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

OA/ID Number: 13831
Folder ID Number: 13831-006

Folder Title:
Agenda for American Renewal--Detroit Economic Club 9/10/92 [OA 7580] [4]

Stack:	Row:	Section:	Shelf:	Position:
G	26	22	7	7

George F. Will

... And the Changing Electorate

Trollope's political novels have been called ideal reading for a lazy Labor Day weekend because if a breeze blows over a few pages while you nap, never mind, plunge back in. The narrative moves at such a measured pace that nothing much will have been missed. This presidential campaign may now be like that. Its themes are clear.

A Democrat more liberal than he wants to seem, and a Republican less conservative than he wants to seem, are leading parties whose differences have narrowed and whose ranges of politically possible policies are narrow.

Liberalism developed when liberty was threatened by the forces of order—state or church. Today people feel more threatened by disorder. Modern American liberalism developed to redress a perceived imbalance between anemic government and the surging power of entities and forces in industrial

strong government are decreasingly plausible. Furthermore, long recessions and slow growth increase individual anxiety and decrease social solidarity, thereby weakening society's support for collective actions.

On the other hand, aspects of both economic vigor and its absence can help Democrats. The boom of the 1980s was unsettling to many people. While the U.S. economy added 19 million net new jobs, Fortune 500 corporations shrank by 4 million jobs and from 58 percent of industrial output to 42 percent. Rapid change generates stress, and thus generates supporters for a liberal party that equates any social distress with "victimization" and a failure of government to enforce "fairness."

The Bush recession was especially unsettling, for three reasons. First, it came after the long—92-month—Reagan expansion, which had convinced people that business

"Aspects of both economic vigor and its absence can help Democrats."

cycles are products of government mistakes that government should know how to avoid. Second, Bush's recession came at the end of a low-saving decade, when people felt particularly vulnerable. Third, it came when the white-collar component of the work force was larger than ever. The recession involved much pruning of middle-management jobs, so articulate and assertive components of the electorate (including journalists) were anxious.

The weakening of social solidarity, the erosion of confidence in government and the increase in anxiety have made the issue of taxation paramount. During the Second World War an Irving Berlin lyric was:

You see those bombers in the sky?

Rockefeller helped to build them.

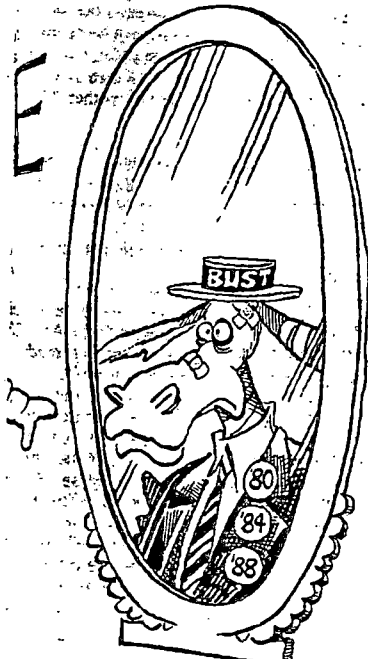
So did I.

In war, Americans were shoulder-to-shoulder. Today they are throwing elbows, especially about taxation.

The issue of taxation arose among English-speaking (sort of) people 1,000 years ago under King Ethelred the Unready, in connection with the Danegeld, an annual tax for the defense of the realm—actually, to pay tribute to the marauding Danes. Today George the Implausible is promising a tax cut that Congress will not deliver, to be balanced by spending cuts his own party will not countenance. Clinton promises to build a New Jerusalem by squeezing millionaires until they squeak.

But considering that a hefty \$4 trillion will be spent on private consumption this year, it is odd for conservatives to argue that any tax increase Congress is apt to impose on individuals will radically reshape the economy. It is equally implausible for liberals to say that Clinton's policy (management efficiencies, government spending to increase growth and never a discouraging word for the middle class that has most of America's money) will alter the deficit that paralyzes and disgraces government.

So if you nap for now, you will have no trouble picking up the thread of this year's by-now familiar political narrative.



BY MARLETTE FOR NEW YORK NEWSDAY

society. Now that (since last October) government jobs outnumber manufacturing jobs in America, an insufficiency of government is not seen as the problem.

The Democratic Party's change of mind—its movement toward the center—reflects recognition that it cannot win the presidency by changing the composition of the electorate. That is, it cannot win by mobilizing nonvoters among the poor and minorities. Political scientist Ruy Teixeira of the Brookings Institution calculates that if turnouts by blacks, Hispanics and poor whites had each been 20 percent higher in every state Bush won in 1988, Dukakis still would have lost by 102 electoral votes.

Over the last 30 years America's political center has shifted, to the disadvantage of Democrats. Watergate and Vietnam caused an erosion of confidence in government. The internationalization of economic life has weakened the power of governments. The mobility of money and businesses inhibits governments because wealth can flee currencies threatened by inflation or jurisdictions where growth is slow or government is meddlesome.

So parties whose promises depend on

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deficit budget

bright GOP presidential prospect,
but it now seems doubtful he can
survive politically. He

What is most notable about Wilson,
other than his persistence, is that he

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Rowland Evans and Robert Novak

The Gang of Five's Test

Cloistered with one another for two weeks, the new crew brought into the White House from the State Department by James A. Baker III is about to emerge from seclusion and reveal its plan for extending George Bush's presidency.

"Guarded" is the best description for the style of Baker and his four associates—inevitably labeled the Gang of Five by colleagues. They have told anxious Republican politicians to be patient for a few more days, that a new face for the failing Bush campaign will be revealed after Labor Day. Specifically, they were urged to watch carefully for the president's speech Thursday to the Detroit Economic Club.

This is not only a test for the Gang of Five but may be the last chance for President Bush to show he can

Clinton's will be unacceptable. That means talking more about Clinton's economic blueprint for the future and much, much less about how many times he raised taxes as governor of Arkansas. It also means a veto, not a signature, for the Democratic-crafted tax bill to be passed by Congress this month.

Aides at both the White House and the Bush-Quayle campaign were cheered Aug. 24 by the arrival of Baker and his associates—Robert Zoellick, Margaret Tutwiler, Dennis Ross and Janet Mullins. It was proclaimed as a new beginning after seven months of drift and indecision under Chief of Staff Sam Skinner.

But joy quickly faded. The Gang of Five spent its time talking to itself. The only non-member admitted to its deliberations was Budget Director Richard Darman, the longtime Baker lieutenant who surely is not a favorite at campaign headquarters. As this select group huddled nearly non-stop from 7 a.m. to past 10 p.m., aides got through to Zoellick or Ross for a stray 30 seconds on the phone and to Baker not at all.

The change in atmospherics was heartening. The fine hand of Jimmy Baker was seen in the president doing things he does not at all enjoy: turning up in Florida for Hurricane Andrew instead of Kennebunkport for speed golf and addressing the nation for five minutes to appeal for aid to the storm's victims.

But what Bush needs now is not kindlier atmospherics but meatier policy. The first performance of the new team was anything but reassuring. Both Baker and Zoellick wanted the president to order the Treasury to index capital gains taxes for inflation no matter what Congress said. But the White House announced Thursday evening it would abide by the debatable judgment of Justice Department lawyers that this could not be done.

This display of presidential weakness can only be excused on grounds that Baker was trying to clear the decks for the post-Labor Day push. There is at least a sense derived by the few who have talked at length to the Gang of Five that they know everything the campaign has done so far has been a total waste and that the world began anew this week—maybe in Detroit Thursday.

The joy caused by Baker's arrival quickly faded.

take advantage of inherent economic policy differences separating him from Gov. Bill Clinton. He has failed earlier tests this year: his State of the Union address and his Houston convention speech. He—and Baker—also flunked last week when the president permitted career lawyers at the Justice Department to overrule him on indexing the capital gains tax.

With two months left before the election, the truth is clear to all but the most addled Bush enthusiasts who insist the president is so beloved he will win a second term. The dreary last two years of domestic policy and especially the useless last seven months, if continued, guarantee a Democratic victory.

The performance of the president and his campaign has been so wretched that clear-headed supporters wonder why Clinton's margin is not 2-to-1 instead of just 12 to 15 points. Their answer is that the last two decades have built up an irreducible base of public support for low-tax, small-government policies, even if they are inconstantly pursued.

To exploit this advantage, Bush has been told what he must do: Convince voters his second term will be better than his first and that

OFFICE OF THE VICE PRESIDENT
WASHINGTON, DC

Jan -
Working on
making
to get out
of fund

Pacs:

Total contribution to
Candidates 1979-80:

\$60.7 million

Total 1987-88-

\$159.7 million

Total to Congressional
Candidates, 1979-80:

\$37.9 million

Total 1987-88: \$107.7 mil.

Source: Federal Election
(Statistical Abstract (51) Comm.

Table A:

Total PAC receipts, expenditures and contributions

th: 1974-1990

Non-connected	Coop-erative	Corp. w/o stock	Total
			608
			1,146
162	12	24	1,653
384	42	56	2,551
723	47	103	3,371
1,053	52	130	4,009
1,077	56	151	4,157
1,115	59	138	4,268
1,062	59	136	4,172

- A-1 All PACs
- A-2 Corporate PACs
- A-3 Labor PACs
- A-4 Trade/Membership/Health PACs
- A-5 Non-connected PACs
- A-6 Cooperative PACs
- A-7 Corporation without stock PACs

	Number	Receipts	Expenditures	Contributions
Table A-1: All PACs				
1977-78	1,653	80,500,000	77,800,000	35,100,000
1979-80	2,551	137,728,528	131,153,384	55,217,291
1981-82	3,371	199,452,356	190,173,539	83,620,190
1983-84	4,009	288,690,535	266,822,476	106,826,887
1985-86	4,157	353,429,266	339,954,146	139,770,157
1987-88	4,268	384,617,093	364,201,275	159,243,241
1989-90	4,172	372,357,602	358,088,777	159,312,728

Table A-2: Corporate PACs

1977-78	785	17,700,000	15,300,000	9,800,000
1979-80	1,206	33,879,272	31,417,630	19,182,122
1981-82	1,469	47,117,168	43,273,223	27,528,000
1983-84	1,682	66,331,047	59,194,066	39,008,465
1985-86	1,744	81,960,209	79,277,456	49,551,157
1987-88	1,816	96,917,153	89,852,158	56,155,259
1989-90	1,795	106,310,888	100,842,124	58,184,210

Table A-3: Labor PACs

1977-78	217	19,800,000	18,900,000	10,300,000
1979-80	297	25,677,031	25,099,848	13,211,725
1981-82	380	37,473,996	34,813,107	20,288,604
1983-84	394	51,116,628	47,544,022	26,164,349
1985-86	384	65,310,945	57,881,815	31,012,420
1987-88	354	78,509,139	74,071,575	35,495,780
1989-90	346	88,975,012	84,642,941	34,779,569

91-92 figures not due for release until Jan. '93. May be able to get addl. info. on Tues. 9/8 for '91-92 estimated figures.

91 TOTAL 52.4 MILLION

Barbara Blackburn
2135

→ Dan McKivergan RNC ←
863-8666

- Matt Niemeyer → h 546-0317
479-7050

ALMANAC OF FEDERAL PACs: 1992

Senate	House
723,579	104,110,240
1,928,118	33,404,982
7,686,772	27,197,181
1,791,701	29,070,667
8,341,491	11,532,249
691,507	1,980,743
1,283,990	1,924,418
8,775,583	110,419,564
21,950,264	36,190,880
6,796,238	27,990,262
11,702,295	32,666,343
6,177,427	9,071,644
677,390	2,285,070
1,211,965	2,215,365

ALMANAC OF FEDERAL PACs: 1992

Page 569

Table C:
Overall PAC contributions
to Democratic and Republican candidates

- C-1 All PACs
- C-2 Corporate PACs
- C-3 Labor PACs
- C-4 Trade/Membership/Health PACs
- C-5 Non-connected PACs
- C-6 Cooperative PACs
- C-7 Corporation without stock PACs

Table C: Overall PAC contributions to Democrats and Republicans

	Number	Democrats	Republicans
Table C-1: All PACs			
1977-78	1,653	19,700,000	15,300,000
1979-80	2,551	28,895,741	26,221,794
1981-82	3,371	45,414,812	38,183,268
1983-84	4,009	61,327,984	45,475,403
1985-86	4,157	78,905,307	60,908,368
1987-88	4,268	98,426,757	60,803,335
1989-90	4,172	98,988,456	60,839,880

Table C-2: Corporate PACs			
1977-78	789	3,600,000	6,100,000
1979-80	1,206	6,873,811	12,292,711
1981-82	1,469	9,408,109	18,118,991
1983-84	1,682	13,981,313	22,233,025
1985-86	1,744	19,293,883	30,268,086
1987-88	1,816	26,444,826	29,705,757
1989-90	1,795	27,579,380	30,603,795

Table C-3: Labor PACs			
1977-78	217	9,700,000	600,000
1979-80	297	12,360,099	838,226
1981-82	380	19,193,680	1,094,374
1983-84	394	23,797,941	1,313,028
1985-86	384	28,706,168	2,330,417
1987-88	354	32,749,837	2,744,243
1989-90	316	32,331,500	2,385,362

**Table B:
Overall PAC contributions
to Senate and House candidates**

- B-1 All PACs
- B-2 Corporate PACs
- B-3 Labor PACs
- B-4 Trade/Membership/Health PACs
- B-5 Non-connected PACs
- B-6 Cooperative PACs
- B-7 Corporation without stock PACs

	Number	Senate	House
Table B-1: All PACs			
1977-78	1,653	10,100,000	24,900,000
1979-80	2,551	17,334,636	37,882,726
1981-82	3,371	22,559,498	61,060,692
1983-84	4,009	29,668,014	75,662,076
1985-86	4,157	50,149,386	89,620,771
1987-88	4,268	51,723,579	104,110,240
1989-90	4,172	48,775,583	110,419,564

Table B-2: Corporate PACs

1977-78	785	3,600,000	6,100,000
1979-80	1,206	6,929,972	12,252,150
1981-82	1,469	8,604,780	18,923,220
1983-84	1,682	14,260,807	24,004,408
1985-86	1,744	21,721,324	27,829,833
1987-88	1,816	21,928,118	32,404,982
1989-90	1,795	21,950,268	36,190,890

Table B-3: Labor PACs

1977-78	217	2,800,000	7,400,000
1979-80	297	3,820,919	9,390,806
1981-82	380	4,899,277	15,389,327
1983-84	394	5,500,336	20,290,131
1985-86	384	7,908,118	23,104,302
1987-88	354	7,686,772	27,197,181
1989-90	346	6,756,238	27,990,262

by turning public housing tenants into homeowners.

At every turn during my time in Los Angeles, I heard people talking about the principles that guide these initiatives: personal responsibility, opportunity, ownership, independence, dignity.

I can already hear some of the critics out there. They'll say, "Well, you've proposed all this before." That's true. They're right. But now it's time to act on these proposals, time to try something new. My first order of business now that I am back in Washington is to build a bipartisan effort in support of immediate action on this agenda.

So far I have spoken about what Government can do. Now let me talk about what society must do because Government alone cannot create the scale and energy needed to transform the lives of people in need. All over America, people have already found the answers for themselves, and they're taking action to make things better. You can find them everywhere, even in south central L.A. I met a man there named Lou Dantzer, a bear of a man who runs the Challengers Boys and Girls Club. He started it out in the back of an old pickup truck with a group of kids who wanted to get off the streets. And today, across from a burned-out block in south central L.A., the Boys and Girls Club stands unscarred. No, it wasn't a miracle that the building was left standing. The real miracle is what goes on inside. It's a place kids can go to get the concern and the love they need, a place where people care.

That's why guaranteeing a hopeful future for the children of our cities is about a lot more than rebuilding burned-out buildings. It's about building a new American community.

This I know: We have the strength and spirit in our Government, in our communities, and in ourselves to transform America into the Nation we have dreamed of for generations.

Thank you for listening. And may God bless the United States of America.

Note: The President spoke at 9:03 a.m. from the Oval Office at the White House. His remarks were broadcast live on nationwide radio.

Message to the Senate Returning Without Approval the Congressional Campaign Spending Limit and Election Reform Act of 1992

May 9, 1992

To the Senate of the United States:

I am returning herewith without my approval S. 3, the "Congressional Campaign Spending Limit and Election Reform Act of 1992." The current campaign finance system is seriously flawed. For 3 years I have called on the Congress to overhaul our campaign finance system in order to reduce the influence of special interests, to restore the influence of individuals and political parties, and to reduce the unfair advantages of incumbency. S. 3 would not accomplish any of these objectives. In addition to perpetuating the corrupting influence of special interests and the imbalance between challengers and incumbents, S. 3 would limit political speech protected by the First Amendment and inevitably lead to a raid on the Treasury to pay for the Act's elaborate scheme of public subsidies.

In 1989, I proposed comprehensive campaign finance reform legislation to reduce the influence of special interests and the powers of incumbency. My proposal would abolish political action committees (PACs) subsidized by corporations, unions, and trade associations. It would protect statutorily the political rights of American workers, implementing the Supreme Court's decision in *Communications Workers v. Beck*. It would curtail leadership PACs. It would virtually prohibit the practice of bundling. It would require the full disclosure of all soft money expenditures by political parties and by corporations and unions. It would restrict the taxpayer-financed franking privileges enjoyed by incumbents. It would prevent incumbents from amassing campaign war chests from excess campaign funds from previous elections.

