Export Licensing Process for Munitions and Dual-Use Commodities*, Special Interagency Review Conducted by the Offices of Inspector General at the U.S. Departments of Commerce, Defense, Energy, and State, September 1993, p. 3.

33 Section 202 of each bill, which are otherwise identical.

34 H.R. 2124, Section 222.

Minority Business Development Agency

	1994	1995	1996	1997
Outlays (millions)	$41	$45	$49	$47
Personnel	181	187	181	185

The Minority Business Development Agency (MBDA) was created by executive order in 1971 to help promote the development of minority-owned businesses and to show these businesses how to secure government contracts. The MBDA also provides funds for numerous Minority Business Development Centers (MBDCs) and American Indian Development Centers (IBDCs). Congress appropriated nearly $45 million for this program in fiscal 1995.

What Congress Should Do:

Congress should close down the Minority Business Development Agency.[36] Although hundreds of millions of dollars have been spent on the MBDA since 1971, it has never been authorized formally by Congress. The MBDA's stated objective is to show businesses how to get government contracts, which is hardly the best way to encourage minority business development. Its approach merely duplicates the efforts of the failed 8(a) loan program of the Small Business Administration. Numerous reports have criticized this kind of preference program lending, finding that many of the small businesses favored by these kinds of programs are never able to stand alone without government assistance.[37]

In recent years, Congress has altered the MBDA's mission toward what is best described as corporate welfare, subsidizing high-technology firms and university research projects. These questionable expenditures duplicate dozens of other wasteful federal programs and seem little more than an attempt to justify the existence of an agency whose only rationale is dispensing special-interest funds.

The most effective way for Congress to help small minority-owned businesses would be to repeal labor regulations that generally frustrate small start-up firms and to amend the tax code to encourage investment in new small enterprises. In addition, minority firms serving the public sector would be helped by repeal of such discriminatory laws as the Davis-Bacon Act of 1931 and Service Contract Act of 1965. These laws raise the costs of government construction and service contracts by requiring companies that bid for such contracts to file mountains of paperwork documenting that they pay their workers above-market wages. Larger firms, which tend not to be minority-owned, have the advantage in bidding on such contracts. Repealing these laws would create a level playing field, instantly making smaller firms more competitive.

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35 *The Federal Government's Export Licensing Process for Munitions and Dual-Use Commodities*, p. 3.

36 Section 212 abolishes the Minority Business Development Administration.

37 "Small Business Loans Aid Minority Whites, the Rich, a Porn Film," *The Wall Street Journal*, June 8, 1982, p. 1, and U.S. General Accounting Office, *Small Business Administration: Status, Operations, and Views on the 8(a) Procurement Program*, May 1988.

Travel and Tourism Administration

	1994	1995	1996	1997
Outlays (millions)	$25	$20	$17	$16
Personnel	88	97	97	100

Created in 1981, the U.S. Travel and Tourism Administration (USTTA) spends nearly $20 million per year supposedly to promote tourism and recreational activities by conducting surveys, distributing promotional material, and running regional marketing shows. The USTTA administers the Disaster Relief Financial Assistance Program, which supports tourism for states recently hit by natural disasters. A new program is "developing a regional and global understanding within Governments on the relation between tourism and the environment."[38]

What Congress Should Do:

Congress should close down the U.S. Travel and Tourism Administration.[39] There is no reason for the federal government to be involved in an activity already well handled by a vast private travel and tourism industry. In 1992, over 45 million foreign travelers visited the United States. These tourists spent more than $55 billion in this country, including $17 billion in fares to U.S. air carriers.

Private industry thus has a significant financial interest in promoting tourism and does not need taxpayers to pay its advertising costs. The agency often works with private-sector organizations, including the Travel Industry Association of America, to organize events such as the "Discover America International Pow Wow" or the "Pow Wow Europe." There is no justification for federal involvement in such commercial promotional activities, with taxpayer funds used to pay for normal business marketing costs. Tourist promotion should be organized by private-sector interests without taxpayer assistance. The federal government does not belong in the travel industry.

