



The Activist News

Citizens for Limited Taxation

The Commonwealth Activist Network

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The Massachusetts Taxpayer Activist's Newsletter

February 2000

The Gimme Lobby Campaign of Fear, Lies and Greed: “The Sky is Falling!” is Launched

By Chip Ford

While the presidential primaries for Election 2000 have taken off in New Hampshire and are now moving through the rest of the nation (March 7th here in the Bay State), already the campaign against our “temporary” income tax hike rollback is in full swing.

The “More Is Never Enough!” crowd doesn’t seem able to decide whether the commonwealth can afford more and more spending on the Gimme Lobby’s wish list, or cannot afford a tax “cut” – but every day they’re already out with a new horror story proving that “The Sky is Falling!”

They refuse to concede that we are not looking for a tax cut: We demand a rollback of the “temporary” income tax rate increase, as promised when it was sold to us eleven years ago.

Their latest “fiscal crisis” is the \$1.4 billion “unexpected cost overrun” for the Big Dig and how to fund it. Naturally, the first solution is to defeat our – coincidentally – \$1.4 billion tax rollback ballot question.

My goodness, what a surprise!

One Beacon Hill pol, Rep. Doug Peterson (D-Marblehead) wants to increase the gas tax by 25 cents per gallon. Been there, done that under Dukakis too, Doug. The last time “the bridges were falling down.” Where did all that new gas tax revenue go? The bridges are still falling down, we’re again told!

Another, Rep. Barbara Gardner (D-Holliston) wants to increase Registry fees. “I don’t think people go to the Registry expecting to get a free license,” she asserts. “When you’re faced with a crisis, you’re trying to look at a solution that would

be fair.”

You want a “fair” solution, representative? How about one that’s fair to those who foot the bill, often time and time again? If there are “unexpected cost overruns” then perhaps you should open that umbrella and dip into the \$1.4 billion “rainy day” slush fund (*See: “Bay State awash is \$\$ for a rainy day,” Page 2*).

Better yet, why not tap the \$8.3 billion tobacco settlement “taxpayer reimbursement”? It will be pumping an additional \$300 million into the state coffers each year for the next 25.

We taxpayers already paid those old Medicare bills the first time around, then we paid the same bills again the second time around. Unpaid Medicare bills were the primary cause of the Dukakis fiscal crisis of 1989 and the primary reason for the “temporary” income tax increase. We had to pay them off again because Dukakis had buried them during his doomed run for president while using his “balanced budget” and the “Massachusetts Miracle” on his political resume.

No, the commonwealth does not need more revenue. It needs to stop squandering the surpluses on every tax-and-spend wish list program coming down the pike ... toll free. It needs to look at the budget it has doubled since that fiscal crisis and the “temporary” tax increase.

“The Sky is Falling” desperate Gimme Lobby campaign of fear, lies and unmitigated greed is in full swing. The “More Is Never Enough!” crowd will never surrender a single penny of our money without a bitter fight to the end. The battle is on!

“The working men and women of Massachusetts will go to great lengths to spread the message about this irresponsible proposal cleverly disguised as a “tax cutting” measure. We beat a similar ballot question in 1990 and we will do it again in 2000.”

AFL-CIO Union Boss Robert J. Haynes
on the “Cellucci/Anderson Tax Cut”

“The 88,000-member [teachers] union will be a factor again this year though some members are tired of being the open checkbook in every campaign against tax cuts.”

“Battle lines drawn in tax war of 2000”
Brian C. Mooney, Boston Globe
Jan. 15, 2000

“The Sky is Falling ... We cannot afford a tax cut!” they wail ...

“To turn our backs on the needy and to ignore crumbling bridges and roads is a reckless mortgaging of our future.”

Jack Williams
WBZ-TV News Anchor and Columnist

“I think the citizens of the commonwealth are wise enough to look at the figures and understand that a sizable tax reduction at this time ... just doesn’t add up.”

House Transportation Committee Chairman
Joseph Sullivan (D-Braintree)

“The Sky is Falling! Where can we possibly cut?”

Bay State awash in \$\$ for a rainy day

By Martin Finucane

Associated Press

Tuesday, December 28, 1999

BOSTON (AP) Just like the average person who sees an increase in his or her paycheck, the state has been spending more and socking more away for a rainy day.

With tax dollars gushing in to state coffers because of the booming economy, the state has now piled up mountains of money in trust funds that are meant to help the state if times turn bad.

The state now has:

\$1.8 billion raised through the unemployment insurance tax to pay for unemployment benefits for laid-off workers;

\$1.4 billion raised through general taxes in the state’s “rainy day” fund; and

\$131 million in reserve funds in case the welfare caseload grows.