These are all significant reforms, and I am encouraged that S. 3 includes a few of them, albeit with some differences. If the Congress is serious about enacting campaign finance reform, it should pass legislation along the lines I proposed in 1989, and I will sign it immediately. However, I cannot accept legislation, like S. 3, that contains spending limits

or public subsidies, or fails to eliminate special interest PACs.

Further, as I have previously stated, I am opposed to different rules for the House and Senate on matters of ethics and election reform. In several key respects, S. 3 contains separate rules for House and Senate candidates, with no apparent justification other than political expediency.

S. 3 no longer contains the provision that the Senate passed last year abolishing all PACs. Although that provision was overbroad in banning issue-oriented PACs unconnected to special interests, S. 3 would not eliminate any PACs. Instead, the Act provides only a reduced limit on individual PAC contributions to Senate candidates and no change in the status quo in the House. Moreover, the limit on aggregate PAC contributions to House candidates to one-third of the spending limit, \$200,000, is not likely to diminish the heavy reliance of Members on PAC contributions. The average amount a Member of Congress raised from PACs in the last election cycle was \$209,000.

The spending limits for both House and Senate candidates will most likely hurt challengers more than incumbents, especially because S. 3 does little to reduce the advantages of incumbency. Inexplicably, there is no parallel House provision to the sensible Senate provision restricting the use of the frank in an election year. In the last election cycle, the amount incumbent House Members spent on franked mail was three times the total amount spent by all House challengers. The system of public benefits, designed to induce candidates to agree to abide by the spending limits, is unlikely in many cases to overcome the inherent favors of incumbency.

S. 3 contains several unconstitutional provisions, although none more serious than the aggregate spending limits. In *Buckley v. Valeo*, the Supreme Court ruled that to be constitutional, spending limits must be voluntary. There is nothing "voluntary" about the spending limits in this Act. The penalties in S. 3 for candidates who choose not to abide by the spending limits or to accept Treasury funds are punitive—unlike the Presidential campaign system—as well as costly to the taxpayer. For example, if a nonparticipating House candidate spends just one dollar over

80 percent of the spending limit, the participating candidate may spend without limit and receive unlimited Federal matching funds. The subsidies provided for in S. 3 could amount to well over 100 million dollars every election cycle, yet the Act is silent on how these generous Government subsidies would be financed. It seems inevitable that they would be paid for by the American taxpayer. I understand why Members of Congress would be reluctant to ask taxpayers directly to subsidize their reelection campaigns, but given the significant costs of S. 3, its failure to address the funding question is irresponsible.

Our Nation needs campaign finance laws that place the interests of individual citizens and political parties above special interests, and that provide a level playing field between challengers and incumbents. What we do not need is a taxpayer-financed incumbent protection plan. For these reasons, I am vetoing S. 3.

George Bush

The White House,
May 9, 1992.

Remarks on Maternal and Infant Health Care

May 11, 1992

Thank you, Lou, thank you, Secretary Sullivan, and welcome, everyone. Let me just pay a special thanks to Senator Dale Bumpers and to Congressman Tom Bliley, who have been spearheading many of our prenatal and immunization initiatives on Capitol Hill. They are true leaders for this cause, and we're delighted to see you all here today. Also to Jim Mason, our Assistant Secretary for Health; Bill Roper from Atlanta, doing a superb job as our Director at CDC. And a warm welcome to representatives of the Advertising Council and to all the very special mothers and children who are with us today.

Yesterday, on Mother's Day, millions of Americans took time to appreciate the miracle of motherhood. We thank the mothers who brought us into this world, who taught

Health Care Reform for Small Businesses

- o Over the past two years, 83% of small businesses have seen their health care costs increase. President Bush realizes that small businesses have been at a competitive disadvantage in the insurance marketplace and has pledged to reform the current health care system.
- o The President's plan can reduce the cost of health coverage for small business without costly government mandates or higher taxes.
 - Health Insurance Networks: Until now, small businesses have been at a competitive disadvantage in the insurance marketplace. The President's Comprehensive Health Reform Program encourages small businesses to form Health Insurance Networks (HINs). These HINs will allow small businesses to pool their purchasing power, enabling them to purchase low cost, high quality health insurance. The President's proposal also exempts insurance sold through HINs (as well as that sold outside of HINs) from costly state-imposed mandates and excessive state premium taxes.
 - 100% Deduction: Self-employed persons would be permitted to deduct 100% of their insurance costs (as a regular business expense) from their taxable income.
 - Insurance Credit Certificates: Small business employees and their families with low to moderate incomes and not receiving employer provided health insurance would receive insurance credit certificates or tax deductions of up to \$1,250 for individuals, \$2,500 for 2-person families, and \$3,750 for larger families, making insurance affordable.
- o The President's plan ensures that states will develop packages of basic benefits, and will guarantee that similar businesses buying similar insurance policies pay comparable premiums, regardless of how sick their employees are. No longer will small employers find that one sick employee or one employee with a sick child will make insurance unaffordable or unavailable.
- o The President strongly opposes play-or-pay and Canadian-style health plans that would penalize small businesses and bring with them the rationing of services, new intrusive government bureaucracies.

-more-

- A survey conducted by the National Federation of Independent Business showed that 93 percent of small-business owners oppose government mandating that employers purchase health insurance for their employees. In fact, if these employers were forced to pay as much as \$150 a month per employee for health coverage, more than one-fourth would opt to close their doors. Another one-fourth would remain open but lay off some employees.
- o Bill Clinton's play-or-pay health plan would require \$80 billion in new taxes.
- In addition, the minimum of a 7 percent payroll tax that a play-or-pay health plan requires could result in a pay cut of \$1,680 a year for the average 30-year old male high school graduate, currently earning \$24,000 a year in wages, and a pay cut of \$1,260 a year for the average 30 year old male high school dropout, currently earning \$18,000 a year in wages.

RE: CRIME SECTION

From Paul McNulty, Asst. Sec. for Policy & Communications ^{703-425-3460 (h)}
Mary Kate Grant, ~~Special~~ Asst. to the AG

- 22% decrease is wrong
- 22.7% crime rate increase from 1981-91 (UCR)
→ from press release (DOT) accompanying new UCR #s
- Shouldn't use NCWS #s reported: door-to-door survey whereas UCR is crimes reported, and what law enforcement officials say we should use.
- in 1960s and 70s → crime rate was ↑ 150% (avg.)
in 1980s - today → crime rate is ↑ 30% (avg.)
∴ we have slowed the rate of growth of crime

RE: INFRASTRUCTURE SECTION

From Kate Moore; Asst. Secretary of DOT (re: budget) 366-9191

- according to 5/92 CBO report (which studies the President's budget), 6% is correct. It is actually 6.37%

18TH STORY of Level 1 printed in FULL format.

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August 28, 1992

SECTION: NATIONAL DESK

LENGTH: 1560 words

HEADLINE: Barr Statement on FBI's 1991 Uniform Crime Report

CONTACT: Frank Shults of the U.S. Department of Justice, 202-514-2007

DATELINE: WASHINGTON, Aug. 30

KEYWORD: bc-fbi-crime-report

BODY:

Attorney General William P. Barr today released the following statement regarding the Federal Bureau of Investigation's (FBI) announcement of the 1991 violent crime statistics. The FBI indicated that the rate of reported violent crime increased by 3.6 percent between 1990 and 1991.

Attorney General Barr said:

While the rate of violent crime in 1991 was unacceptably high, the increases in the crime rate over the last 10 years are significantly lower than in the previous two decades. FBI reports tell us that the violent crime rate increased by 126 percent between 1960 and 1970 and by 64 percent between 1970 and 1980, but only by 22.7 percent between 1980 and 1990. The experience of the last 30 years makes clear that the imprisonment of chronic violent offenders has a dramatic positive effect on the amount of violent crime. In the 1960s and early 1970s, incarceration rates fell and crime rates skyrocketed. By contrast, when incarceration rates increased substantially in the 1980s, the rate of increase of crime was substantially reduced.

Much of the recent increase is a result of the juvenilization of violent crime, according to the FBI's statistics. This trend clearly shows that we must enact wholesale reform of the juvenile justice system so that for the vast majority of juvenile offenders, their first brush with the law is their last, and that the small group of chronic, hardened, youthful offenders are incapacitated for extended periods. The long-term solution to the problem of juvenile crime falls largely outside of the law enforcement system. It requires strengthening those basic institutions -- the family, schools, religious institutions, and community groups -- that are responsible for instilling values and creating law-abiding citizens.

There are two facts that hold true in the world of violent crime. First, a disproportionate amount of violent crime is committed by a relatively small group of chronic, violent offenders. This small segment of society commits a staggering number of crimes -- well over 100 per year.

Second, prosecutors and police officers must be given the tools necessary to identify and incarcerate this hard core group of repeat offenders. All too often, law enforcement's hard work is undermined by a "revolving door justice"

U.S. Newswire, August 28, 1992

system that puts career criminals back on the street before they have served their entire sentence.

The Bush administration has a four-point agenda for fighting violent crime. The four points are: 1) expanding resources to give law enforcement the tools it needs to fight the war against violent crime and drugs (federal law enforcement resources have increased by 60 percent over the last three years); 2) reform of the federal and state criminal justice systems; 3) high impact operations that target the most dangerous criminals through cooperative efforts with state and local law enforcement; and 4) integration of law enforcement with efforts to socially and economically revitalize the communities hardest hit by crime (Weed and Seed).

With regard to the second prong of reform, in the 1980s, federal law enforcement officers began to get the tools they needed to fight violent crime. Pretrial detention of dangerous defendants, adoption of sentencing guidelines, and construction of sufficient prison space helped keep violent offenders off the streets.

The Department of Justice recently released "Combating Violent Crime: 24 Recommendations to Strengthen Criminal Justice." It is a blueprint for fighting crime at the state and local level. Developed in conjunction with state and local law enforcement, prosecutors and victims groups, the report highlights both the success of tough law enforcement and the continuing need for reform of the criminal justice system. Taken together, these 24 recommendations will be effective tools in our effort to further reduce violent crime.

Citizens must take an active role in the push for criminal justice reform. To assist them, the report includes a "Citizen's Checklist" of questions that should be posed to state and local leaders regarding local governments' criminal justice system. The checklist will allow citizens to rate their state's criminal justice system as well as their elected representatives' efforts to ensure that police officers and prosecutors have the tools they need to fight violent crime.

Overall, 95 percent of violent crime is handled at the state and local level. It is there where we must focus our attention. Only through the combined support of state and local elected officials and community leaders can we implement the important recommendations put forth in the violent crime report.

The 24 recommendations contained in the report are divided into six groups: establishing pretrial detention for dangerous defendants; providing effective deterrence and punishment of adult offenders; providing effective deterrence and punishment of juvenile offenders; providing efficient trial, appeal, and collateral attack procedures; providing for effective prevention and detection of crime; and providing adequate protection for victim's rights.

The report includes specific recommendations to:

- * Protect the community by providing statutory and, if necessary, state constitutional authority for pretrial detention of dangerous defendants;

- * Adopt truth in sentencing by restricting parole practices and increasing time actually served by violent offenders;

* Adopt mandatory minimum penalties for gun offenders, armed career criminals, and habitual violent offenders; and

* Provide sufficient prison and detention capacity to support the criminal justice system.

Single copies of the report, "Combating Violent Crime: 24 Recommendations to Strengthen Criminal Justice," (NCJ-137713) may be obtained from the Bureau of Justice Statistics Clearinghouse, Box 6000, Rockville, Md. 20850. The toll-free telephone number is 800-732-3277.

4.769 4.8

15.8 in 1993

From National Crime Victimization
Survey
Rape ↓ 32.5%

~~Rate of increase~~ Robb ↓ 23.7

Assault ↓ 18.3

Theft ↓ 25%

But
just
came
out →

FBI UCR
Uniform Crime Report

murder ↓ 0.3

Rape ↑ 17.4

Rob ↑ 5.4

ass ↑ 49.6

Theft ↑ 2.8

Best not to use ^{either} these at
all.

Bob McToll
FBI

UCR
office
Crime
index rate

per 100,000 inhabitants

1981
of offenses

rape - 36
rob - 258.7
ass - 289.7
theft - 3,039.7
larceny

324-
3444

rate of increase
per 100,000
inhabitants

rape - ↑ 18%
robbery - ↑ ~~44.1%~~ 5.4%
assault - ↑ 49.5%
~~theft~~
theft/larceny - ↑ 2.8%

1991 per 100K

of offenses

rape - 42.3
rob - 272.7
ass - 433.3
theft - 3,228.8
larceny



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Washington, D.C. 20590

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Phone: () 366-9191

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Background: more data re federal
infrastructure spending

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CBO PAPERS

**TRENDS IN PUBLIC
INFRASTRUCTURE OUTLAYS
AND THE PRESIDENT'S
PROPOSALS FOR INFRASTRUCTURE
SPENDING IN 1993**

May 1992



**CONGRESSIONAL BUDGET OFFICE
SECOND AND D STREETS, S.W.
WASHINGTON, D.C. 20515**

ASSISTANT SECRETARY OF TRANSPORTATION
 WASHINGTON, D.C. 20590

CBO - (.35) Total Federal Spending
 (nominal \$)

1989 3,493

1990 3,672 + 6.4%

1991 3,829 + 4.3%

1992 (pl) 4,095 + 7.3%

4,1095 = + 19.1% / 5.89 -

19.1% = 3 = 6.3%

Klamore

9/7/92 3 pm

simple average - (not compounded rate)

TRENDS IN PUBLIC INFRASTRUCTURE OUTLAYS

18

Budget authority for highways in the CBO baseline is about \$0.5 billion more than the amount authorized by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). Most of this added budget authority is for highway demonstration projects that were included in the 1992 Department of Transportation Appropriations Act but were not authorized by ISTEA.

The President's budget calls for an increase in highway outlays, from \$16.4 billion in 1992 to \$17.6 billion in 1993. Highway outlays under the President's budget would be \$0.3 billion less than baseline spending levels, and \$0.6 billion less than if obligations equaled the level provided by ISTEA in that year.

TABLE 4. FEDERAL OUTLAYS FOR INFRASTRUCTURE, 1991-1993
(In millions of nominal dollars)

Type of Infrastructure	Actual 1991	Estimated 1992	President's Budget Proposal for 1993	CBO Baseline 1993	Difference Between President's Proposal and Baseline	
					Amount	Percentage
All Types	38,294	41,095	42,508	43,645	-1,136	-2.6
Highways	14,862	16,410	17,580	17,828	-248	-1.4
Transit	3,912	3,799	3,455	3,823	-368	-9.6
Rail	807	871	638	1,034	-396	-38.3
Aviation	8,184	8,907	9,807	9,692	115	1.2
Water Transportation and Resources	7,514	8,006	7,865	8,104	-239	-2.9
Water Supply and Wastewater Treatment	3,015	3,103	3,163	3,164	0	0

SOURCE: Congressional Budget Office.

TRENDS IN PUBLIC INFRASTRUCTURE OUTLAYS

28

 **SOURCES FOR FEDERAL SPENDING DATA**

Most of the data for 1980 to the present have simply been assembled from an Office of Management and Budget (OMB) data base that divides federal spending into the categories described above. The OMB data sort spending into the appropriate categories at the subaccount level. In a few instances, these data conflict with those shown in various parts of the budget. In those cases, the data from the budget were used.

The data for years before 1980 come primarily from unpublished OMB historical data and from the budget for various years. OMB's historical data show federal spending for individual budget accounts broken down into grant and nongrant spending. By definition, grant outlays are indirect spending; nongrant outlays can be either direct or indirect.

The historical data do not separate outlays into capital and noncapital expenditures. The data on capital expenditures were taken from the budget, in particular the "Historical Tables," the "Special Analyses," and the "Appendix" for various years. Because of apparent inconsistencies in the principal data sources, spending data for both the aviation and the rail categories were taken from the federal budget's appendix and classified by type of spending on an account-by-account basis.

 **CAVEATS ABOUT THE FEDERAL DATA**

The federal spending data include all programs whose primary purpose is to provide infrastructure services. During the 1970s and early 1980s, however, a significant fraction of total federal infrastructure outlays were channeled through programs that included public works investment as only one of many purposes. These multipurpose programs included General Revenue Sharing, Community Development Block Grants, the Economic Development Administration, the Appalachian Regional Commission, the Model Cities program, and others. Not much information exists on the extent to which these programs supported infrastructure services of different types.