National Oceanic and Atmospheric Administration

The $2 billion-per-year National Oceanic and Atmospheric Administration (NOAA) was formed in 1970 to consolidate commercially oriented ocean resource activities housed in other government agencies. NOAA's non-weather-related programs include a broad range of unrelated activities, such as commercial fisheries management, endangered species protection, habitat management, and research projects.[40]

What Congress Should Do:

Congress should (1) separate the National Weather Service from the National Oceanic and Atmospheric Administration (NOAA), establishing it as an independent agency with its functions reduced to specialized data collection and emergency warning activities,[41] and (2) reduce by 50 percent all non-Weather Service NOAA funding

38 U.S. Department of Commerce, *Annual Report FY 1992*, p. 58.

39 Section 212 abolishes the U.S. Travel and Tourism Administration.

40 See GAO, Transition Series, *Commerce Issues.*

41 Section 211(m) transfers the National Weather Service to the Department of the Interior.

	1994	1995	1996	1997
Outlays (millions)	$1,860	$1,982	$2,057	$2,011
Operations, Research, & Facilities				
Outlays (millions)	$1,740	$1,722	$1,896	$1,898
Personnel	14,456	14,220	13,724	14,000
Programs:				
National Ocean Service	$169	$192	$199	$200
Marine Fisheries Service	234	308	296	300
Ocean & Atmosphere Research	227	267	271	275
National Weather Service	666	683	628	650
Environmental Satellite	341	394	553	500
Construction				
Outlays (millions)	$79	$84	$98	$64
Personnel	34	5	5	5
Ships, Aircraft, and Satellites				
Outlays (millions)	$30	$127	$49	$30
Personnel	46	46	46	46
Fishing Industry Subsidies				
Outlays (millions)	$9	$27	$38	$12
Personnel	17	17	17	17
Coastal Zone Management				
Outlays (millions)	$2	$7	$1	$-2
Personnel	38	37	37	37

over five years. The National Marine Fisheries Service (NMFS) should be transferred to the current Department of Interior. Most functions of the National Ocean Service should be privatized, and the NOAA Corps and NOAA Fleet should be closed down. To accomplish this, Congress should:

- ✔ **Return** the functions performed by the National Marine Fisheries Service to what are now the Departments of Interior and Agriculture and the Coast Guard.[42]
- ✔ **Impose** fees on commercial and recreational fishing interests for fishing in federal waters. These fees should be sufficient to cover the costs associated with managing federal fishing stocks.
- ✔ **Privatize** most National Ocean Service functions.
- ✔ **Terminate** the NOAA Corps and NOAA Fleet.[43]

42 Section 211(n) transfers enforcement functions to the Department of Transportation (Coast Guard), science functions to the Department of Interior, and seafood inspection functions to the Department of Agriculture.

43 Sections 211(h) and 211(i), respectively, terminate these functions and provide for disposition of assets.

The National Oceanic and Atmospheric Administration (NOAA) consumes nearly 60 percent of the budget of the Department of Commerce and about 37 percent of its staff. NOAA oversees three significant non-Weather Service agencies: the National Marine Fisheries Service (NMFS), the National Ocean Service (NOS), and the NOAA Corps and NOAA Fleet. Many functions of these programs can be moved to other agencies, terminated, privatized, or turned over to the states.

The National Marine Fisheries Service (NMFS) is the primary agency managing marine mammal and commercial fisheries resources in federal marine waters. Savings can be achieved by transferring NMFS fisheries and protected species management activities to the Department of Interior's Fish and Wildlife Service. NMFS fisheries monitoring and enforcement activities can be transferred to the Coast Guard, which already has policing powers over federal waters. Specific fisheries management functions can be transferred to the regional councils in New England, the Pacific Northwest, and the Gulf states. Federal funding should be ended for state fisheries grants, commercial fisheries promotion and development programs, and aquaculture research. The seafood inspection program could be transferred to the FDA inspection program.

Currently, unlike commercial interests that use public lands and extract minerals, the commercial and recreational fishing industries pay nothing for the right to fish in federal waters. Because these resources are considered free, and because the industry is overcapitalized as the result of government loan and fishing vessel construction programs, the federal fishing stock is rapidly becoming depleted. Indeed, the government has paid millions in income supplements to Northeast fisherman who have seen their profits fall due to depleted stocks. It also spends millions on fisheries recovery programs, stock surveys, and hatcheries. The industry that benefits from these programs contributes nothing to their cost.

Charging commercial and recreational fishing interests a fee or requiring them to pay a royalty to the federal government would place a premium on fishing in federal waters. Such a fee system would help defray the cost of resource management and a smaller fishing fleet would reduce the stress placed on federal fishing stocks that has forced a moratorium on fishing from many ports.