And the state will soon be filling up another trust fund, with 70 percent of the money flowing in annually from the state’s \$8 billion share of the national tobacco settlement.

“Not only do we have balanced budgets now, not only do we maintain fiscal discipline, we have built up reserves,” said Republican Gov. Paul Cellucci. “These are significant cushions should there be an economic downturn, should there be a significant shortfall unexpectedly of federal revenues.”

“That’s something we’ve worked very hard on and we are well-protected,” he said.

Both the rainy day fund and the unemployment fund were empty when former Gov. William F. Weld and then-Lt. Gov. Paul Cellucci took office in 1991.

Cellucci administration officials point with pride to a national study from earlier this year that said Massachusetts was one of only eight states in the nation that could weather a recession of

the same length and severity as the recession of the early 1990s.

The report, “When it Rains, it Pours,” was issued by the Center for Budget and Policy Priorities in Washington, a liberal budget think tank in Washington.

Governments are faced with tough problems in recessions because tax receipts decline just as the demand for services such as welfare or unemployment checks increases. Rainy day funds are designed to get the state through those times.

Cellucci administration officials say that, beside being handy for tough times, the trust funds show Wall Street that the state is in good financial shape and could help get the state better bond ratings.

To anti-tax activist Barbara Anderson, the existence of the trust funds is just more evidence that the state’s taxes need to be cut.

“They’ve got more money than they need so they’re trying to stash it in places where it will be if they ever come up with a bright idea to spend it,” she said.

Cellucci has joined Anderson in the drive for a \$1.4 billion tax cut proposal on the November ballot.

But Jim St. George, executive director of the liberal Tax Equity Alliance, said it’s the wrong time to pass a tax cut.

Taxes have already been slashed last year and this year by a total of more than \$1.3 billion, he said.

He also doubted whether the unemployment insurance trust fund had enough money in it.

“The last thing anybody wants is a situation where people are losing their jobs through no fault of their own and there’s no money in the trust fund to pay their benefits with,” he said.



Yankee Doodle Tax Revolt

By Troy Lanigan (with
notes from Lorne Gunter
and David Gratzner)

Taxes proved the sleeper issue in mid-term US elections this past November. Taxpayers won victories in literally dozens of state and local ballot initiatives (the “initiative” process allows for the passage of laws via referendum brought on by a citizen petition). Canadian taxpayers can only observe these victories and the process that gave rise to them with envy.

Higher taxes dressed up in politically correct garb? Not so fast. Taxpayers in Cincinnati voted down a \$24-million ‘school levy’ while Oregonians rejected ‘public safety programs’.

In San Antonio, voters rejected a new basketball arena and the tourism tax hike needed to finance it. Ditto for a new stadium in Minneapolis and an ambitious 15-year road-repair plan in Kansas City.

On the lower tax front, voters in New Jersey cut taxes on veterans with a surprising zeal: 78 to 22 percent. Maine also got in the act and voted in a property tax credit with a clear majority of 55 per cent.

Texas chopped an automobile tax with a whopping 57 percent majority. So did taxpayers in Washington State who went even further by barring legislators from making up the \$750-million difference by raising property or sales taxes, library fines, public utility rates, or fees for other government services, unless they had approval from voters in advance.

There was a tax revolt in Washington State (and California and Ohio, and Texas and so on), because there was a initiative mechanism through which voters could channel their frustration into concrete action.

What kind of political climate do such mechanism produce? In Montana, Governor Marc Racicot (pronounced Roscoe) convinced the legislature to return a \$22-million surplus to taxpayers with the explanation, “No one told us we could keep the change.”

If Canadians had the same mechanism, [Canadian finance minister] Paul Martin and so many of his counterparts in the provincial capitals might think twice about how they dispense the so-called surpluses.

Troy Landrigan is national communications director for the Canadian Taxpayers Federation. Reprinted with permission from the CTF’s publication “The Taxpayer”. CTF, like CLT, is a member of Taxpayers Associations Internationale.



Washington D.C. Happens

Americans don’t want what? We keep hearing that Americans “don’t want a tax cut.” But, as you can see from the previous column, our neighbors to the north have noted quite a few state ballot votes to the contrary.

Mom, Big Brother is at the door to check the thermostat. OSHA was on its way in to regulate home offices when the *Washington Post* broke the story. In response to a “tell me this ain’t happening” fax, Chip Ford and Barbara’s U.S. Congressman, John Tierney, sent a copy of the statement by U.S. Labor Secretary Alexis Herman that OSHA had backed down. We won’t have to wear hard-hats in our converted bedrooms after all.