TABLE A-2 TOTAL FEDERAL SPENDING FOR INFRASTRUCTURE, 1956-1991 (In millions of nominal dollars)

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
All Categories	2,161	2,508	3,200	4,823	5,324	5,361	5,641	6,113	6,786	7,411	7,532	7,733
Capital	1,338	1,680	2,493	3,697	4,066	3,969	4,307	4,619	5,242	5,629	5,712	5,805
Other	823	828	707	1,125	1,258	1,391	1,335	1,494	1,544	1,782	1,821	1,928
Highways	776	995	1,528	2,630	2,973	2,645	2,848	3,093	3,710	4,096	4,044	4,069
Capital	729	950	1,511	2,601	2,927	2,610	2,789	3,026	3,641	4,016	3,998	4,000
Other	47	45	17	29	46	35	59	66	69	81	46	70
Mass Transit	0	0	0	0	0	0	1	4	6	12	21	45
Capital	0	0	0	0	0	0	0	2	5	11	16	42
Other	0	0	0	0	0	0	1	2	1	1	5	3
Rail	8	11	14	13	10	11	26	12	15	29	26	41
Capital	0	0	0	0	0	0	0	0	0	0	0	0
Other	8	11	14	13	10	11	26	12	15	29	26	41
Aviation	180	220	316	497	571	724	818	851	882	941	961	1,042
Capital	27	45	96	164	170	218	221	185	169	153	119	127
Other	153	175	220	333	401	506	598	666	713	788	842	915
Water Transport^e	420	365	392	436	508	569	617	655	646	717	695	749
Capital	37	66	113	56	57	104	181	151	138	144	153	175
Other	383	299	279	380	451	465	435	504	508	573	541	574
Water Resources^a	777	916	931	1,211	1,222	1,368	1,290	1,447	1,460	1,546	1,704	1,685
Capital	545	616	754	840	872	993	1,074	1,203	1,223	1,235	1,344	1,360
Other	232	299	177	371	350	374	216	244	238	310	360	325
Water Supply	0	0	0	0	0	0	0	0	0	0	0	13
Capital	0	0	0	0	0	0	0	0	0	0	0	13
Other	0	0	0	0	0	0	0	0	0	0	0	0
Sewage Treatment	0	3	19	36	40	44	42	52	66	70	82	89
Capital	0	3	19	36	40	44	42	52	66	70	82	89
Other	0	0	0	0	0	0	0	0	0	0	0	0

(Continued)

TABLE A-2. CONTINUED

	1968	1969	1970	1971	1972	1973	1974	1975	1976	TQ ^b	1977	1978
All Categories	8,159	8,358	8,824	10,427	10,916	12,011	13,191	15,780	19,477	5,241	22,208	22,870
Capital	6,017	6,006	6,138	7,104	7,464	8,111	9,158	10,644	13,473	3,767	15,577	15,436
Other	2,142	2,353	2,686	3,324	3,453	3,900	4,033	5,135	6,003	1,474	6,631	7,434
Highways	4,298	4,286	4,542	4,869	4,915	5,004	4,806	5,058	6,712	1,807	6,395	6,393
Capital	4,153	4,140	4,332	4,621	4,645	4,748	4,480	4,692	6,319	1,671	6,071	5,943
Other	145	146	210	248	270	257	326	366	393	136	325	449
Mass Transit	69	148	124	212	316	491	590	1,106	1,492	339	2,000	2,177
Capital	66	141	119	187	259	358	503	864	946	265	1,307	1,358
Other	3	7	5	25	57	133	87	242	546	74	693	819
Rail	28	29	30	119	152	187	243	929	1,460	211	1,895	1,938
Capital	0	0	0	0	0	0	47	205	568	27	931	848
Other	28	29	30	119	152	187	196	724	891	184	964	1,090
Aviation	1,084	1,206	1,408	1,807	1,908	2,159	2,216	2,387	2,531	578	2,786	3,243
Capital	135	187	196	225	340	565	467	533	495	79	559	810
Other	949	1,019	1,212	1,582	1,568	1,595	1,749	1,854	2,036	499	2,227	2,433
Water Transport^a	841	857	895	1,027	1,094	1,211	1,316	1,430	1,542	415	1,741	1,787
Capital	214	190	167	199	218	276	332	338	303	73	330	363
Other	627	667	729	828	876	934	984	1,092	1,238	342	1,411	1,424
Water Resources^a	1,644	1,591	1,514	1,768	1,948	2,221	2,200	2,608	2,742	804	3,213	3,431
Capital	1,253	1,106	1,013	1,247	1,419	1,427	1,510	1,751	1,843	565	2,201	2,212
Other	391	485	501	521	530	794	691	857	899	239	1,012	1,219
Water Supply	55	81	101	110	127	35	173	211	370	109	422	465
Capital	55	81	101	110	127	35	173	211	370	109	422	465
Other	0	0	0	0	0	0	0	0	0	0	0	0
Sewage Treatment	141	162	210	515	456	703	1,647	2,051	2,628	978	3,757	3,437
Capital	141	162	210	515	456	703	1,647	2,051	2,628	978	3,757	3,437
Other	0	0	0	0	0	0	0	0	0	0	0	0

(Continued)

TABLE A-2 CONTINUED

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
All Categories	26,057	30,989	32,486	29,451	29,023	31,132	33,643	35,931	32,856	34,135	34,493	36,727	38,294
Capital	18,163	21,890	20,712	19,476	19,496	21,339	23,666	26,364	23,051	24,010	23,714	25,732	26,785
Other	7,895	9,099	11,774	9,975	9,528	9,794	9,977	9,566	9,805	10,125	10,779	10,995	11,509
Highways	7,583	9,639	9,514	8,284	9,208	10,811	13,110	14,420	12,969	14,237	13,731	14,584	14,862
Capital	7,089	9,087	8,927	7,803	8,784	10,384	12,683	13,967	12,434	13,704	13,224	13,993	14,267
Other	495	552	587	482	425	427	427	453	535	533	507	590	596
Mass Transit	2,542	3,307	3,914	3,930	3,759	3,811	3,427	3,399	3,353	3,315	3,593	3,830	3,912
Capital	1,700	2,038	2,593	2,588	2,782	3,113	2,420	2,729	2,551	2,395	2,667	3,142	3,218
Other	842	1,269	1,321	1,341	976	698	1,007	670	802	920	927	688	694
Rail	2,059	2,405	3,715	2,154	1,342	1,558	1,072	908	829	598	623	558	807
Capital	1,155	1,246	451	521	426	433	336	136	148	0	-6	-48	228
Other	904	1,158	3,265	1,633	916	1,125	736	772	681	598	629	606	579
Aviation	3,355	3,723	3,814	3,526	4,000	4,415	4,895	5,287	5,520	5,897	6,622	7,234	8,184
Capital	802	907	807	698	831	1,048	1,291	1,665	1,841	1,976	2,256	2,572	3,094
Other	2,554	2,815	3,007	2,828	3,169	3,368	3,604	3,622	3,679	3,921	4,366	4,661	5,090
Water Transport ^a	1,969	2,229	2,381	2,687	2,969	3,010	3,201	3,964	3,461	3,111	2,916	3,151	3,148
Capital	372	512	455	486	613	543	749	1,660	843	430	126	271	265
Other	1,597	1,717	1,926	2,201	2,356	2,468	2,452	2,305	2,617	2,681	2,790	2,880	2,882
Water Resources ^b	3,853	4,223	4,132	3,948	3,904	4,070	4,122	4,041	3,783	4,034	4,271	4,401	4,366
Capital	2,330	2,634	2,463	2,457	2,218	2,363	2,371	2,296	2,292	2,561	2,710	2,833	2,697
Other	1,503	1,588	1,669	1,490	1,686	1,708	1,751	1,745	1,491	1,473	1,561	1,568	1,669
Water Supply	610	729	738	758	558	541	596	520	14	278	252	441	407
Capital	610	729	738	758	558	541	596	520	14	278	252	441	407
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Sewage Treatment	4,085	4,736	4,279	4,164	3,283	2,914	3,220	3,392	2,928	2,664	2,485	2,528	2,608
Capital	4,085	4,736	4,279	4,164	3,283	2,914	3,220	3,392	2,928	2,664	2,485	2,528	2,608
Other	0	0	0	0	0	0	0	0	0	0	0	0	0

SOURCE: Congressional Budget Office.

a. Navigation outlays by the Army Corps of Engineers are included in water resources, not in water transport.

b. Transition quarter.



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CBO PAPERS

TRENDS IN PUBLIC
INFRASTRUCTURE OUTLAYS
AND THE PRESIDENT'S
PROPOSALS FOR INFRASTRUCTURE
SPENDING IN 1993

May 1992



CONGRESSIONAL BUDGET OFFICE

TRENDS IN PUBLIC INFRASTRUCTURE OUTLAYS

3

TABLE 1. PUBLIC SPENDING FOR INFRASTRUCTURE, 1956-1989
(In millions of 1990 dollars)

Year	Total	Federal	State and Local ^a
1956	65,723	11,265	54,458
1957	68,608	12,231	56,378
1958	69,899	14,266	55,632
1959	77,226	21,092	56,134
1960	77,027	23,322	53,705
1961	81,523	23,514	58,009
1962	82,746	24,151	58,596
1963	86,933	25,386	61,547
1964	88,600	27,737	60,863
1965	91,833	29,725	62,108
1966	94,507	29,377	65,130
1967	95,952	29,172	66,779
1968	96,747	29,701	67,046
1969	97,973	28,870	69,102
1970	96,925	28,308	68,617
1971	100,972	30,931	70,041
1972	104,338	30,844	73,494
1973	104,360	32,979	71,382
1974	102,610	33,050	69,560
1975	105,712	33,859	71,852
1976	106,481	39,421	67,060
1977	107,418	42,348	65,070
1978	107,918	40,453	67,465
1979	113,614	41,531	72,083
1980	117,104	44,128	72,976
1981	117,928	42,647	75,281
1982	113,516	36,900	76,616
1983	115,373	35,228	80,145
1984	119,222	37,381	81,841
1985	124,656	38,436	86,220
1986	131,838	39,967	91,871
1987	136,902	36,037	100,866
1988	140,468	36,524	103,944
1989	142,493	35,499	106,994

SOURCE: Congressional Budget Office.

^a State and local outlays net of federal grants and loans.

29. PHYSICAL CAPITAL PRESENTATION

Part Three-41

Table 29-5. DETAIL OF FEDERAL CAPITAL OUTLAYS BY DEFENSE AND NONDEFENSE

(in millions of dollars)

	1991 actual	1992 estimate	1993 estimate
CAPITAL OUTLAYS:			
NATIONAL DEFENSE:			
Major public physical capital:			
Construction and rehabilitation:			
Military construction	2,972	3,668	5,064
Family housing	402	505	702
Atomic energy defense activities and other	1,282	1,231	1,284
Subtotal, construction and rehabilitation	4,656	5,402	7,050
Acquisition of major equipment:			
Procurement	82,058	74,358	88,898
Atomic energy defense activities and other	617	741	617
Subtotal, acquisition of major equipment	82,675	75,097	89,514
Subtotal, major public physical capital	87,331	80,499	76,565
Other capital outlays:			
Conduct of research and development:			
Defense military	35,330	37,525	38,529
Atomic energy and other	6,339	7,097	6,698
Subtotal, defense research and development	41,669	44,622	46,228
Other outlays	517	443	160
Subtotal, other capital outlays	42,186	45,065	46,388
Subtotal, national defense capital outlays	129,517	125,563	122,953
NONDEFENSE:			
Major public physical capital:			
Construction and rehabilitation:			
Highways	14,214	15,752	16,894
Mass transportation	3,218	3,150	2,878
Rail transportation	48	141	201
Air transportation	1,558	1,629	1,854
Water transportation	135	138	122
Community development block grants	2,978	3,125	3,339
Other community and regional development	939	1,050	1,002
Pollution control and abatement	3,484	3,384	3,401
Water resources	2,540	2,567	2,322
Other natural resources and environment	1,058	1,241	1,359
Energy	2,304	2,658	3,582
Veterans hospitals and other health	916	1,195	1,292
Postal Service	1,277	1,777	780
Federal buildings fund	800	874	1,345
Other programs	1,397	1,866	2,309
Subtotal, construction and rehabilitation	38,884	40,555	42,859
Acquisition of major equipment:			
Air transportation	1,579	1,838	2,089
Other transportation	488	411	320
Space flight, research, and supporting activities	1,841	1,980	1,431
General science and basic research	170	204	279
Veterans medical care	449	541	550
Postal Service	85	519	1,268
General supply fund	348	418	401
Other	523	527	735
Subtotal, acquisition of major equipment	5,479	6,138	7,980
Other physical assets (grants)	603	591	941
Subtotal, major public physical capital	42,745	47,282	50,379
Other capital outlays:			
Other physical assets (direct)	4,855	6,005	6,161
Conduct of research and development:			
General science, space, and technology:			
NASA	6,277	6,383	6,751
National Science Foundation	1,631	1,840	2,056
Other general science	834	952	1,250
Subtotal, general science, space, technology	8,741	9,154	10,057
Energy	2,501	3,072	3,231
Transportation:			
Department of Transportation	333	407	455

FY1992 Pres Budget

Part Six-21

PHYSICAL CAPITAL PRESENTATION

Table XVIII-3. DETAIL OF FEDERAL CAPITAL OUTLAYS BY DEFENSE AND NONDEFENSE
(in millions of dollars)

	1990 actual	1991 estimate	1992 estimate
TOTAL OUTLAYS:			
NATIONAL DEFENSE:			
Major public physical capital:			
Construction and rehabilitation:			
Military construction	4,575	4,019	4,020
Family housing	507	490	440
Atomic energy defense activities and other	1,268	1,745	2,669
Subtotal, construction and rehabilitation	6,451	6,255	7,129
Acquisition of major equipment:			
Procurement	80,858	79,098	74,300
Atomic energy defense activities and other	545	682	908
Subtotal, acquisition of major equipment	81,403	79,779	75,208
Subtotal, major public physical capital	87,854	86,034	82,337
Other capital outlays:			
Conduct of research and development:			
Defense military	38,247	36,369	38,655
Atomic energy and other	2,831	2,785	2,919
Subtotal, defense research and development	41,078	39,148	41,574
Other outlays	555	356	383
Subtotal, other capital outlays	41,634	39,504	41,957
Subtotal, national defense capital outlays	129,488	125,539	124,293
NONDEFENSE:			
Major public physical capital:			
Construction and rehabilitation:			
Highways	13,972	14,116	14,837
Mass transportation	3,142	3,371	3,051
Rail transportation	36	91	149
Air transportation	1,312	1,567	1,723
Water transportation	89	126	124
Community development block grants	2,818	3,073	3,097
Urban development action grants ..	209	210	200
Other community and regional development	834	695	790
Pollution control and abatement	3,163	3,438	3,403
Water resources	2,668	2,925	2,906
Other natural resources and environment	928	1,111	1,203
Energy	2,557	2,081	2,956
Veterans hospitals and other health	879	892	1,088
Postal Service	1,070	1,361	926
Other programs	1,308	1,886	2,974
Subtotal, construction and rehabilitation	34,995	37,145	39,426
Acquisition of major equipment:			
Air transportation	1,344	1,688	1,761
Other transportation	340	420	452
Space flight, control, and data communications	1,793	2,009	1,869
General science and basic research	148	241	199
Postal Service	247	494	784

Table XVIII-3. DETAIL OF FEDERAL CAPITAL OUTLAYS BY DEFENSE AND NONDEFENSE—Continued
(in millions of dollars)

	1990 actual	1991 estimate	1992 estimate
Other	1,293	1,761	2,084
Subtotal, acquisition of major equipment	5,165	6,613	7,160
Other physical assets (grants)	585	687	641
Subtotal, major public physical capital	40,745	44,345	47,227
Other capital outlays:			
Other physical assets (direct)	3,676	6,524	8,057
Conduct of research and development:			
General science, space, and technology:			
NASA	5,624	6,158	6,859
National Science Foundation	1,520	1,702	1,956
Other general science	784	897	1,076
Subtotal, general science, space, technology	7,927	8,757	9,872
Energy	2,342	2,435	2,813
Transportation:			
Department of Transportation ..	272	365	407
NASA	701	816	908
Subtotal, transportation	973	1,181	1,315
Health:			
National Institutes of Health	7,082	7,320	7,736
All other health	1,162	1,408	1,528
Subtotal, health	8,253	8,728	9,264
Agriculture	837	887	1,022
Natural resources and environment ..	1,220	1,376	1,434
All other research and development	1,081	1,157	1,325
Subtotal, conduct of research and development	22,732	24,620	27,044
Conduct of education and training:			
Department of Education:			
Higher education	7,795	9,737	11,797
Elementary, secondary, and vocational education	9,559	11,095	12,275
Other	412	436	398
Subtotal, Department of Education	17,766	21,269	24,470
Veterans readjustment benefits	441	495	674
Training and employment programs	3,890	3,954	4,133
Health training	1,176	1,313	1,397
Other education and training	3,783	4,344	4,518
Subtotal, conduct of education and training	27,056	31,374	35,031
Loans and other financial capital:			
Loans:			
International affairs	-398	-743	-5,512
Agriculture	-4,446	-3,229	-2,258
Mortgage credit	3,034	2,945	81
Deposit insurance	-2,195	-807	-114
Other advancement of commerce	-358	-179	-170
Transportation	-562	39	166
Disaster relief	401	-36	-424
Other community and regional development	264	234	259
Education	3,288	1,338	692

- NAFTA means more opportunities for U.S. small businesses to grow through international export. U.S. merchandise exports to Mexico and Canada have more than doubled since 1980, rising from \$51 to \$118 billion.
- o The President is working for a strong GATT agreement to open markets worldwide to a variety of U.S. businesses. A successful agreement could increase U.S. output by \$1 trillion over the next ten years.
 - The President stood firm in his protection of U.S. intellectual property rights and opposed arbitrary emissions targets and timetables in Rio de Janeiro at the United Nations Conference on the Environment and Development.
- o Had the President not successfully objected to these Rio initiatives, the U.S. biotech industry would have been decimated, the U.S. opposed provisions that would have jeopardized U.S. biotech industry activities overseas, and new job-costing carbon taxes.

Development of a Skilled and Literate Workforce

- o President Bush believes that improving the American educational system and job training programs are critical to America's competitive position in the world. The President has begun programs that will lead to a better educated workforce that can quickly adapt to the changing business needs of the future.
 - The President's America 2000 grass-roots education strategy advocates school choice (both private and public), tougher standards, and would create break-the-mold New American Schools.
- o The President has doubled funding for literacy and established the National Institute for Literacy which coordinates all federal literacy programs. Literacy is a top priority of both the President and Mrs. Bush.
- o The President's Job Training 2000 initiatives will replace several different Federal job-training programs with a new, coordinated, market-driven system. Services now provided under the Job Training Partnership Act will be provided through Skills Centers that will provide "one stop shopping" for those in need of job training.