The National Ocean Service (NOS) engages in such diverse activities as mapping and charting, oil spill research, coastal monitoring, and marine sanctuary management. Savings can be achieved by privatizing the agency's navigational and aeronautical charting and mapping activities currently performed by its National Geodetic Survey office.[44] The Geodetic Survey has its origins in the Coast and Geodetic Survey, created by President Thomas Jefferson in 1807 to chart navigational routes. There already are private companies drafting and marketing aeronautical services. Those activities that cannot be privatized should be transferred to the Coast Guard.

44 Section 211(o) transfers these functions to the Department of Interior.

In addition, all regional coastal management programs, such as the $45 million Coastal Zone Management grant program and the $1 million Charleston area management plan, should be terminated and continued by state authorities if they choose to do so. Marine sanctuary programs can be merged into the Department of Interior or transferred to state governments.

The NOAA Corps also has its origins in the Coast and Geodetic Survey. Today the Corps operates a fleet of 18 research vessels, as well as ten fixed-wing aircraft and four helicopters. All of these functions should be terminated. The NOAA Corps is outmoded, and its research fleet, reports the GAO, is "old and technologically obsolete." NOAA is calling for a 15-year, $1.9 billion program to modernize and purchase 24 vessels but "has no assurance that its fleet modernization plan represents the most cost-effective means of meeting future program requirements."[45] Many of the Corps' charting activities are duplicated by private companies or the Coast Guard and need not be continued; its ships should be given to universities and marine research centers, and its aircraft to the Air Force. Hurricane research now can be performed entirely through satellites.

National Weather Service

The primary function of the National Weather Service (NWS) is to issue warnings of severe weather and floods in order to minimize life and property loss. The National Environmental Satellite, Data, and Information Service—an NWS adjunct—operates the satellites producing the data the NWS uses to conduct its forecasts. The combined budgets of these programs comprise over half of NOAA's nearly $2 billion annual budget.

What Congress Should Do:

Congress should reduce funding for the National Weather Service by 50 percent over three years. The Weather Service should reduce its role by specializing in data collection and emergency warning efforts. NOAA's satellite program could be merged with the redundant Air Force weather satellite program. An assessment then should be made of the possibility of privatizing polar-orbiting satellites and information distribution functions.[46]

Due to mismanagement and bureaucratic inefficiencies, the reputation of the National Weather Service is under fire. For example, according to the General Accounting Office, its modernization program "has exceeded its expected cost and is far behind schedule. The initial cost estimate of nearly $2 billion has risen to $4.6 billion," and the projected completion date has slipped from 1994 to 1998.[47] The only way to salvage this program is to reduce it to its core functions and introduce a significant dose of competition and private-sector capital.

45 U.S. General Accounting Office, "Research Fleet Modernization: NOAA Needs to Consider Alternatives to the Acquisition of New Vessels," GAO/RCED-94-179, August 1994.

46 Section 211(l) provides for the privatization of the National Environmental Satellite, Data, and Information System Data Centers.

47 GAO, Transition Series, *Commerce Issues*.

Many functions of the Weather Service should be contracted out to private firms or simply transferred to the private sector. There are now approximately 300 private companies in the U.S. preparing and disseminating weather forecasts to businesses and the public on a commercial basis. According to the Commercial Weather Services Association, "private meteorologists and for-profit companies provide the public upwards of 85 percent of its weather forecasts, through television weathercasts, in newspaper weather maps, and on radio."[48]

The Weather Service should turn over to private firms its specialized services, such as fruit frost and agricultural forecasting, aviation forecasting, and fire weather forecasting, and privatize or close the regional climate centers that compete directly with private firms.[49] In addition, the Service spends about $200 million per year in "fringe" weather operations—such as Seasonal to Interannual Climate Forecasts and Decadal to Centennial Change—which have little scientific validity and no practical value. These should be terminated.

The Service's field structure should be consolidated. The NWS has five headquarters offices, six regional offices, four national centers, and 334 field offices. This field office structure was designed when technology did not allow instant communication. Little has been done to alter this outmoded structure. Reducing these offices to no more than 25 facilities would save millions each year.

The Clinton Administration's FY 1996 budget proposes privatizing such specialized NWS services as aviation, marine, and agricultural forecasting. The Office of Management and Budget projects these measures will save $40 million over five years. These recommendations are a small but good beginning.

Patent and Trademark Office

	1994	1995	1996	1997
Outlays (millions)	$49	$98	$88	$120
Personnel	4,977	5,075	5,137	5,200

The patent system was established by the first Congress "to promote the progress of the useful arts" under Article I, Section 8, of the U.S. Constitution. The registration of trademarks was first authorized in 1870. About 110,000 patents and about 69,700 trademarks were registered for fiscal 1992 alone, and 5,700 trademark registrations were renewed. A substantial portion of the annual Patent Office budget is funded by fees and other payments for publication and services by the public.