Paid leave for parents. However, the January Heritage Foundation executive memo warned of another threat from the Department of Labor, to use the Unemployment Insurance Fund for what is presently the “unpaid leave” program that mandates time off for workers who stay home with a new baby. Awarding unemployment benefits to the voluntarily absent was inevitable.

Don’t wag your tail. Democrat presidential candidates continue to push their programs for socialized medicine as Canadians try to cope with theirs. According to a Jan. 16th story in the *New York Times*: “In Ontario, Canada’s wealthiest province, the waiting list for magnetic resonance imaging tests is so long that one man recently reserved a session for himself at a private animal hospital that had a machine. He registered under the name Fido.” Canadian veterinarians operate in the private sector.

The Incredible Shrinking National Debt? Washington politicians are now referring to “the \$3.6 trillion national debt.” We wondered what happened to the rest of it, so asked our friend Robert Kelly of Peabody, who just published “*The National Debt: From FDR (1941) to Clinton (1996)*.” He informed us, “There are two components to “national” debt: That which is owed to the public (bonds, notes, etc.) and that which is owed to itself (most of it to the Social Security ‘Trust Fund’). Public debt is about \$3.6 trillion; Interagency debt about \$2.0 trillion. The word ‘national’ is used to describe both kinds.” Well, it was until Washington wanted to make it look like the debt had gone down instead of up. By our definition, it’s still \$5.6 trillion, and growing.

You may approach the bench (if you can walk): Businesses and local government must comply with handicapped access laws but not the new federal courthouse on Boston’s waterfront. Jury boxes and witness stands in its 27 courtrooms are accessed only by steps. GSA project manager Paul Curley explained, “We looked at the possibility of building permanent ramps that were retractable, but it was such a burden on the budget, we just couldn’t do it.” They did find room in the budget for genuine English oak paneling, a 45,000-square-foot glass window overlooking the harbor, and a palatial five-story entrance hall.





Beacon Hill Happens

On February 2, Barbara was on the WHDH TV-7 evening news in opposition to the new \$25 **speeding ticket surcharge** to pay for head-injury treatment. We are opposed because: 1) Fees, fines and charges should not be used as a substitute for taxes; 2) Massachusetts is taking too much in combination taxes, fees, fines and charges already; 3) Drivers, per se, should not be charged for social spending; 4) This new law was passed in an outside section of the FY 2000 state budget, without proper debate. Gov. Cellucci's veto was overridden; this vote will be counted in the CLT legislative rating because; 5) This law is the second step down the slippery slope, after charging smokers for Medicaid bills. The National Motorists Association sent us warning of the next step down that slope: a bill filed by Sen. Joanne Sprague (R-Walpole) for a \$5 speeding ticket surcharge to fund a newly-created Spinal Cord Injury Research Board.

Then why not a speeding surcharge to pay for all broken legs, burns, or any injuries that could have been caused by a speeding car, even if they weren't? And inevitably, farther down the slope, a surcharge on fast-food eaters to pay for all heart operations...

We hear that legislators, who are now beginning to hear from constituents about this law that they passed without reading, as usual, are calling the governor's office to ask that he not implement it. Hey, pols, grow up! Now that you've read it, and don't like it, repeal it!

Speaking of laws that legislators passed without reading (we're not sure what Gov. Cellucci's excuse was), changes are again/still being made to the 1998 **gun-owners control law** as the pols continue to discover their dumb mistakes and the consequences of their ignorance.

Beacon Hill is finally catching on to the **local education scam** of ignoring building maintenance until a school is so run down that the town qualifies for state money to replace it. There will be new focus on repairing and renovating rather than constructing. As for the occasionally necessary new school: we have often asked why each community must hire an architect to design a fairly standard building. Administration and Finance chief Andrew Natsios is

recommending the state offer a few "this is a school" plans.

Barbara was on New England Cable News on January 7th to discuss the Lt. Gov. Jane Swift babysitting incident, and again on February 3rd to discuss the latest cost increase (\$1.4b) on the **Big Dig**. CLT predicted in the late '80s – when the Dukakis Administration said the project would cost \$3 billion – that the final amount would be \$15 billion; we're getting there! And no, Sen. Birmingham, you can't have our income tax rollback to pay for these latest cost overruns. This November, voters can express their disapproval of two big lies: the "what a deal!" Big Dig, and the "temporary" tax hike, all at once.

Speaking of the rollback, **we are keeping a list** of all the programs, existing and proposed, that some opponent claims will not be funded if the tax cut passes. Bet the total comes to more than the entire income tax take! Proposed program of the month: a Mass 211 special phone number for calling state agencies, estimated at \$2 million every year after "start-up costs." Just to get to the voice mail?