- On April 14, 1992, President Bush sent to Congress his Youth Apprenticeship Act. This bill facilitates the development of voluntary youth apprenticeships that integrate high academic standards, workplace skills, and real working experience leading to meaningful employment.
- o The President's Lifelong Learning Act ensures that higher education will be available to many people who are now denied access, particularly part-time students. This Act makes it easier for employees of small businesses to get training by providing a lifetime line of credit for all Americans.

Supporting Women Entrepreneurs

- o Through the Office of Women's Business Ownership at the Department of Labor and the Small Business Administration, the Bush Administration assists nearly 5 million women entrepreneurs in the U.S. Census Bureau statistics indicate that women own 32% of all small businesses in the United States, projected to grow to 40% by the year 2000.
- o President Bush has established initiatives designed to help women to establish and maintain their own businesses. His initiatives provide technical assistance, improve access to credit, and foster export growth.

White House Conference on Small Business

- o The President, in recognition of the important role small business plays in the American economy, fully supports the 1994 Conference on Small Business.

#

HURRICANE ANDREW

Bush Adds Troops, \$300 Million in Aid For South Florida

By David S. Broder
and Thomas W. Lippman
Washington Post Staff Writers

President Bush, expressing irritation at political "second-guessing" of federal relief efforts, yesterday ordered 5,000 more troops to storm-ravaged sections of Florida and made \$300 million more available to aid victims there of Hurricane Andrew.

The president interrupted his weekend at Camp David for a one-hour White House briefing from Transportation Secretary Andrew H. Card Jr., his on-the-scene representative, and other officials. Then Bush outlined measures that he said would "respond to this crisis on a human level, block by block, right out there where these people live."

The additional troops, which will bring total federal and state troop deployment in the area to about 20,000, are to expand the reach of food, medical, transportation and housing services to victims "so they don't have to leave what few possessions they have and . . . the familiar surroundings that they have lived in," Bush said.

When the new troops arrive in South Florida, they will be plunged into an extraordinary panorama of confusion and hardship in which the sheer volume of the relief effort has overwhelmed the commu-

See PRESIDENT, A19, Col. 1



National Guard troops distribute food to children in storm-devastated Florida City neighborhood. The volume of workers is reportedly hampering relief.

BY CAROL GUZY—THE W

Bush Adds Troops, \$300 Million to Florida Aid

PRESIDENT, From A1

nity's ability to support it. So many volunteers, law enforcement officers, troops and work crews were on the roads of southern Dade County yesterday that they virtually paralyzed each other.

Card said the goal of the additional help is to have "small neighborhood tent facilities, so people can keep an eye on their goods, repair their houses and have a place nearby to get out of the sun and get a hot meal."

The \$300 million in funds, almost five times the amount previously allocated, is to allow the Federal Emergency Management Agency (FEMA) to expand its operations and the Small Business Administration to make reconstruction loans, Card said.

The president said he would ask Congress for supplemental funds of undetermined size when it returns after Labor Day.

As he did Friday, Bush expressed strong irritation at questions about the delay in dispatching federal aid and the possible political consequences in a state vital to his re-election strategy.

"May I tell you something?" he said to reporters before returning to Camp David. "This may be hard for you to believe. I am thinking about what's good for the people here. I don't even think about the politics of it. We're trying to help people. . . . Can't we help people without having somebody try to put a political interpretation in it? I mean, heaven sakes. . . . I'm sorry, I just simply find that a little bit outrageous."

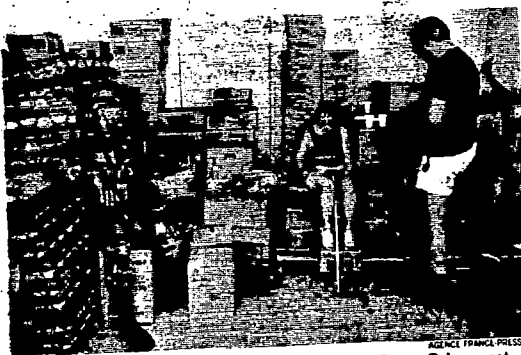
He took the same tone when a reporter asked about comments by Bush's challenger, Arkansas Gov. Bill Clinton that "he's not criticizing you but he thinks that the federal response should be looked into to see how it could be improved."

"I don't respond to Governor Clinton on these matters," the president said. "We have a national emergency here and we're trying to get this job done. . . . If there are ways to improve what we're doing, fine. But this isn't the business of second-guessing. It's the business of trying to help people."

Card said he had told the president that only four of 22 field kitchens shipped Thursday with the first of the 7,000 Army and Marine troops were serving breakfasts yesterday morning but that 18 were expected to be in operation by last night.



Red Cross volunteer Omy Dolpho, left, shares Nathan Levin as Phyllis Harder, center, and Bertha Arnold rest at shelter.



Spec. James Taswell, left, watches Marcella Canning and George Bakannas eat first hot meal since storm. Four of 22 field kitchens served food early yesterday.

A serious problem, Card said, is that communications are so poor that people often do not know where meals are available.

Still, he said, he had breakfast with storm victims yesterday "and the situation is much, much better today than it was yesterday, and yesterday was a quantum leap over the day before."

The president also expressed optimism. "It's been a very impressive effort," he said, "and I think the people of this community who have been heartbroken, been scared, wondering where their meals are coming from, are now seeing . . .

that this is a magnificent response—local, state and federal. . . ."

Bush and Card said that Louisiana Gov. Edwin W. Edwards (D) had expressed satisfaction with cleanup efforts in his state, which took a lesser blow from Andrew, and that Edwards was not asking additional federal help.

At a Defense Department briefing earlier in the day, officials said 14,500 military personnel, including those on ships carrying construction materials, were in or on their way to Florida. Card said the 5,000 mentioned by Bush were additional contingents of Army troops and Marines.

In stricken Dade County yesterday, officials appealed in vain for motorists to stay off roads because traffic gridlock, compounded by lack of traffic lights and road signs, is blocking the relief campaign.

Out-of-state truckers hauling relief supplies were being asked to stop at West Palm Beach and unload at a central point rather than drive into congealed traffic south of Miami.

Kate Hale, Dade County emergency operations director, said the telephone system was nearing collapse because the volume of calls had nearly tripled in the county, from about 1.5 million in a normal hour to more than 4 million.

Hospitals and medical workers reported a new rash of injuries among people using unfamiliar equipment such as chain saws and among barefoot children cutting their feet on glass and nails.

Florida Power & Light Co. officials said about 750,000 customers are still without electricity. The utility said that improper wiring of gasoline-powered generators caused shocks to two power-line workers and that more injuries are

Elections in Dade County Delayed Because of Storm

Associated Press

MIAMI, Aug. 29—Circuit Judge Leonard Rivkind today postponed primary elections in Dade County until Sept. 2, agreeing with county officials that Hurricane Andrew made it impossible to hold a fair election Tuesday.

Rivkind's ruling does not affect election schedules in Florida's 66 other counties.

The state did not oppose the delay, but officials said they may appeal Rivkind's order to keep results of five races under wraps until polls close in Dade County.

"A one-week delay, we feel that's in the best interest of the people of Dade County," said Assistant Attorney General

Denis Dean, representing Secretary of State Jim Smith. "But we see no reason to have the results sealed. There's no need for it, and the court has no jurisdiction to do it."

Four of the five races covered by the judge's order overlap eight counties. The other is the statewide U.S. Senate primary.

Dade County Elections Supervisor David Leahy said voting locations in 102 precincts in the hard-hit southern part of Dade County could not be used, meaning that 132,000 people would have trouble casting ballots.

Replacement polling places would be set up in two high schools, and officials will advertise their locations, Leahy said.

likely as generators are hooked up by amateurs buying them from freelance vendors.

A utility spokesman said the task facing Florida Power may be the greatest ever faced by a U.S. utility. Before individual homes and shops can be reconnected, power-line workers must rebuild thousands of utility poles, transformers and transmission lines that feed power to individual customers.

For the second consecutive day, the misery of roofless homeowners and shopkeepers was compounded by heavy downpours, which soaked exposed carpets, insulation and furnishings dragged from devastated dwellings.

Fear of looting continued to be pervasive. The inscription "We shoot looters" appears throughout the area, and police said well-armed homeowners were not making idle threats. They reported 112 arrests Friday night for violation of the 7 p.m.-to-7 a.m. curfew still in effect south of the city of Miami.

Lippman reported from Miami.

THE VICE PRESIDENT'S OFFICE
Office of the Press Secretary

FOR IMMEDIATE RELEASE

AUGUST 13, 1991

THE PRESIDENT'S COUNCIL ON COMPETITIVENESS
AGENDA FOR CIVIL JUSTICE REFORM IN AMERICA

FACT SHEET

"Overuse and abuse of the civil justice system has become a self-inflicted competitive disadvantage."

Vice President Dan Quayle, addressing
the American Bar Association.

Vice President Dan Quayle today presented the recommendations of the Council on Competitiveness concerning Civil Justice Reform in America. The recommendations embody the Administration's comprehensive plan to streamline the American civil justice system. The Council's report proposes 50 specific reforms to help decrease the costs and time required to resolve legal disputes in the American court system. Many of the reforms incorporate market-type incentives into the procedural system and seek to encourage earlier settlement. None of the reforms would impair substantive legal rights or limit an individual's access to the courthouse. The Council believes that these changes are necessary to maintain America's competitiveness.

The Problem: An Overburdened Civil Justice System

The report highlights a growing explosion of litigation in American society:

- With 70% of the world's lawyers, Americans are much more likely to resolve disputes in courts than citizens of other countries.
- Federal district court filings have increased almost 300% over the last 30 years. State court filings increased by more than 1.6 million cases from 1986 to 1989.
- It takes over a year to resolve most lawsuits. Delays of 3 to 5 years are not uncommon, and the time required for resolution is increasing.
- Every year Americans spend an estimated \$300 billion on legal fees, court costs, and individual time and effort in litigation.
- Excessive litigation puts America at a competitive disadvantage internationally.

The cost of our litigious society is borne by:

- Consumers who pay higher prices for goods and services and insurance.
- Consumers also suffer when products are not available. Almost half of all U.S. manufacturers have withdrawn products from the market due to liability issues.
- Workers who lose their jobs. 1 out of every 7 companies indicates it has laid off employees because of liability issues.
- Businesses that have higher costs.

Promote Justice for All Americans

The Council Report offers 50 recommendations for immediate reform of our civil justice system. These proposals are aimed at achieving the following goals:

- (a) Swifter Justice -- The proposals will facilitate more timely and efficient handling of cases, including speedier judicial intervention.
- (b) Reducing Costs of Litigation -- The proposals add new market incentives to the litigation process.
- (c) Expanded Opportunities to Protect Rights -- "Consumers" will be given a greater choice in the avenues for resolving disputes, including access to less expensive methods than civil trial.
- (d) Maintain the Integrity of the Justice System -- The proposals ameliorate features that ill-serve both the justice system and competitive goals, such as the present regime of punitive damages and the improper use of expert evidence.

Major Reforms

Five areas were targeted for major reforms:

- (a) Discovery -- Approximately 80% of the time and cost of a lawsuit involves pre-trial investigation of the facts. The Council's reforms will discourage overuse and abuse of discovery.

- (b) Punitive Damages -- Limitless punitive damages discourage settlement by random awards unrelated to actual harm. The Council's proposals restore fairness to this area of the law by placing appropriate limits on punitive damages, bifurcating trials, and requiring clear proof of wrongdoing.
- (c) Modified English Rule -- The United States is one of the few countries where winners and losers alike pay their own legal fees. The Council's proposals will establish the mechanism in certain cases to make the prevailing party whole by compensating the winner for his or her legal fees.
- (d) Expert Evidence -- There has been an explosion of "junk science" in our courtrooms. The Council's recommendations will make certain that expert testimony is an objective aid to the courts' search for truth.
- (e) Multi-Door Courthouse -- Consumers will be given a choice to elect an effective alternative to court adjudication.

The Administration is committed to the fair, efficient, and early resolution of disputes. To demonstrate this commitment, the Administration will apply many of the suggested reforms to litigation conducted by federal agencies.

The Administration is also undertaking steps to implement the recommendations:

- (a) Legislation will be forwarded to Congress implementing the federal court reforms.
- (b) Proposed amendments to the Federal Rules of Civil Procedure and the Federal Rules of Evidence will be submitted through the Supreme Court.
- (c) Model statutes and rules will be proposed for adoption by the 50 states.

These recommendations were prepared by the Council's Working Group on Civil Justice Reform, chaired by Solicitor General Kenneth W. Starr. The Working Group was composed of experts from the Department of Justice, the White House Counsel's Office, the Office of Policy Development, the Office of the Vice President, the Departments of Commerce, Treasury, Energy, and Health and Human Services, the Office of Management and Budget, the Council of Economic Advisors, and the Environmental Protection Agency.

The Council on Competitiveness unanimously endorsed the 50 reforms and directed that this Report on Civil Justice Reform be transmitted to the President.

5TH STORY of Level 1 printed in FULL format.

Copyright 1991 The Times Mirror Company
Los Angeles Times

October 28, 1991, Monday, Home Edition

SECTION: Metro; Part B; Page 5; Column 1; Op-Ed Desk

LENGTH: 652 words

HEADLINE: COLUMN LEFT;
RACISM IS THE BOTTOM LINE IN HOME LOANS;
AFTER REJECTION BY BANKS, BLACKS AND LATINOS ARE DRIVEN TO PRIVATE LENDERS WHO
CHARGE 30%, USING THE SAME BANK CAPITAL.

BYLINE: By JESSE JACKSON, The Rev. Jesse Jackson writes a syndicated column.

BODY:

The hopes of millions of Americans are being trampled by criminals. Lives are ruined; dreams are crushed; homes are lost in a continuing crime wave. The perpetrators target the affluent and the middle class alike. The Federal Reserve has just reported that this criminal activity extends across the country. Yet not a peep has been heard from the law-and-order crowd in the White House or Congress.

The silence relates to the nature of the crimes. The Federal Reserve confirms what we have known for decades: Banks routinely and systematically discriminate against African-Americans and Latinos in making mortgage loans. The discrimination extends across income levels. Whether minority applicants are workers, managers or professionals, they are rejected for home mortgages two to four times more often than whites at similar income levels. Minority entrepreneurs face similar discrimination when they seek capital for their businesses.

This is a crime wave with devastating effects. The very minorities who do the right thing -- the hard-working people who get ahead against the odds -- find their way blocked when they seek a mortgage for a home or a loan for a small business. Their access to capital is constricted by this illegal discrimination. Capital in this economy is like blood to the human body. Constrict its flow and vitality is lost. [Subtract capital from capitalism and all that's left is the "ism."] You can believe, but you cannot achieve.

The discrimination against blacks and Latinos is not confined to a few communities. It is pervasive. In 1989, a Boston Fed study examined 48,000 real-estate deals in 60 communities and found systematic red-lining. Banks simply refused loans to applicants from black neighborhoods, across levels of income and wealth.

What happens to the rejected? Their needs and dreams do not vanish when the banks deny them credit. They become easy prey for loan sharks offering to lend money at 20% and 30% interest. The Wall Street Journal reported on Sterling Saunders, a Boston homeowner, who needed a home-repair loan. He had a steady job, equity in his house and little debt, but two of New England's largest banks, Shawmut and the Bank of Boston, turned him down.

1991 Los Angeles Times, October 28, 1991

In desperation -- not wanting his house to deteriorate for want of repairs -- he arranged a two-year loan from a private lender, Resource Equity, at 34.09% interest. When Resource wouldn't refinance his loan, Saunders fell deeper into debt to even worse sharks. Now the 42-year-old city employee, his wife and three daughters face eviction from their home of 16 years.

Where did Resource Equity get the money to lend to Saunders? From multimillion-dollar credit lines at mainstream banks, including Shawmut. As Andrew Fischer, a Boston attorney, concluded: "The mortgage hustlers can write mortgages at 18% or 22% because the banks aren't out there lending at 10% or 12%. But it's usually bank money anyway."

Rep. Henry Gonzalez (D-Tex.), the chairman of the House Banking Committee, has called for President Bush to hold a White House summit to map out strategies for ending this destructive crime wave.

He is unlikely to get much satisfaction. Despite his recent, begrudging retreat on the civil-rights bill, President Bush is likely to continue to use race as a political weapon. As the recession continues and unemployment grows, Republican strategists are likely to intensify the "Willie Horton" race-bait politics that David Duke is using to great effect in Louisiana.

As the old Woody Guthrie song goes, some will rob you with a gun, and some with a fountain pen. The Federal Reserve study has confirmed what any African-American or Latino could tell you. Racial discrimination is still routine and destructive in this society, experienced by the affluent and the poor alike. What we need is a law-and-order campaign to stamp out the lawlessness that scars so many lives.

TYPE: Opinion

1990 The San Francisco Chronicle, NOVEMBER 28, 1990

* The facsimile machine, which was invented in the United States but made a success by Japan.

U.S. executives stumbled badly, as their market research indicated few people would pay much money for a kind of copy machine that sent messages at prices ...