48 Booz, Allen, and Hamilton, Inc., "National Weather Service: A Strategy and Rational Concept for the Future," National Oceanic and Atmospheric Administration, U.S. Department of Commerce, June 1983.

49 Section 411(m)(2) specifies termination of specialized agricultural and forestry services, Marine Radiofax, and Regional Climate Centers, and authorizes the National Weather Service to "terminate any other specialized weather services not required by law to be performed."

What Congress Should Do:

Section 205 of the Chrysler-Abraham legislation places the Patent and Trademark Office under the jurisdiction of the Justice Department. Other alternatives also have been proposed. Representative Carlos J. Moorhead (R-CA) has introduced legislation[50] to establish an independent government corporation, an idea favored by the American Bar Association's Section on Patent, Trademark, and Copyright Law.[51] An independent corporation, as proposed by the ABA, is clearly superior because this function can be fully self-financing. Documenting the ownership of patent and trademark rights is an activity that provides specific economic value to private parties, who can enforce these rights in civil lawsuits.

Technology Administration (Office of Technology Policy)

	1994	1995	1996	1997
Outlays (millions)	$6	$9	$13	$14
Personnel	39	57	78	80

The Technology Administration (TA) was created in 1988 as a successor to the Office of Productivity, Technology, and Innovation. This program oversees the National Institute for Standards and Technology (NIST) and the National Technical Information Service (NTIS), which are intended to promote commercially useable technology through research grants and subsidies. The office of the Undersecretary for Technology is an example of administrative overhead that can be eliminated by dismantling the Department of Commerce. The Undersecretary for Technology exercises executive and policy direction over the National Institute of Standards and Technology and the National Technological Information Service, which is one of the largest publishing firms in the United States. The principal functions of the office, however, are to send representatives to interdepartmental meetings throughout the federal government and to supervise public relations activities, such as the Malcolm Baldrige Quality Awards.

What Congress Should Do:

Congress should close down the Technology Administration. The National Technical Information Service should be closed or privatized. The National Institute of Standards and Technology's Advanced Technology Program, in addition to the Manufacturing Extension Partnerships program,[52] also should be abolished. The technology programs represent most clearly the failed theories of government-industry "partnership," in which bureaucrats pick projects to subsidize and encourage private-sector interests to pursue government funding rather than to invest in entrepreneurial research. The House of Representatives has voted to discontinue funding for the Advanced Technology Program.[53]

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50 H.R. 1659, introduced May 17, 1995, with one cosponsor.

51 Resolution AR301-R655-1 (1991). The ABA's Committee No. 655 has reaffirmed this support in 1995.

52 Section 212 abolishes the Manufacturing Extension and Advanced Technology Programs.

53 H.R. 2076, Title II, appropriating funds for the Department of Commerce. *Congressional Record*, July 26, 1995, p. H7733.

National Technical Information Service

	1994	1995	1996	1997
Outlays (millions)	$2	$6	$2	$-
Personnel	365	378	339	350

The National Technical Information Service is a publishing firm within the federal government which collects and disseminates scientific, technical, engineering, and business-related information generated by government and foreign sources. It provides databases and other computer services to private-sector and governmental clients and essentially covers its costs by setting prices for its publications and services.

What Congress Should Do:

Congress should privatize the National Technical Information Service. The NTIS is required by law to pay its own costs and usually does so. This Commerce Department program is essentially a publishing business which already prices its products and services to those who benefit from them. Since it has proven itself able to operate in a businesslike way on its own, it should be privatized immediately.

National Institute of Standards and Technology

	1994	1995	1996	1997
Outlays (millions)	$167	$466	$740	$1,020
Scientific and Technical Research				
Outlays (millions)	$213	$267	$293	$300
Personnel	1,867	2,037	2,109	2,200
Industrial Technology Services				
Outlays (millions)	$93	$181	$360	$562
Personnel	219	252	288	300
Programs:				
Advanced tech. program	$79.5	$597.6	$490.0	$500.0
Mfg. extension ptr.	35.1	92.3	146.0	150.0
Construction and Intragov. Services				
Outlays (millions)	$-138.8	$17	$87	$159
Personnel	1,090	1,050	900	900

Most of Commerce's recent growth in spending is due to increases in the budget for industrial policy funding of the National Institute of Standards and Technology (NIST). Overall, outlays for NIST are scheduled under current law to skyrocket from $167 million in FY 1994 to $466 million in FY 1995—a 180 percent increase in one year. The Clinton Administration's FY 1996 budget proposes that outlays for NIST nearly double by FY 1997, to $1.02 billion.