If you read this in time, be sure to watch investigative reporter Joe Bergantino's latest series on the **Massachusetts Legislature**, which includes Barbara being adversarial, beginning Feb. 21st on WBZ TV News.

NOT Happening on Beacon Hill

Governor Cellucci held both his State of the Union event and the release of his 2001 budget event off the Hill, the former in Lowell and the latter in Chelsea. His point: to symbolize his separation from the Legislature which overrides his vetoes and refuses to pass his income tax rollback bill. The budget was released at the Department of Revenue to remind taxpayers that the money which funds the budget comes from them. Cellucci's budget would spend \$21.3 billion, a 6.9 percent increase over his last proposed budget. The Legislature will want even more. Until the income tax rate is cut, spending will continue to rise much faster than inflation.

Breaking News!

Governor Cellucci has announced a new debt reduction plan to pay for \$1.4 billion "unexpected cost overruns" of the Big Dig, but he may force us back into court. Part of his proposal calls for "maintaining the current driver's license fee and setting aside the nearly \$45 million in annual revenues for future infrastructure needs." It is unconstitutional to raise general revenue funds through fees, but that seems to be the intent. We sued the Dukakis administration in 1989 and settled out-of-court with the Weld ad-

ministration in 1992. It agreed to review all fees and insure the charge did not exceed the cost of providing the specific regulatory service, and adjust them if they did. The Registry of Motor Vehicles – *already an illegal cash cow* – annually takes in some \$375 million but operates on an annual budget of only \$60 million. If the drivers license renewal fee is reinstated, CLT will return to court and continue our challenge of the entire state fee structure.



OUTSIDERS TRACK

by Barbara Anderson

Feel like talkin'? **Gene Burns** is back, on the new WMEX at 1060 AM, 2-4 PM as of this writing. **Jerry Williams** is on the roster at noon, though we notice there have been substitutes much of the time. "Our side" of the political spectrum is also generally represented by **Upton Bell** at 4:00 and by substitute **John McLaughlin**. With **Rush, Howie, Peter Blute** and **Andy Moes** on 'RKO 680 AM, **David Brudnoy** then **Paul Sullivan** on WBZ 1030 AM, **Jay Severin** and **Jeanine Graf** on WTKK 96.9 FM, Boston talk radio lives!

For those who have asked what happened to **Jim Braude**, thank you for your concern. Our old adversary is also on WTKK at noon with **Margery Egan** of the Boston Herald, who is all over the political spectrum. Oh, and Braude was elected to the Cambridge City Council. I endorsed him as part of a policy of containment: the commonwealth's loss is the people's republic's gain. You have to admit he and Cambridge were made for each other. He also writes a weekly column opposite mine in the week-end Lowell Sun.

Chip Faulkner attended **Dave Wilson's** Plymouth County Republican Club breakfast on January 22, and took the opportunity to thank its members for their help collecting signatures last fall. He is presently working on the 1999 CLT legislative rating and seeking candidates for CLT's 2 ½ PAC to support next fall. If you have one, call him.

Speaking of candidates: CLT activist **Dave Rizzo**, who is running as a Libertarian against **Doug Peterson** (D-Marblehead) is fighting the new smoking ban for Marblehead restaurants.

As I've said at town meeting, our town was founded by freedom-lovin' fishermen who didn't like the Salem Puritans telling them what to do. Hope you saw "The Crossing," the A&E movie about **George Washington** featuring Marblehead's plain-speaking naval hero, **John Glover**.

CLT's petitioning ally **John Brockelman** of the Republican State Committee, whose parents are CLT members, asked the following question of "Democrats, pundits and insiders" after the state of the union message: "If all of you think that the voters don't really want a tax cut, why would **President Clinton** propose a \$350 billion one?" Good question.

Activist **Sheldon Price**, who came up with the idea for the tax credit for turnpike tolls, pointed out that it's easy to keep the Big Dig "on budget and on time" – as long as you continually rebudget and reschedule!

Congratulations to CLT activist **Mark Ferguson**! As we go to press, Mark just won his special election to become the next state representative for the 1st Worcester District seat, returning it to the Republican column by just 39 votes. CLT's Prop 2 ½ PAC supported Mark, who coordinated our petition drive in the Holden area and delivered over 1,300 signatures, with its maximum contribution of \$500 and its endorsement.

RIP. Our long-time friend, CLT activist, and Chip Ford's primary "computer guru," libertarian **Gary Kendall**, died last fall of cancer after a brief but courageous battle. Just days before he left us he signed the tax rollback petition, so we are dedicating this campaign to his freedom-fighting memory.