Critical Technologies

In April 1991, the White House listed 22 areas of technological development that should be treated as "critical to the national prosperity and to national security." The 22 areas of technology are: surface transportation; environment; materials processing; electronic and photonic materials; ceramics; composites; high-performance metals and alloys; flexible computer

integrated manufacturing; intelligent processing equipment; micro-and nano-fabrication; systems-management; software; microelectronics and optoelectronics; high-performance computing/networking; high-definition imaging and displays; sensors and signal processing; data storage; computer simulation; applied molecular biology; medical; aeronautics; and energy.

Inventions and Discoveries

Invention	Date	Inventor	Nation.
Adding machine	1642	Pascal	French
Adding machine	1885	Burroughs	U.S.
Aerosol spray	1926	Rothem	Norwegian
Air brake	1868	Westinghouse	U.S.
Air conditioning	1911	Carrier	U.S.
Air pump	1654	Guericke	German
Airplane, automatic pilot	1912	Sperry	U.S.
Airplane, experimental	1896	Langley	U.S.
Airplane jet engine	1939	Ohain	German
Airplane with motor	1903	Wright bros.	U.S.
Airplane, hydro.	1911	Curtis	U.S.
Airship	1852	Giffard	French
Airship, rigid dirigible	1900	Zeppelin	German
Arc welder	1918	Thomson	U.S.
Autogyro	1920	de la Cierva	Spanish
Automobile, differential gear	1865	Benz	German
Automobile, electric	1892	Morrison	U.S.
Automobile, exp mtl	1864	Marus	Austrian
Automobile, gasoline	1889	Daimler	German
Automobile, gasoline	1892	Duryea	U.S.
Automobile magnet	1897	Bosch	German
Automobile muffler	1911	Maxim, H.P.	U.S.
Automobile self-starter	1911	Kettering	U.S.
Babbitt metal	1839	Babbitt	U.S.
Bakelite	1907	Baekeland	Belg., U.S.
Balloon	1783	Montgolfier	French
Barometer	1643	Torricelli	Italian
Bicycle, modern	1885	Starley	English
Bifocal lens	1780	Franklin	U.S.
Block signals, railway	1867	Hall	U.S.
Bomb, depth	1916	Tall	U.S.
Bottle machine	1825	Owens	U.S.
Braille printing	1829	Braille	French
Burner, gas	1855	Bunsen	German
Calculating machine	1833	Babbage	English
Camera—see also Photography			
Camera, Kodak	1888	Eastman	U.S.
Camera, Polaroid Land	1948	Land	U.S.
Car coupler	1873	Jenney	U.S.
Carburetor, gasoline	1893	Maybach	German
Card time recorder	1894	Cooper	U.S.
Carding machine	1797	Whittemore	U.S.
Carpet sweeper	1876	Bissell	U.S.
Cassette, audio	1963	Philips Co.	Dutch
Cassette, videotape	1969	Sony	Japanese
Cash register	1879	Ritty	U.S.
Cathode ray oscilloscope	1897	Braun	German
Cathode ray tube	1878	Crookes	English
CAT scan (computerized tomography)	1973	Hounsfield	English
Cellulose	1908	Brandenberger	Swiss
Celluloid	1870	Hyatt	U.S.
Cement, Portland	1824	Aspdin	English
Chronometer	1781	Harrison	English
Circuit breaker	1925	Hillard	U.S.
Circuit, integrated	1959	Kilby	Noyce
		Texas Instr.	U.S.
Clock, pendulum	1657	Huygens	Dutch
Coaxial cable system	1929	Affel, Eppen-sched	U.S.
Coke oven	1893	Hoffman	Austrian
Compressed air rock drill	1871	Ingersoll	U.S.
Comptometer	1867	Fell	U.S.
Computer, automatic sequence	1944	Aiken et al.	U.S.
Computer, mini	1960	Digital Corp.	U.S.
Condenser microphone (telephone)	1916	Wants	U.S.
Contraceptive, oral	1954	Pincus, Rock	U.S.
Corn, hybrid	1917	Jones	U.S.
Cotton gin	1793	Whitney	U.S.
Cream separator	1878	DeLaval	Swedish
Cultivator, disc	1878	Mallon	U.S.
Cystoscope	1878	Nitze	German

Invention	Date	Inventor	Nation.
Electrocardiograph	1903	Einthoven	Dutch
Electroencephalograph	1929	Berger	German
Electromagnet	1824	Sturgeon	English
Electron spectrometer	1944	Deutsch	U.S.
Electron tube multigridd	1913	Elliott, Evans	U.S.
Electroplating	1805	Langmuir	U.S.
Electrostatic generator	1829	Van de Graaff	U.S.
Elevator brake	1852	Otis	U.S.
Elevator, push button	1922	Larson	U.S.
Engine, automatic transmission	1910	Fottinger	German
Engine, coal-gas 4-cycle	1876	Otto	German
Engine, compression ignition	1883	Daimler	German
Engine, electric ignition	1883	Benz	German
Engine, gas, compound	1926	Eickemeyer	U.S.
Engine, gasoline	1872	Brayton, Geo.	U.S.
Engine, gasoline	1889	Daimler	German
Engine, steam, piston	1705	Newcomen	English
Engine, steam, piston	1769	Watt	Scottish
Engraving, half-tone	1852	Talbot	U.S.

Invention	Date	Inventor	Nation.
Fiberglass	1938	Owens-Corning	U.S.
Fiber optics	1955	Kapany	U.S.
Filament, tungsten	1913	Coolidge	U.S.
Flanged rail	1831	Stevens	U.S.
Flatiron, electric	1882	Seely	U.S.
Food, frozen	1924	Birdseye	U.S.
Furnace (for steel)	1858	Siemens	German

Invention	Date	Inventor	Nation.
Galvanometer	1820	Sveigger	German
Gas discharge tube	1922	Hull	U.S.
Gas lighting	1792	Murdoch	Scottish
Gas mantle	1865	Weisbach	Austrian
Gasoline (lead ethyl)	1922	Midgley	U.S.
Gasoline, cracked	1913	Burton	U.S.
Gasoline, high octane	1930	Ipatieff	Russian
Geiger counter	1913	Geiger	German
Glass, laminated safety	1909	Benedictus	French
Glass	1853	Cayley	English
Gun, breechloader	1811	Thornton	U.S.
Gun, Browning	1897	Browning	U.S.
Gun, Hotchkiss	1875	Hotchkiss	U.S.
Gun, magazine	1908	Maxim, H.P.	U.S.
Gun, silencer	1847	Schoenbein	German
Guncotton	1841	Sperry	U.S.
Gyrocompass	1851	Foucault	French
Gyroscope	1852	Foucault	French

Invention	Date	Inventor	Nation.
Harvester-thresher	1818	Lane	U.S.
Heart, artificial	1962	Jarvik	U.S.
Helicopter	1939	Sikorsky	U.S.
Hydrometer	1768	Baume	French

Invention	Date	Inventor	Nation.
Ice-making machine	1851	Gorrie	U.S.
Iron lung	1928	Drinker, Slaw	U.S.

Invention	Date	Inventor	Nation.
Kaleidoscope	1817	Brewster	Scottish
Kinoscope	1899	Edison	U.S.

Invention	Date	Inventor	Nation.
Lacquer, nitrocellulose	1921	Fisherty	U.S.
Lamp, arc	1847	Staitte	English

(continued)

Invention	Date	Inventor	Nation.
Lamp, fluorescent	1938	General Electric	U.S.
Lamp, incandescent	1879	Edison	U.S.
Lamp, incand., frosted	1924	Pipkin	U.S.
Lamp, incand., gas	1813	Langmuir	U.S.
Lamp, klieg	1911	Kliegl, A.&J.	U.S.
Lamp, mercury vapor	1912	Hewitt	U.S.
Lamp, miner's safety	1816	Davy	English
Lamp, neon	1909	Claude	French
Lathe, turret	1845	Fitch	U.S.
Launderette	1934	Cantrell	U.S.
Lens, achromatic	1758	Dollond	English
Lens, fused bifocal	1908	Borsch	U.S.
Leydenjar (condenser)	1745	von Kleist	German
Lighting rod	1752	Franklin	U.S.
Linoleum	1860	Walton	English
Linotype	1884	Mergenthaler	U.S.
Lock, cylinder	1851	Yale	U.S.
Locomotive, electric	1851	Vail	U.S.
Locomotive, exp mtl	1802	Trevithick	English
Locomotive, exp mtl	1812	Fenton et al.	English
Locomotive, exp mtl	1813	Hedley	English
Locomotive, exp mtl	1814	Stephenson	English
Locomotive practical	1829	Stephenson	English
Locomotive, 1st U.S.	1825	Cooper, P.	U.S.
Loam, power	1785	Cartwright	English
Loudspeaker, dynamic	1924	Rice, Kellogg	U.S.
Machine gun	1861	Gatling	U.S.
Machine gun, improved	1872	Hotchkiss	U.S.
Machine gun (Maxim)	1883	Maxim, H.S.U.S.	Eng.
Magnet, electro	1828	Henry	U.S.
Mantle, gas	1885	Weisbach	Austrian
Mason jar	1858	Mason, J.	U.S.
Match, friction	1827	John Walker	English
Mercerized textiles	1843	Mercer, J.	English
Metal, induction	1888	Shallenberg	U.S.
Metronome	1816	Maizeel	German
Micrometer	1636	Gascoigne	English
Microphone	1877	Berliner	U.S.
Microscope, compound	1590	Janssen	Dutch
Microscope, electronic	1931	Knoll, Ruska	German
Microscope, field ion	1951	Mueller	German
Monitor, warship	1861	Ericsson	U.S.
Monotype	1867	Langston	U.S.
Motor, AC	1892	Tesla	U.S.
Motor, DC	1837	Davenport	U.S.
Motor, induction	1887	Tesla	U.S.
Motorcycle	1865	Daimler	German
Movie machine	1894	Jenkins	U.S.
Movie, panoramic	1952	Waller	U.S.
Movie, talking	1927	Warner Bros.	U.S.
Mower, lawn	1831	Budding	U.S.
		Ferrabee	English
Moving machine	1822	Bailey	U.S.
Neoprene	1930	Carothers	U.S.
Nylon synthetic	1930	Carothers	U.S.
Nylon	1937	Du Pont lab.	U.S.
Oil cracking furnace	1891	Gavrilov	Russian
Oil filled power cable	1921	Emanuelli	Italian
Oleomargarine	1869	Mège-Mouries	French
Ophthalmoscope	1851	Helmholtz	German
Paper machine	1809	Dickinson	U.S.
Parachute	1785	Blanchard	French
Pen, ballpoint	1838	Biro	Hungarian
Pen, fountain	1864	Waterman	U.S.
Pen, steel	1780	Harrison	English
Pendulum	1583	Galileo	Italian
Percussion cap	1807	Forsythe	Scottish
Photograph	1877	Edison	U.S.
Photo, color	1892	Ives	U.S.
Photo film, celluloid	1893	Reichenbach	U.S.
Photo film, transparent	1884	Eastman	U.S.
Photoelectric cell	1895	Eisler	German
Photographic paper	1835	Talbot	U.S.
Photography	1835	Talbot	English
Photography	1839	Daguerre	French
Photography	1816	Niepce	French
Photophone	1860	Bell	U.S.
Phototelegraphy	1925	Bell Labs	U.S.-Scot.
Piano	1709	Cristofori	Italian
Piano, player	1863	Fourneaux	French
Pin, safety	1849	Hunt	U.S.
Pistol (revolver)	1836	Colt	U.S.

Invention	Date	Inventor	Nation.
Plow, cast iron	1785	Ransome	English
Plow, disc	1898	Hardy	U.S.
Pneumatic hammer	1890	King	U.S.
Powder, smokeless	1884	Vielle	French
Printing press, rotary	1845	Hoe	U.S.
Printing press, web	1865	Bullock	U.S.
Propeller, screw	1804	Stevens	U.S.
Pulsars	1937	Ericsson	Swedish
Punch card accounting	1867	Bell	English
	1889	Hollerith	U.S.
Quasars	1963	Schmidt	U.S.
Radar	1940	Watson-Watt	Scottish
Radio amplifier	1906	De Forest	U.S.
Radio beacon	1928	Donovan	U.S.
Radio crystal oscillator	1918	Nicolson	U.S.
Radio receiver, cascade tuning	1913	Alexanderson	U.S.
Radio receiver, heterodyne	1913	Fessenden	U.S.
Radio transmitter triode modulation	1914	Alexanderson	U.S.
Radio tube-diode	1905	Fleming	English
Radio tube oscillator	1915	De Forest	U.S.
Radio tube triode	1906	De Forest	U.S.
Radio, signals	1895	Marconi	Italian
Radio, magnetic detector	1902	Marconi	Italian
Radio FM 2-path	1933	Armstrong	U.S.
Rayon	1883	Swan	English
Razor, electric	1917	Schick	U.S.
Razor, safety	1895	Gillette	U.S.
Reaper	1834	McCormick	U.S.
Recorder, cylinder	1887	Bell, Tainter	U.S.
Recorder, disc	1887	Berliner	U.S.
Recorder, long playing	1947	Goldmark	U.S.
Recorder, wax cylinder	1888	Edison	U.S.
Refrigerants, low-boiling fluorine compound	1930	Midgely and co-workers	U.S.
Refrigerator car	1868	David	U.S.
Resin, synthetic	1931	Hill	English
Richter scale	1935	Richter	U.S.
Rifle, repeating	1860	Spencer	U.S.
Rocket engine	1926	Goddard	U.S.
Rubber, vulcanized	1839	Goodyear	U.S.
Saw, band	1808	Newberry	English
Saw, circular	1777	Miller	English
Searchlight, arc	1915	Sperry	U.S.
Sewing machine	1846	Howe	U.S.
Shoe-sewing machine	1860	McKay	U.S.
Shrapnel shell	1784	Shrapnel	English
Shuttle, flying	1733	Kay	English
Sleeping-car	1865	Pullman	U.S.
Slide rule	1620	Cughtred	English
Soap, hardwater	1928	Bertsch	German
Spectroscope	1859	Kirchoff	German
Spectroscope (mass)	1918	Dempster	U.S.
Spinning jenny	1767	Hargreaves	English
Spinning mule	1779	Crompton	English
Steamboat, exp mtl	1778	Jouffroy	French
Steamboat, exp mtl	1785	Fitch	U.S.
Steamboat, exp mtl	1787	Rumsey	U.S.
Steamboat, exp mtl	1788	Miller	Scottish
Steamboat, exp mtl	1803	Fulton	U.S.
Steamboat, exp mtl	1804	Stevens	U.S.
Steamboat, practical	1802	Synington	Scottish
Steamboat, practical	1807	Fulton	U.S.
Steam car	1770	Cugnot	French
Steam turbine	1884	Parsons	English
Steel (converter)	1856	Bessemer	English
Steel alloy	1891	Harvey	U.S.
Steel alloy, high-speed	1901	Taylor, White	U.S.
Steel, electric	1900	Heroult	French
Steel, manganese	1884	Hadfield	English
Steel, stainless	1916	Brearely	English
Stereoscope	1838	Wheatstone	English
Stethoscope	1819	Laennec	French
Stethoscope, binaural	1840	Carmann	U.S.
Stock ticker	1870	Edison	U.S.
Storage battery, rechargeable	1859	Piarte	French
Slove, electric	1896	Hadaway	U.S.
Submarine	1891	Holland	U.S.
Submarine, even keel	1894	Lake	U.S.

<i>Year</i>	<i>Invention or Achievement</i>	<i>Inventor/Origin</i>
	Tunnel diode	Sony, Japan, based on work by Leo Esaki
	Integrated circuit	Jack S. Kilby, Texas Instruments, U.S.
	Microwave radio system	Pacific Great Eastern Railway between Vancouver and Dawson Creek-Fort St. John, British Columbia, Canada
1960	Nuclear-powered ships	USS <i>Enterprise</i>
	Argon ion laser	D. R. Herriott, A. Javan, and W. R. Bennett, Bell Laboratories, U.S.
	Vertical takeoff and lift aircraft	Frank Taylor and team at Short Brothers & Harland, Northern Ireland
	Weather satellite	NASA, U.S.
1961	Manned spaceflight	<i>Vostok I</i> , U.S.S.R.
	Stereophonic radio broadcast	Zenith and General Electric Companies, U.S.
1962	Minicomputer	Digital Corp., U.S.
	Robotics	Rand Corp. and IBM, U.S.
	X-ray sources in the constellations	Riccardo Giacconi
1963	Cassette tapes	Philips Co., The Netherlands
1964	BASIC computer language	Thomas E. Kurtz and John G. Kemeny
	Acrylic paint	Reeves Ltd., England
	Carbon fiber	RAF Farnborough, England
	Home-use transistor videotape recorder	Sony, Japan
1965	Word processor	IBM, U.S.
1966	Integrated radio circuit	Sony, Japan
	Noise reduction system	Ray M. Dolby
1967	Bubble memory prototype	A. H. Bobeck and team at Bell Telephone Laboratories, U.S.
1968	Pulsars	Jocelyn Bell
	Holographic storage technique	Bell Telephone Laboratories, U.S.
1969	Moon landing	U.S.
	PASCAL computer language	Niklaus Wirth
	Videotape cassette	Sony, Japan
	Jumbo jet airliner	Joe Sutherland and team at Boeing, U.S.
1970	Bar code system	Monarch Marking, U.S., and Plessey Telecommunications, England
	Computer floppy disk	IBM, U.S.
	Remote-controlled lunar vehicle	U.S.S.R.
1971	Earth-orbiting space station	U.S.S.R.
	Liquid crystal display (LCD)	Hoffmann-LaRoche, Switzerland
	Quartz digital watch	George Theiss and Willy Crabtree
1972	Video disk	Philips Co., The Netherlands
	Video game	Noland Bushnell
1973	Computerized tomography (CAT scan)	Allan Macleod Cormack and Godfrey N. Hounsfield
	Earth-orbiting space station	U.S.
	Microcomputer	Trong Truong
1974	Nonimpact printing	Honeywell, U.S.