NIST's primary role is to promote commercial research and development projects. It carries out this mission through research projects and grant programs such as the Advanced Technology Program (ATP) and Manufacturing Extension Partnerships

(MEPs).[54] In FY 1996, the Clinton Administration proposes a 622 percent increase in budget authority for ATP, when compared with 1993 levels. MEP budget authority will jump by 716 percent over the same period under the Administration proposal. NIST, once called the National Bureau of Standards, also sets industry standards for various technological goods and services.

What Congress Should Do:

Congress should close down the National Institute of Standards and Technology. This means ending NIST's Advanced Technology Program and its Scientific and Technical Research and Services, in addition to halting construction of new NIST research facilities. Weights and measures and other standards can be supervised by the National Academy of Engineering.

Although the Clinton Administration and many in Congress believe industrial policy initiatives like NIST are the key to America's competitive success, the exact opposite is true. Industrial policy programs rarely encourage the development of vibrant new industries, and when they do it is usually at very high cost. More important, NIST already shows signs of becoming one of the federal government's leading high-technology pork-barrel programs, replacing highway and other infrastructure programs.

NIST should be abolished before any more harm is done to the economy and before any more taxpayer dollars are distributed wastefully to favored interest groups. Its research programs and facilities could be privatized very quickly. Robert M. White, president of the National Academy of Engineering, notes that such transformations have been proved successful even for organizations funded exclusively with federal money. White argues that privatization of federal R&D labs makes sense because, "With their new freedom to pursue research in whatever areas the market demands—rather than just fulfilling government missions—these laboratories might, if successful, spin-off companies and attract new businesses at a far greater rate than they do today. Research universities and private R&D companies with less governmental direction of their activities tend to contribute significantly to their region's economies."[55]

National Telecommunications and Information Administration

	1994	1995	1996	1997
Outlays (millions)	$42	$53	$88	$113
Personnel	243	268	267	270

The National Telecommunications and Information Administration (NTIA) jointly manages the electromagnetic spectrum with the Federal Communications Commission (FCC). The NTIA also gives Public Telecommunications Facilities Program (PTFP) grants to public television and radio organizations to help expand the audience for public programming. The newest NTIA promotional effort, the National Information Infrastructure (NII), hopes to channel funds into various "information highway" projects. Al-

54 Gilbert M. Gaul and Susan Q. Stranahan, "U.S. Program Preaches Profit Through Technology," *Philadelphia Inquirer*, July 28, 1995, p. A1.

55 Robert M. White, "A Strategy for the National Labs," *Technology Review*, February/March 1994, p. 69.

though an estimated $70 million - $100 million is to be spent on such projects in 1995, the Administration has set higher funding goals of $1 billion - $2 billion annually for future years.[56]

What Congress Should Do:

Congress should cut by 75 percent the National Telecommunications and Information Administration and transfer the remaining functions (those concerning oversight of public bands of the radio spectrum) to the Federal Communications Commission.[57] These functions then would be phased out with the FCC as the entire spectrum is privatized.

Efforts like the Public Telecommunications Facilities and Information Infrastructure programs are little more than high-technology pork projects. But whether it is spectrum management or public programming promotional efforts, the NTIA has little reason to be independent from the FCC. Communications policy should be embodied in one agency to minimize duplication and cut costs. Hence, all current NTIA tasks, after funding has been reduced 75 percent, should be transferred to the FCC. In addition, Congress should not allow the FCC to use the transfer of authority as an excuse to increase its budget. This should encourage the FCC to reform and simplify federal spectrum management policies, which are inefficient and discourage the advance of telecommunications competition.[58] Congress's goal should be to place all spectrum into private hands as rapidly as possible, abolish the FCC, and transfer responsibility under international spectrum management treaties to the State Department.

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56 Information Infrastructure Task Force, *The National Information Infrastructure: Agenda for Action*, 1993, p. 6.
57 Section 212 abolishes the National Telecommunications and Information Administration.
58 See Adam D. Thierer, "A Guide to Telecommunications Deregulation Legislation," Heritage Foundation *Issue Bulletin* No. 191, June 3, 1994, p. 20.