The Quincy Patriot Ledger recently ran an editorial, "Buying a ballot question." It attacked the income tax rollback petition on the grounds that Gov. Cellucci paid for his share of the signatures, and therefore the process was no longer populist. Here was our immediate reply, which was published on Jan. 31:

To the Editor:

The Ledger considers the use of paid petitioners a "perversion of the ballot initiative," but neglects to attack the use of highly-paid lawyers to challenge the petition signatures after volunteers have spent their weekends collecting them.

Citizens for Limited Taxation does not use paid petitioners; but we have learned the hard way that unless we collect many more signatures than required by the Constitution, the Massachusetts Teachers Union will spend its members' dues to keep the petition

off the ballot (can we call this "buying the demise of a ballot question"?)

The point of any ballot question is who gets to vote, not who collects the signatures. Thanks to Governor Cellucci's paid petitioners, the hard work of our volunteers won't be in vain, and the voters will have the opportunity to decide the issue of the income tax rollback.

**Barbara Anderson, Executive Director
Citizens for Limited Taxation**

"I don't spend a whole lot of time holding the administration to their promises. This is how they do business."

Senate Ways and Means Committee Chairman
Mark Montigny (D-New Bedford)

Who refuses to keep the promise and roll back the "temporary" income tax increase

"Since a politician never believes what he says, he is surprised when others believe him."

Charles DeGaulle
Former-President of France



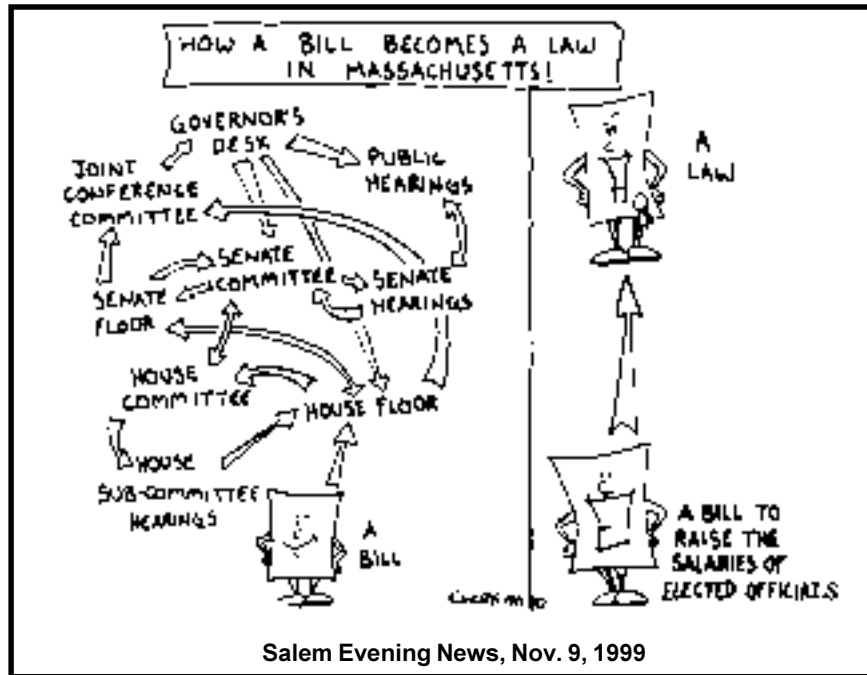
More “Public Servant” Pay Raises

CLT did not get involved last fall in the proposed pay raise for state constitutional officers – until House Ways & Means Chairman Paul Haley (D-Weymouth) added language to the bill that would also give legislators more “walking around” money.

For some reason, voters in 1998 agreed to permanently carve legislative pay into the state Constitution. This also provides legislators with automatic adjustments based on changes in state median household income, as ascertained by a governor, who may or may not want them to do something nice for him. There’s nothing we can do about that now: a constitutional amendment that benefits legislators is forever.

But that is not enough. With their salary set in stone, legislators will now look for other imaginative ways to boost their compensation and Haley had a plan to hike the amount they get to buy off constituents with local “charitable” contributions, funeral flowers, and political travel.

To focus the public’s attention on this issue, we wrote op-ed columns for the Boston Herald and other daily newspapers and eventually the scam died. But noting that, until there was public objection, the bill was on a fast track even though the Legislature was four months late with the state budget, the



Salem Evening News, Nov. 9, 1999

Salem Evening News published a chart (left) along with Barbara’s column.

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Fear Not: The Sky is NOT Falling!