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Switzerland
 Villy Crabtree
 herlands
 ack and Godfrey

<i>Year</i>	<i>Invention or Achievement</i>	<i>Inventor/Origin</i>
1975	Monoclonal antibodies Betamax videotaping system Video home system (VHS)	Cesar Milstein Sony, Japan Matsushita/JVC, Japan
1976	Mars space probes	NASA's <i>Viking I</i> and <i>Viking II</i>
1977	Neutron bomb Space shuttle Alkyd paint	U.S. military NASA, U.S.
1978	Test-tube baby	Winsor & Newton Ltd., England Patrick C. Steptoe and Robert G. Edwards
1979	Rubik's cube	Erno Rubik
1980	Solar-powered aircraft	Paul Macready
1981	Silicon 32-bit chip Nuclear magnetic resonance (NMR) scanner	Hewlett-Packard, U.S. Thorn-EMI Research Laboratories and Nottingham University, England
1982	Artificial heart Airborne observatory	Robert Jarvik NASA, U.S.
1983	Biopol (biodegradable plastic) Biosensors Carbon-fiber aircraft wing	ICI Agricultural Division, England Cambridge Life Sciences, England Great Britain
1984	512K dynamic access memory chip Compact disk player	IBM, U.S. Sony and Fujitsu Companies, Japan, and Philips Co., The Netherlands
1985	Megabit computer chip CD-ROM (compact-disk read-only memory) Image digitizer Polymer electric conductor	IBM, U.S. Hitachi, Japan Optronics, England Terje Skotheim and team, Brookhaven National Laboratory, U.S.
1986	Soft bifocal contact lens Uranus moons photographs	Sofsite Contact Lens Laboratory, U.S. National Aeronautics and Space Administration, U.S.
1988	Synthetic skin Patented animal life	G. Gregory Gallico, III Philip Leder, Timothy Stewart

Significant Scientific Discoveries

<i>Year</i>	<i>Discovery</i>	<i>Discoverer/Origin</i>
B.C. c. 12,000	Fire	Unknown
c. 10,000	Zero	Hindu priests
c. 1300	32-letter alphabet	Ugarit, Syria
c. 1100	Phoenician alphabet (22 letters)	
A.D. c. 80	Magnetism	China
200	Blood circulation	Galen
220	Ellipse and hyperbola	Appollonius
520	Decimal number system	Aryabhata and Varamihara
1287	Nitric acid	Raymond Lully
1538	Optic nerve	Constanzo Vardio

The Washington Times, July 6, 1992

Who's for it? People like Starr Parker, a California small business entrepreneur who has been promoting school choice in her black community. "Polls show over 70 percent of minorities support school choice," she told the Wall Street Journal. "The rich have choice now. When I was on welfare, there was no way I could put my child in school. It's time we stop condemning the poor to a monopoly education system."

Who's opposed to it? Elitist liberals like Sen. Ted Kennedy, whose children attended private schools. And the teachers unions who oppose school choice because they know that the competition that will flow from choice programs will crack their entrenched monopoly over the whole system.

Clearly, the deepening social and economic problems in our inner cities and elsewhere have a lot to do with a decaying educational system that is hurting much of our nation.

Take, for example, the Chicago public school system where only 19 public high schools out of 66 graduate more than 50 percent of their students; and where the situation is so bad that 46 percent of the city's public school teachers now send their own kids to private schools.

Contrast that abysmal environment with the city's racially representative

Uli

THE WHITE HOUSE
WASHINGTON

House ownership

* 40% own home (1991)

* 39% female students in inst. of (1991)
higher learning

* all me
from Stat. Yearbook in Bonn

Russ Demming

647-3152

Dept. of State

[DEMMING]

DESK OFFICER

Desk Officer
American Embassy Japan

- Duty Officer

Miss Elizabeth Kravitz

Comm

positive p. 10

* Could be strengthened by mentioning
countries actually recession -

UK/Canada as in much worse
shape

Unemployment in Europe is 10%

A copy of a recent (June '92)
Urban Inst. report

entitled: "Is U.S. Income
Inequality Really Growing."

USIA

INTERNATIONAL STATS

301/530 -
1548
Pugh St. Press
(Canadian
Embassy)

Dwight Holloway, he can't
Dr. Barbara Bryant ← help
her out

Dir of Census
CAN

202/479-0398

Dwight said you
spoke to Tom
Collamore.

Barbara Everett Bryant
Dir - of CENSUS BUREAU

8

their own homes, as compared with 61% in Japan and 39% in Germany.

1990 CENSUS AGES 18-24 (ENROLLMENT)

(A)

The U.S. sends 56% of its children on to higher education, second only to Canada, and well above the 32% rate in Germany and 30% in Japan. And 51% of these U.S. students are women, as compared with 38% in Japan and 26% in Germany.

Rae Nelson confirmed this - has a chart

OP. of Econ. Cooperation and Dev. 1986 figs. OECD green ink in this draft is 1986 study numbers

right of desk could find 1992 Census book blue cover

Barbara Everett Bryant, Dir of Census Bureau

Census - Can't break down by age or sex
5.1% of the pop. is enrolled in Japan
1.9% in Germany
2.9% in U.S.
[THE WHITE HOUSE]

stats. from 1991 Statistical Abs. of US 1991 for yr. 1985 III th Edition Bureau of Census p. 840

Office - 202-357-6828

NCES

Emerson Elliott COMMISSIONER NATIONAL CENTER FOR ED.

- 1 to 75.4
- 1 to 12.6 (1990 Nat'l)
- 1 to 9.1 (1989)
- 1 to 156 (1989)
- 1 to 28.0 (1989)

FACTS FOR JB

- 1 61% OF JAPANESE HOUSEHOLDS OWN HOMES
- 2 39% OF GERMAN HOUSEHOLDS OWN HOMES
- 3 66% OF US HOUSEHOLDS OWN HOMES ← ALREADY CHECKED

CANADA SENDS x% OF ITS CHILDREN ON TO HIGHER EDUCATION; OF THAT
GERMANY SENDS —% " —% ARE FEMALE
JAPAN SENDS —% " —% ARE FEMALE

? ARE FEMALE
703-525-1907

favorite groups, the facts demonstrate that the Government is already committed to sensible investment in the future of our people:

1ST STORY of Level 1 printed in FULL format.

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Money

October, 1991

SECTION: SPECIAL REPORT; Pg. 86

LENGTH: 3537 words

HEADLINE: WHY WE STILL LIVE BEST IN THE USA

BYLINE: by Denise M. Topolnicki; Reporter associate: Mary Granfield

BODY:

Before we retreated from Vietnam, suffered through the 1970s oil shock and got used to walking past homeless people on our city streets, John Wayne reigned as the archetypal American -- riding high in the saddle, secure that his homeland was first among nations and confident that it would stay that way forever. But nowadays, even after the triumph of Operation Desert Storm, the personification of America often seems less like the Duke and more like Woody Allen -- a self-doubting neurotic, fretful about America's place in the world and increasingly pessimistic about our children's chances of living better than we do today.

The findings of poll after confirm that gnawing sense of insecurity. For example, a nationwide survey of 300 MONEY subscribers conducted last April by the Gallup Organization disclosed this: while 74% of the respondents felt that America's standard of living was still pre-eminent, a full 16% said they thought the U.S. would tumble from the top within 10 years; another 17% said they weren't sure whether we could retain our claim to No. 1. When the questioning turned to which nation was likeliest to replace us at the pinnacle, Japan was cited by 77%, followed by Germany (63%). (The survey's margin of error was plus or minus six percentage points.)

Those concerns often seem justified. Hardly a week passes without new evidence that other people live better than we do. As recently as July, the Council on Competitiveness, a nonprofit organization of 150 U.S. chief executives, reported that America's standard of living, measured by the widely used yardstick of per capita gross domestic product, fell slightly in 1990. Per capita GDP also grew more slowly in the U.S. from 1972 through 1990 -- up in inflation-adjusted 33% -- than it did in six of our main economic rivals, led by Japan (up 80%).

That news seems more disturbing than it actually is, however, because per capita GDP tells little about how well a nation's citizens live or how much their income buys. To answer those questions and find out who in the world lives best overall, MONEY reporters spent eight months preparing this 50-page special report. They interviewed more than 200 government officials, scholars and ordinary citizens and traveled some 19,000 miles from New York City to Yokohama, Japan and back. We also constructed a proprietary standard-of-living index with the help of contributing editor Cheryl Russell, a noted demographer and the author of 100 Predictions for the Baby Boom (Plenum, \$ 17.95).

In designing the index, we consulted national opinion surveys to identify nine critical elements that Americans believe are essential to maintaining a

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1991 Time Inc., Money, October, 1991

high standard of living. Among them; decent health care and a home your own. Then, using the latest available statistics, we compared the U.S. in each of the nine key areas against 15 industrialized democracies (with at least 5 million residents) that the World Bank and the United Nations consider to have the world's wealthiest economies. (These criteria obviously ruled out the impoverished Soviet Union and China.)

For Americans, the results are immensely reassuring. Not only does the U.S. still enjoy the world's highest standard of living, it far outshines its major economic competitors, seventh-rated Japan and eighth-place Germany. Reunited Germany would rank even lower if available statistics reflected former East Germany's distressed living conditions. (For details on our methodology, see page 93.)

Admittedly, the MONEY index rests on how Americans define the good life. We make no apologies for that; obviously, cultures with different values might reach other conclusions. The remainder of this article examines where the U.S. stands on nine measures of a lofty standard of living, ranked in their of importance to Americans like you.

Health care

Of the dozens of measures we could have chosen to compare health-care quality, we settled on an average of male and female life expectancy at birth and at age 60 as a reasonable approximation of a nation's overall health. The U.S.' eighth-place finish ties it with Austria, Canada, Denmark and Italy. That standing is perhaps surprisingly high given that an estimated 34 million Americans, or 14% of our population, lack medical insurance. (By contrast, the 15 other countries guarantee virtually cradle-to-grave access to health care.) Our uninsured -- largely the working poor -- are the clear losers in a medical system that ranks as the most high-tech and high-cost in the world. As if further evidence were needed, a study published last January by the Center for Health Policy Studies at Georgetown University found that uninsured patients were 1.2 to 3.2 times more likely to die during a hospital stay than were those with private insurance.

WE'RE NO. 1

The U.S. ranks first -- with 820 (or 79%) out of a possible 1,040 points -- on our exclusive index rating the standard of living in 16 wealthy nations.

	Total score	% of maximum
United States	820	79
Australia	800	77
Canada	788	76
Finland	754	73
Sweden	748	72
Austria	744	72
Japan	727	70
West Germany	708	68
France	705	68
Switzerland	700	67
Italy	661	64
Netherlands	653	63

1991 Time Inc., Money, October, 1991

Denmark	650	63
Belgium	631	61
United Kingdom	598	58
Spain	578	56

Japan, which in 1950 had the lowest life expectancy of the countries we studied, now tops the list with an average at birth of 78 years and an average at age 60 of 22 years. Remarkably, Japan spends only 6.7% of its GDP on medicine while the U.S. lays out 11.8%. Yet the Japanese visit doctors almost three times as often as we do (13 times a year vs. five). Japan's Ministry of Health and Welfare, in consultation with an advisory body of citizens, insurers and health-care providers, keeps a relatively tight lid on health-care costs by fixing prices that private physicians can charge. As a result, an appendectomy costs only \$ 1,413 in Japan, compared with an average of \$ 8,350 in New York City.

Job opportunities

Based on the average annual unemployment rate during the 1980s, the U.S. finished sixth in our index with a 7.2% mark. Best at keeping its people at work was tiny Switzerland (pop. 6.6 million), which posted 0.7% unemployment during the past decade. The Swiss secret: more jobs than native workers. Consequently, a quarter of the 3.6-million-person Swiss labor force is foreign; one in five of those is a so-called frontier worker, who commutes to his job from neighboring countries. When jobs disappear, so do many foreign workers.

As for other nations with low unemployment, Sweden owes its 2.2% average rate partly to government- and employer-sponsored retraining programs for laid-off workers. The government also give grants that can total thousands of dollars to workers who relocate to find new jobs. Japan posted its enviable 2.5% unemployment rate in the 1980s in large part because of its robust economy, but also because many young, old or female workers who lose jobs return to their families, don't apply for unemployment compensation and don't even begin to look for work again until employment becomes readily available.

WHERE JOBS ARE PLENTIFUL

After about of nearly double-digit unemployment in the early 1980s, the U.S. jobless rate settled well below 7% during the latter part of the decade. Unemployment is virtually unknown in prosperous Switzerland. It was endemic in Spain's sluggish economy during the 1980s, however, reaching a high of 21.6% in 1985.

	% average unemployment 1980 to 1990
Switzerland	0.7
Sweden	2.2
Japan	2.5
Austria	4.3
Finland	4.9
United States	7.2
West Germany	7.3
Australia	7.6
Denmark	9.0
France	9.0

Information from Mr. Emerson Elliott, Commissioner, National
Center for Education Study

1988 UNESCO [United Nations Educational, Scientific, and Cultural
Organization Statistical Yearbook

enrollment in institutions of higher education in relation to
the population ages 20-24:

U.S.	68.1%
Canada	62.2%
W. Germany	31.8
E. Germany	33.1
Japan	30.1
Germany avg.	32%

OECD 1987 Table

% of females graduating with a BA

U.S.	51.7%
Canada	54.0
W. Germany	38.0
Japan	26.0

Census
• Dwight Ho

- Canada 9.3
- Netherlands 9.8
- United Kingdom 10.0
- Italy 10.2
- Belgium 11.9
- Spain 18.0

Source: International Labour Office

Housing

When we examined home ownership rates and dwelling sizes, the U.S. finished third. Our 64% home ownership rate is impressive, but it still places the U.S. below the first-place 69% mark shared by Australia and Finland. In those countries, first-time home buyers and others enjoy numerous generous government subsidies and loan programs that aid affordability.

The picture isn't nearly so bright in Japan and Germany. The fact that 61% of Japanese households own their homes is remarkable, considering that even cramped quarters that lack central heating cost hundreds of thousands or even millions of dollars (see page 105). The Japanese government has so far managed to prop up the home ownership rate by providing reduced-cost construction loans (now 5.5% to 6.7%) to people who plan to build single-family houses with floor space of 753 to 2,368 square feet. Prospective buyers are also able to amass substantial down payments because many major corporations house young employees in subsidized dormitories or rental apartments.

In Germany, where only 39% of all householders are homeowners, the problem is housing availability, particularly in prosperous western cities that are attracting job-seeking settlers from the former East Germany as well as ethnic Germans from economically strapped Poland and the Soviet Union. Indeed, there are 95 households vying for every 100 housing units in the former West Germany; in the U.S., there are only 84 for every 100.

To gauge the quality of a nation's housing stock, we compared dwelling sizes by examining the percentages of units with five or more rooms. In general, houses are largest in countries with lots of land, like Canada (72%), Australia (66%) and the U.S. (64%). Space is tightest in the Netherlands, where only 8% of all dwellings have at least five rooms.

WHERE THEY OWN THEIR OWN HOMES

Owning a home isn't just a part of the American dream. The percentage of households that own their homes tops 50% in 11 of the 16 industrialized countries we studied. The U.S. rate, though lifted by the income tax deduction Americans get on mortgage interest, trails that of Australia and Finland, where the government offers cash subsidies to home buyers and builders.

- %who own
their homes
- Australia 69
 - Finland 69
 - United States 64
 - Canada 62
 - Japan 61
 - Belgium 59
 - Italy 59

- Spain 57
- Denmark 65
- France 61
- United Kingdom 51
- Austria 48
- Netherlands 43
- Sweden 39
- West Germany 39
- Switzerland 30

Source: 1991 Britannica World Data

Income and purchasing power

Because a prospering middle class is a hallmark of a high overall standard of living, we examined the percentage of total household income that goes to the middle 60% of the population. With the middle class controlling 53% of all income, the U.S. ties with Australia, France and Spain for eleventh place. Austria, Belgium, Denmark and Finland top the list with 56%, Germany, the Netherlands, Sweden and the United Kingdom are close behind at 55%; France and Japan tie with 54%. The disadvantaged are best off in Japan, where the poorest 20% of the population receive 9% of all income. By contrast, the bottom fifth of the population in the U.S., Canada, Denmark and Switzerland get only 5% of all income. Since a fat income doesn't mean much if it doesn't buy much, we also measured purchasing power by calculating the share of total spending that people devote to food and beverages. The less spent on food, the more income left over for luxuries. Americans spend only 19% of their money on sustenance and finish second to the Netherlands (17%), the third biggest producer of pigs, butter and potatoes in the 12-member European Community.

Grocery shoppers are considerably more squeezed in fourteenth-place Japan, where citizens devote a steep 26% of their spending to food. Mountainous Japan is poorly suited to agriculture (only 13% of its land is arable), yet it slaps stiff tariffs averaging 12.1% on imported foods to protest its politically powerful farmers.

Upward mobility	▲ U.S.	68%	} AGE 20-24
	▲ CANADA	62%	
	▲ GERMANY	32%	
	▲ JAPAN	30%	

MR. EMERSON ELLIOTT, COMMISSIONER, NCES
 NATIONAL CENTER FOR EDUCATION STATISTICS
 1988 UNESCO STATISTICAL YEARBOOK
 (UNITED NATIONS EDUCATIONAL, STATISTICAL, AND CULTURAL ORGANIZATION)

Since a college education is now a prerequisite for financial success in developed countries, we measured the potential for upward mobility by comparing the percentage of 20- to 24-year-olds enrolled in college and other post-secondary schools. The U.S., which send 60% of its kids on to higher education, finishes second to Canada (62%). Germany and Japan weigh in at 32% and 30%, respectively; both of them use tough college entrance examinations to steer all but the most academically gifted even Bart Simpson would be able to find a college to admit him. Whether this is good or bad is not debatable. Some Americans contend that admitting Bart-like ne'er-do-wells to universities down to the level of other countries secondary schools. argue, however, that easy access to education increases the odds that students to vocational training. In the U.S., by contrast some Bart's eventually take learning seriously and flower into productive citizens.

EDUCATION ENROLLMENT

Our open system explains, in part, why U.S. students always look so dumb on international test. Because foreign students' future earning power frequently depends on how well they do on test, they tend to take them more seriously

than Americans do. At a juku, or cram school, in Yokohama that MONEY's reporters visited one Saturday afternoon, junior high school students were memorizing written description of how to perform gymnastic stunts for the physical education section of entrance, exams that Japanese students must take to get into topflight high schools.

We also measured opportunities for women by comparing the percentage of female college students in each countries. Once again, the U.S., shines; our 51% mark ties us with Australia, Finland and Spain for third place behind Canada and France (both 54%). In sharp contrast, Germany and Japan posted scores of 38% and 26%, respectively. Unsurprisingly, German and Japanese women are also less likely than American women to find good jobs. Twenty-nine percent of U.S. working women hold professional, technical, administrative or managerial positions, v. 18% in Germany and a mere 12% in Japan.

WHO SENDS THE MOST KIDS TO COLLEGE

1987 TABLE OECD [ORGANIZATION OF ECONOMIC COOPERATION AND DEVELOPMENT]

MR. EMERSON ELLIOTT, COMM

Canada and the U.S. strongly encourage higher education. countries, plus Japan and Australia, restrict college ad rank among the top quarter or third on standard measures achievement. The table shows the percentage of 20- to 2 universities, two-year community colleges and other post-secondary schools.

%enrolled

Canada	62
United States	60
Finland	40
France	35
Belgium	33
Netherlands	32
Spain	32
West Germany	32
Austria	31
Denmark	31
Sweden	31
Japan	30
Australia	29
Italy	26
Switzerland	25
United Kingdom	23

Source: World Bank/World Development Reports 1991

Leisure

The MONEY subscribers we polled were convinced that the U.S. had become a land of lazy loafers: only 7% of those surveyed thought that the amount of leisure time we enjoy would put us in the bottom third of the nations we studied. But that's where we fall. We spend an average of 39 hours a week at work more than Australians, Canadians, Swedes (38 hours), Austrians, Britons (37), Danes (35) and the Dutch (34). We also tied with Canada and Japan for the dubious distinction of receiving the least vacation time -- 10 days a year on average (not counting national holidays). Even the workaholic Japanese, who toil an average of 47 hours a week, enjoy 14 paid national holidays each year while we get just 10.

EDUCATION
FEMALE

Doc
Norway

Wheels

Although Japan has overtaken the U.S. as the world's most prolific automobile manufacturer, you wouldn't guess it by the country's low rate of car ownership. Japan ranks dead last on our 16-country list, with only 2.4 cars for every 10 of its people. Laws prohibit residents of densely populated areas like Tokyo and its suburbs from buying a car unless they can prove they have a parking space for it. Maintaining a car there is also expensive. Vehicles that are more than three years old must undergo rigorous inspections every two years. Minimum cost of such a checkup in greater Tokyo: \$ 1,600.

As anyone who navigates rush-hour traffic in an American city probably suspects, we own more cars than anyone else -- 5.6 for every 10 people. Germany, which is the world's third biggest car manufacturer, finishes third (4.6).

Safety

Most quality-of-life factors, such as climate, geography and social life, are highly subjective. But one such indicator isn't debatable: everybody wants to feel safe in his or her own neighborhood. Unfortunately, America's reputation as the world's crime capital is well deserved. Our annual murder rate of 8.4 per 100,000 inhabitants is more than 1.5 times greater than runner-up Canada's 5.5.

Our pilferage score is somewhat less embarrassing: with 5,248 thefts per 100,000 inhabitants, we rank sixth, behind Denmark (8,525) and Sweden (7,630), two welfare states renowned for their relative lack of poverty. The Danes and Swedes are as blase about thievery as they reputedly are about sex. Echoing the comments of a Swedish law enforcement official whom MONEY interviewed, Finn Ravnborg, deputy chief constable of the National Commissioner of the Danish Police, explained: "When people use someone else's bicycle or motorcycle briefly, then leave it somewhere, it's not the same as stealing. It's reported as a theft, but we really consider it to be borrowing."

The safest industrialized nation by far is Japan, with a murder rate of 1.2 per 100,000 inhabitants and a theft rate of 1,160. In Tokyo, \$ 50 earrings lie loose all day on department stores countertops, and strollers leave their briefcases and shopping bags unattended on park benches. In addition to its emphasis on conformity and social harmony, Japan's low crime rate can be traced to its strict control of weapons, which began in the 16th century when dictator Hideyoshi confiscated swords from all but the samurai. In today's Japan, crime is a high-risk occupation: Japanese police arrest suspects in 79% of all robberies. American cops crank only 25% of such cases.

As frivolous as it may seem, living well means you can afford a few creature comforts after you've paid for food, shelter and transportation. Since color televisions, once considered costly indulgences, are now commonplace in all affluent nations, we chose VCR-ownership rates as our proxy for luxury. Sixty-two percent of U.S. households own a VCR, which puts us in third place, close behind Canada (65%) and Australia (66%). Japan, the world's biggest manufacturer of VCRs, comes in fifth (55%).

One measure of a nation's standard of living that our index doesn't take into account is nevertheless worth noting: the opinion of people who vote with

1991 Time Inc., Money, October, 1991

their feet. During the 1980s, about 6 million immigrants came to the U.S. That was more than in any decade since the peak years between 1900 and 1910. Like their predecessors (see Editor's Notes on page 4), today's immigrants come because the U.S. promises a better life. Contrary to the fears of some natives, immigrants help raise, not lower, our standard of living by expanding our labor force and consumer markets. Indeed, immigrants even make us more competitive globally. Says Ben Wattenberg, the author of *The First Universal Nation* (Free Press, \$ 22.95): "Korean and Mexican Americans will learn their native languages at home and English at school and grow up to sell IBM products in Korea and Mexico." By contrast, our much more homogeneous Japanese and European rivals will have a tough time enlarging their work forces or markets unless they can convince their residents to have more kids -- or can discover a way to reverse aging.

THEY GET VACATIONS...

The world's most generous vacation benefits are found largely in Europe. Only the U.S. and the U.K. have no laws mandating minimum vacation days. The list shows the legally required minimum number of vacation days for employees with one year of service (six months in Germany).

	Days off per year
Austria	30
Denmark	30
Sweden	30
Italy	28
France	25
Netherlands	24
Spain	22
(1) United Kingdom	22
Australia	20
Belgium	20
Finland	20
Switzerland	20
West Germany	18
Canada	10
Japan	10
(1) United States	10

(1) Average -- no legal minimum

Source: Mewitt Associates; Consulate General of Italy

...WE GET AROUND

Whether it's a U.S.-made little dence coupe or the latest luxury import, Americans love their cars. The U.S. has far and away more passenger cars per 1,000 inhabitants than most major industrialized countries. Japan, the world's leading car manufacturer, trails the list.

	Cars per 1,000 inhabitants
United States	553
Australia	497
West Germany	467
Canada	454

1991 Time Inc., Money, October, 1991

Switzerland	419
Italy	482
Sweden	400
France	334
Austria	370
Belgium	349
Netherlands	348
Finland	344
Denmark	321
United Kingdom	316
Spain	283
Japan	241

Source: Organization for Economic Co-operation and Development

GRAPHIC: Picture 1, Japan's standard of living doesn't match its economic productivity. OTHAN HOFFMAN/PICTURE PROJECT; Picture 2, Reunited Germany is struggling to rescue its poor eastern portion. GILLES PERESS/MAGNUM; Picture 3, Despite shortcomings, the U.S. is still the best place to live. LEN JENSHELL; Illustrations 1 through 9, no caption, by Guy Billout

AND FINLAND BY LAW, AUSTRALIANS, DANES AND SWEDS GET 30 VACATION DAYS PER YEAR; CUSTOMARILY, AMERICANS GET ONLY 10 DAYS

ROOMS; THE COMPARABLE U.S. FIGURE IS 64% FEWER THAN 33% OF THE SWISS OWN THEIR HOMES, VS. 69% IN AUSTRALIA

In Germany, where only 39% of all householders are homeowners, the problem is housing availability, particularly in prosperous western cities that are attracting job-seeking settlers from the former East Germany as well as ethnic Germans from economically strapped Poland and the Soviet Union. Indeed, there are 95 households vying for every 100 housing units in the former West Germany; in the U.S., there are only 84 for every 100.

To gauge the quality of a nation's housing stock, we compared dwelling sizes by examining the percentages of units with five or more rooms. In general, houses are largest in countries with lots of land, like Canada (72%), Australia (66%) and the U.S. (64%). Space is tightest in the Netherlands, where only 8% of all dwellings have at least five rooms.

The picture isn't nearly so bright in Japan and Germany. The fact that 61% of Japanese households own their homes is remarkable, considering that even cramped quarters that lack central heating cost hundreds of thousands or even millions of dollars (see page 105). The Japanese government has so far managed to prop up the home ownership rate by providing reduced-cost construction loans (now 5.5% to 6.7%) to people who plan to build single-family houses with floor space of 753 to 2,368 square feet. Prospective buyers are also able to amass substantial down payments because many major corporations house young employees in subsidized dormitories or rental apartments.

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Source: International Labour Office

Country	% average unemployment 1980 to 1990
1.0	0.7
2.0	2.2
3.0	2.5
4.0	4.3
5.0	4.9
6.0	7.2
7.0	7.3
8.0	7.6
9.0	9.0
10.0	9.0
11.0	9.8
12.0	10.2
13.0	17.9
14.0	18.0

After a bout of nearly double-digit unemployment in the early 1980s, the U.S. jobless rate settled well below 7% during the latter part of the decade. Unemployment is virtually unknown in prosperous Switzerland. It was endemic in Spain's sluggish economy during the 1980s. However, reaching a high of 21.6% in 1988.

WHERE JOBS ARE PLENTIFUL

Housing

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Based on the average annual unemployment rate during the 1980s, the U.S. finished sixth in our index with a 7.2% mark. Best at keeping its people at work was tiny Switzerland (pop. 6.6 million), which posted 0.7% unemployment during the past decade. The Swiss secret: more jobs than native workers. Consequently, a quarter of the 3.6-million-person Swiss labor force is foreign; one in five of those is a so-called frontier worker, who commutes to his job from neighboring countries. When jobs disappear, so do many foreign workers.

As for other nations with low unemployment, Sweden owes its 2.2% average rate partly to government- and employer-sponsored retraining programs for laid-off workers. The government also gives grants that can total thousands of dollars to workers who relocate to find new jobs. Japan posted its enviable 2.5% unemployment rate in the 1980s in large part because of its robust economy, but also because many young, old or female workers who lose jobs return to their families, don't apply for unemployment compensation and don't even begin to look for work again until employment becomes readily available.



Job opportunities

Japan, which in 1950 had the lowest life expectancy of the countries we studied, now tops the list with an average at birth of 78 years and an average at age 60 of 22 years. Remarkably, Japan spends only 6.7% of its GDP on medicine while the U.S. lays out 11.8%. Yet the Japanese visit doctors almost three times as often as we do (13 times a year vs. five). Japan's Ministry of Health and Welfare, in consultation with an advisory body of citizens, insurers and health-care providers, keeps a relatively tight lid on health-care costs by fixing prices that private physicians can charge. As a result, an appendectomy costs only \$1,413 in Japan, compared with an average of \$8,350 in New York City.

OR MORE

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ee

1988 UNESCO - until metrics educational, scientific, cultural
region.

The enrollment in institutions of higher ed is = to
US - 68.1% of all 20-24 yr. olds

Statistical
yearbook

Canada - 62.2%

W Gen 31.8
E Gen 33.1 > 32

Japan 30.1

OECD 1987 TABLE

fem. graduates
% of BA fem.

US 51.7

Can 54.0

WB 38.0

~~ES~~
Jap 26.0

IN THE USA

DUTCH DWELLINGS HAVE FIVE OR MORE

75 YEARS OR ONLY 8% OF ALL

DAY'S JAPANESE NEWBORNS CAN EXPECT THE LONGEST LIVES, 78 YEARS; U.S. BABIES,

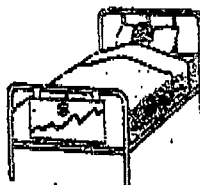
That news seems more disturbing than it actually is, however, because per capita GDP tells little about how well a nation's citizens live or how much their income buys. To answer these questions and find out who in the world lives best overall, MONEY reporters spent eight months preparing this 50-page special report. They interviewed more than 200 government officials, scholars and ordinary citizens and traveled some 19,000 miles from New York City to Yokohama, Japan and back. We also constructed a proprietary standard-of-living index with the help of contributing editor Cheryl Russell, a noted demographer and the author of *100 Predictions for the Baby Boom* (Plenum, \$17.95).

In designing the index, we consulted national opinion surveys to identify nine critical elements that Americans believe are essential to maintaining a high standard of living. Among them: decent health care and a home you own. Then, using the latest available statistics, we compared the U.S. in each of the nine key areas against 15 industrialized democracies (with at least 5 million residents) that the World Bank and the United Nations consider to have the world's wealthiest economies. (These criteria obviously ruled out the impoverished Soviet Union and China.)

For Americans, the results are immensely reassuring. Not only does the U.S. still enjoy the world's highest standard of living, it far outshines its major economic competitors, seventh-rated Japan and eighth-place Germany. Reunited Germany would rank even lower if available statistics reflected former East Germany's distressed living conditions. (For details on our methodology, see page 93.)

Admittedly, the MONEY index rests on how Americans define the good life. We make no apologies for that; obviously, cultures with different values might reach other conclusions. The remainder of this article examines where the U.S. stands on nine measures of a lofty standard of living, ranked in their order of importance to Americans like you.

Health care



Of the dozens of measures we could have chosen to compare health-care quality, we settled on an average of male and female life expectancy at birth and at age 60 as a reasonable approximation of a nation's overall health. The U.S.' eighth-place finish

ties it with Austria, Canada, Denmark and Italy. That standing is perhaps surprisingly high given that an estimated 34 million Americans, or 14% of our population, lack medical

insurance. (By contrast, the 15 other countries guarantee virtually cradle-to-grave access to health care.) Our uninsured—largely the working poor—are the clear losers in a medical system that ranks as the most high-tech and high-cost in the world. As if further evidence were needed, a study published last January by the Center for Health Policy Studies at Georgetown University found that uninsured patients were 1.2 to 3.2 times more likely to die during a hospital stay than were those with private insurance.

WE'RE NO. 1

The U.S. ranks first—with 820 (or 79%) out of a possible 1,040 points—on our exclusive index rating the standard of living in 16 wealthy nations.

Total score	% of maximum
820	79
800	77
769	75
764	73
748	72
744	72
727	70
708	68
705	68
700	67
691	64
653	63
650	63
631	61
598	58
578	56

SETTING THE RECORD STRAIGHT

"Facts About the 1980s"

**U.S. SENATE
BUDGET COMMITTEE**

U.S. Senator Pete Domenici
Ranking Republican Member

Prepared by Minority Staff

July 1992

JB --

This shows where
Zoellick got the
fact from.

Unfortunately,

it lists "sources"
rather than "footnotes".

It has page #s, but it's
kind of a guessing game
matching them up. -JB

EDUCATION

Continuing federal support of education has been coupled with innovative proposals for education reform.

- ✓ From 1980 to 1991, federal support for education increased 59%, from \$34.3 billion to \$54.6 billion.
- ✓ Federal support for education extends beyond those amounts, to include post-secondary education loans.
- ✓ The total volume of guaranteed student loans grew from \$4.6 billion in 1980 to \$11.5 billion in 1991 - an increase of almost 150%.
- ✓ Federal support for elementary and secondary education increased from \$16 billion in 1980 to \$24.4 billion in 1991, a 53% increase over those years.
- ✓ Federal support for education also comes indirectly through deductions allowed for state and local taxes—major sources of local education funding—on federal income tax returns. Federal tax deductions that help pay for state funded education are estimated to have increased over 36% from 1980 to 1991, from \$13.3 billion to \$18.1 billion.
- ✓ Also during the 1980s, expenditures per student in public elementary and secondary schools rose from \$2,502 to \$5,266—an increase of 110%.
- ✓ The U.S. sends 60% of its children to higher education, second only to Canada in the world, and well above the 32% rate in Germany and 30% in Japan. And 51% of the students are women, providing them more opportunities than in Japan (38%) and Germany (26%).
- ✓ During the 1980s, reading proficiency, increased dramatically for 17-year old minority students. For Black students, those achieving reading proficiency increased from 6.7% in 1980 to 25.8% in 1988. For Hispanic students, the rate increased to 24.3% in 1988 from only 14.9% in 1980.

TRUE OR FALSE:

"The President's proposal for educational reform, America 2000, is dead in the water since Congress has refused to act." - FALSE!

- While Congress appropriated \$100 million last year for implementation of America 2000, it was unable to pass authorizing legislation for education reform.
- Despite the inability of Congress to pass the President's proposal, 43 states and more than 1,100 communities have, on their own, initiated America 2000 projects, in search of innovative ways of achieving the national education goals adopted by the governors and the President in 1989.
- State and local projects include offering parental choice of schools, allowing increased flexibility for teachers and administrators, retraining teachers to incorporate higher academic standards for students, and developing new, break-the-mold schools.
- Examples:
 - ▶ Over 86 of Maine's 184 communities have become Maine 2000 communities.
 - ▶ Memphis 2000 has over 800 persons working to create a "new America school."
 - ▶ Ohio, Texas, and 12 other states have given state commissioners broad authority to free schools from regulation if they produce results.
 - ▶ Minnesota has authorized the creation of deregulated charter schools - a new independent public school. Similar new programs are being worked on in California, Colorado, Connecticut, and Michigan.

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HOUSING



During the past twelve years, a variety of programs has worked to make homeownership opportunities more affordable and more accessible for all Americans.

✓ Through refinancing and mortgage rate reductions, American homeowners have been able to reduce their mortgage payments by as much as \$1,500 to \$2,000 a year. This tremendous savings has helped raise homeowner confidence and spending.

✓ The United States has the highest homeownership rate of all major industrialized countries with more than 64% of households owning their own homes. This is higher than the 61% rate in Japan and the 39% rate in Germany.

✓ Between 1980 and 1990, 7.2 million more families owned their own homes, a 14% increase.

✓ Mortgage rates are now the lowest they have been in 19 years, making homeownership more affordable.

✓ Despite billions of taxpayer dollars devoted to low-income housing, some of the worst housing in America is government run. People choose to live on the streets rather than occupy public housing projects.

✓ The Democratic Congress continues to fund the same approaches that result in more public housing projects being constructed. Nearly 14% of public housing is vacant and boarded-up.

✓ The Bush Administration has pushed for using the new approach of housing vouchers to provide homeownership opportunities for low-income families. President Bush's most recent budget proposes a \$1.9 billion increase for housing vouchers - from \$758 million to \$2.7 billion. This increase would result in nearly 83,000 low-income families receiving housing vouchers. Vouchers are more cost effective than constructing new public housing units, families don't have to wait 7 years for the units to be built, and vouchers allow families more choice.

TRUE OR FALSE:

"During the 1980s, the Bush-Reagan Administration cut housing assistance." - FALSE!

● In 1990, HUD housing assistance was provided to 4.4 million low-income families, up from 3.1 million in 1980. This represents a significant 42% increase.

● During the 1980s, federal spending for assisted housing increased from \$6.3 billion to \$15 billion representing an increase of 138%. There were no budget cuts to housing during the 1980s, only substitution of programs to try new approaches such as housing vouchers.

● HUD has added to the number of households being served at a rate of 80,000 to 100,000 a year throughout the 1980s right up to today.

● President Bush has increased funding to help the homeless by 76%, to over \$1.1 billion.

● The Bush Administration continues to push for higher funding for its newly created HOPE Homeownership Program. HOPE gives low-income families a stake in their communities by providing assistance to buy their public housing units. Ownership is a stabilizing force in communities and a fundamental building block of prosperity in America. Low-income families need to be part of this opportunity.

JEVW - 9-8-92 NORN

FEC - 202-219-3440

FRED EDLAND

PRESS OFFICE

PAC MONEY

△ BY ELECTION CYCLE -

1989-90 D. \$92.3 million

R. \$57.2 million

D. 61.8%

R. 38.2%

- Have not done this yr. yet -

1987-88 D. \$98.4 m 62%

R. \$60.8 m

1985-86 D. \$78.9 m

R. \$60.9 m

PAC MONEY ON COMB. CANDIDATES
Now through March 31, 1992

• D - \$ 48.6 m

• R - \$ 24.6 m

FEDERAL ELECTION COMMISSION

Press Office
999 E Street, N.W., Washington, D.C. 20463
Phone: Local 219-4155 Toll Free 800-424-9530



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FOR IMMEDIATE RELEASE:
MARCH 6, 1992

CONTACT: FRED BILAND
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SCOTT MOXLEY

203/548-6223

RECEIPTS RISE \$31.8 MILLION FOR '92 CONGRESSIONAL CAMPAIGNS

WASHINGTON -- Receipts during 1991 for this year's congressional campaigns increased by \$31.8 million compared to the same period in the 1990 election, according to the Federal Election Commission.

The FEC found that Senate and House candidates raised \$159.9 million and spent \$89.5 million in 1991 and entered the election year with cash on hand of \$159.7 million.

The following table compares non-election year activities for all Senate and House campaigns in the last three cycles:

<u>Cycle</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash on Hand</u>
92	\$159.9	\$89.5	\$159.7
90	\$128.1	\$70.8	\$129.1
88	\$111.5	\$58.6	\$108.9

(in millions)

As the above table demonstrates, candidates appear to be raising funds earlier. There has been a 25 percent increase in this cycle's non-election year fundraising, however a rise of 15 percent occurred between 1987 and 1989; but by the end of the 89-90 cycle receipts had leveled. Although this does not necessarily mean an increase for the entire cycle, there are indications that fundraising levels will be much higher in the 1992 cycle. Included in those factors pushing this increase are redistricting, two California Senate races and the uncertainty caused by close contests in the last election.

In Senate contests, candidates reported raising \$77 million (\$49 million from individuals; \$17.5 million from PACs) and spending \$35.7 million in 1991. These campaigns had cash on hand of \$62.3 million as of December 31, 1991. Cycle-to-cycle comparisons of Senate races are discouraged because, in part, different seats in different states are up for election each cycle.

Receipts in 1991 for House candidates increased \$17.3 million, or 26 percent, to \$82 million, while spending grew \$10.8 million, or 25 percent, to \$32 million. House campaigns reported entering the election year with \$97.4 million cash on hand.

Political action committees (PACs) in 1991 contributed \$17.5 million to Senate candidates and \$34.9 million to House candidates.

-more-

1991 TOTAL: \$52.4 million

→ 92 figures out in January ←

We leave our ploughs and workshops, our wives
and children dear,
With hearts too full for utterance, with but a single
tear."

James Sloan Gibbons
"We Are Coming, Father Abraham"
Civil War marching song

* * *

"A house divided against itself cannot stand. I believe this government cannot endure, permanently half slave and half free. I do not expect the Union to be dissolved—I do not expect the house to fall—but I do expect it will cease to be divided. Either the opponents of slavery will arrest the further spread of it, and place it where the public mind shall rest in the belief that it is in course of ultimate extinction; or its advocates will push it forward, till it shall become alike lawful in all the states, old as well as new—North as well as South."

Abraham Lincoln
Speech to state Republican convention, Springfield,
Illinois
1858

* * *

"The fiery trial through which we pass will light us down, in honor or dishonor, to the latest generation. . . . In giving freedom to the slaves, we assure freedom to the free—honorable alike in what we give, and what we preserve. We shall nobly save, or meanly lose, the last, best hope of earth."

President Abraham Lincoln
Speech to Congress
December, 1862

* * *

"Yet if God wills that it [the Civil War] continue until all the wealth piled by the bondsman's 250 years of unrequited toil shall be sunk, and until every drop of blood drawn with the lash shall be paid by another drawn by the sword, as was said 3,000 years ago, so still it must be said, that the judgments of the Lord are true and righteous altogether."

President Abraham Lincoln
Inaugural address
1865

* * *

"I see no results of this great conflict [Civil War] which justify the tremendous sacrifices which we as a nation were required to make. I see only an enormous waste of life and property, the vindication of right by might, and the substitution of one form of injustice for another."

Henry Miller
The Air-Conditioned Nightmare
1945

* * *

"... our manifest destiny is to overspread and to possess the whole of the continent which Providence has given us for the development of the great experiment of liberty and federated self-government entrusted to us."

John Louis O'Sullivan
New York Morning News
Dec. 27, 1845

* * *

"Certainly we sons of the teaspillers [Boston Tea Party insurgents] are a marvelously patient generation."

Wendell Phillips, orator and reformer
Eulogy of Elijah Lovejoy,
abolitionist killed by mob
1837

* * *

"So long as a slave who is worth a few dollars here fetches 80-100 pounds in America, men and means will be found to evade even the strictest blockade."

British naval officer
Quoted by Michael Teague and Zelide Cowan
American Heritage
February, 1969

* * *

"How does it become a man to behave toward this American government today? I answer, that he cannot without disgrace be associated with it."

Henry David Thoreau
"Civil Disobedience"
1849

* * *

"We have one country, one Constitution, one destiny."

Daniel Webster, statesman
Speech in New York
1837

* * *

"Liberty and union, now and forever, one and inseparable."

Daniel Webster, statesman
Speech
Jan. 26, 1830

* * *

[On the Civil War]: "Long, too long America, Traveling roads all even and peaceful you learn'd from joys and prosperity only, But now, ah now, to learn from crises of anguish, advancing, grappling with direst fate and recoiling not..."

Walt Whitman
"Long, Too Long America"
1865

The President's Comprehensive Health Reform Program



February 6, 1992

The President's Plan builds on a system that provides the world's best health care. The plan provides all Americans access to affordable health care coverage through a transferrable health insurance credit (certificate)—available even to low-income Americans who do not file tax returns—that can be applied to the purchase of a basic health

benefit package. To reduce the rapid growth of health spending, the plan makes radical reforms in the health insurance system and includes strong incentives for the development and expansion of coordinated care systems and other efficient arrangements for delivering high quality health care.

Summary Highlights

Expanding Access to Health Care (See Chapters 3 and 4)

Transferrable Health Insurance Credits (certificate) and Deductions—Benefitting Approximately 95 Million Americans—

- A transferrable health insurance credit (certificate) or tax deduction would be available to ensure access to affordable health care coverage for moderate and low-income families. About 95 million Americans would receive assistance. When fully implemented, families with incomes below the tax filing threshold, approximately the poverty line, would receive a credit of up to \$3,750, sufficient to purchase basic health benefits. Similarly, individuals would receive \$1,250 and two-person families \$2,500. A health insurance credit (certificate) or deduction (also up to \$3,750 per family) would be available to individuals, two-person, and larger families with annual incomes up to \$50,000, \$65,000 and \$80,000, respectively.

Market Reform—

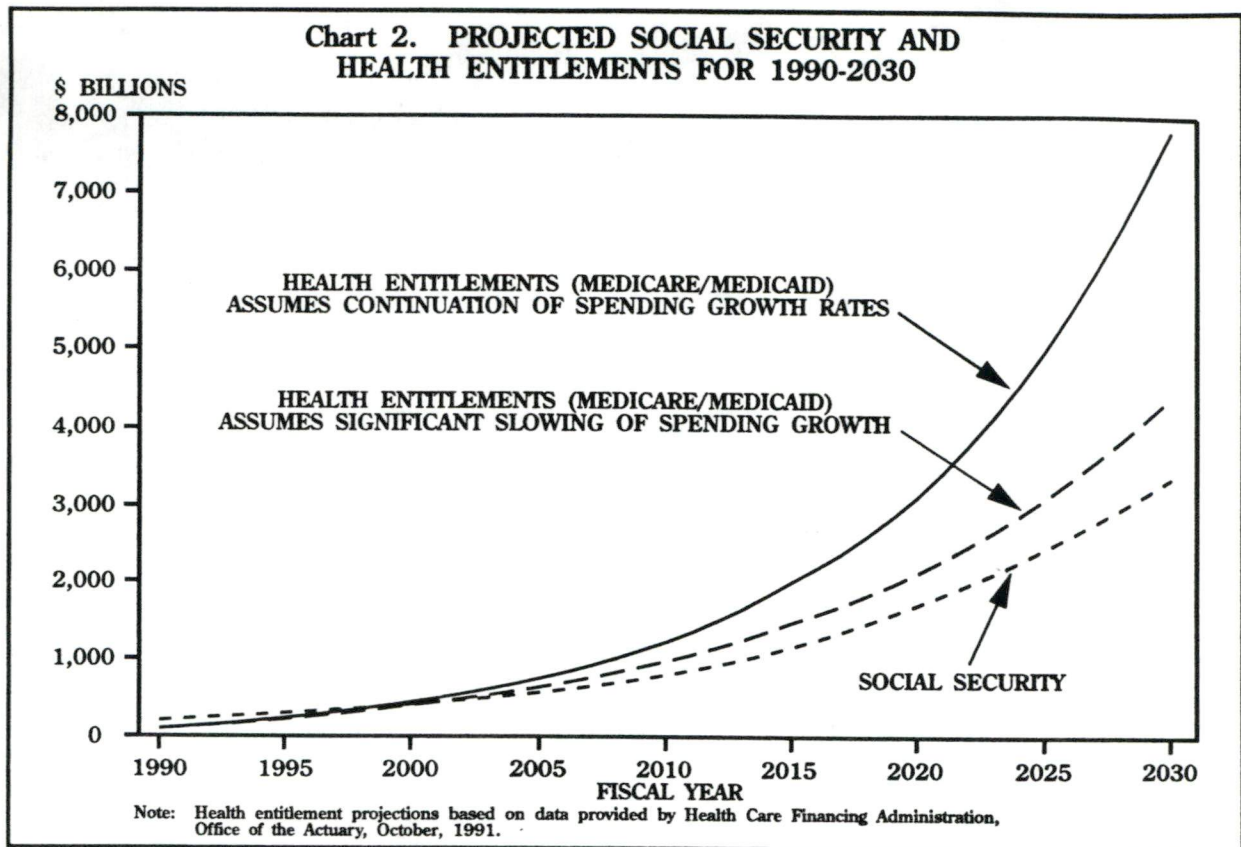
- *Basic Benefits*.—States would be required to develop a basic health insurance package equal to the value of the health insurance credit. This would enable low-income families to purchase adequate health care coverage.
- *Insurance Security*.—Workers changing jobs would no longer face concerns about “job lock”—the inability to change jobs for fear of losing access to insurance. Health insurers would be required to provide coverage to all employers requesting it. Coverage would be guaranteed, renewable, and preexisting condition limits would be eliminated.

- *Health Insurance Networks (HINs)—Pooled-Purchasing Power*.—When it comes to health insurance, small businesses do not have many of the advantages of large businesses. Large companies can self insure and avoid expensive benefit mandates and premium taxes. Large firms are sold coverage similar to that purchased by small firms, but at much lower prices. A new way of purchasing insurance, HINs would enable small firms to purchase low cost, high quality health insurance. HINs would enable small businesses to buy lower priced insurance by reducing administrative costs and by exempting insurance purchased from HINs from excessive State mandates, anti-managed care laws, and premium taxes. For the first time, groups like the National Federation of Independent Business, National Small Business United, and the U.S. Chamber of Commerce would be able to offer affordable health plans to their members nationwide or join with other groups to increase purchasing power in State or local markets.

- *Insurance Affordability*.—In the near term, premium costs for similar policies sold to firms in a single block of business could vary by no more than 50 percent. A health risk adjustment across insurers would be phased in—removing premium disparities and allowing for plan flexibility within a new insurance market driven by competition on quality and costs.

Containing Health Care Costs (See Chapter 5)

- *Malpractice Reform*.—The threat of malpractice litigation prompts physicians to order tests and perform procedures, enabling them to assert that every effort has



through 1997. By 2025, Medicare is expected to exceed 27 percent of the federal budget.

Even if it were possible to sustain health spending at nearly 30 cents of every dollar, it is difficult to imagine who would pay these enormous costs. Most individuals already feel that they are overburdened with health care costs. Businesses are spending increasing percentages of wages and other compensation on health care premiums—currently in excess of 100 percent of after-tax profits.

Clearly, health care costs must be contained, both in public programs and in the private sector. Neither individuals, business, nor government can afford to pay for the currently projected growth.

Inadequate Access Despite Increasing Spending.—Despite this rapid rise in health care spending, 13 percent of Americans—34.7 million—are without health care insurance.

Most of the uninsured are lower-income Americans—30 percent of the uninsured have incomes below the poverty level, and 32 percent have incomes between 100 and 200

percent of poverty (Needleman et al., 1990). Despite this, most of the massive federal spending on health care goes to the non-poor. In 1992, only 21 percent of total federal health care spending is estimated to be spent for the poor. Almost 90 percent of Medicare spending goes to individuals above the poverty level.

Uninsured Americans receive some health care, either by paying for it out-of-pocket, or in the form of “uncompensated” or “charity” care (Needleman et al., 1990). “Uncompensated” care is not free, in the sense that insured individuals must pay higher fees and thus higher premiums, and hospitals receive public (such as Medicare and Medicaid “disproportionate share” payments and non-profit tax treatment—now over \$15 billion per year) and private (such as charitable contributions) subsidies to cover the costs.

The uninsured are more likely to receive health care in hospital emergency rooms, rather than in physicians’ offices and clinics (NMES, 1987). This form of care can be harmful to the individual, who may only

ceives the credit plus or minus an amount related to the individual's age (and possibly gender). These adjustments mitigate the problem of adverse selection for the basic benefit packages.

Amounts received by an insurance company would also be subject to health status adjustments. On an annual basis, each credit recipient would be assigned to a health status category. Each health category would have a corresponding weight based on expected health care costs defined relative to the population average. Each insurer would calculate an average weight for all credit recipients covered by the insurer. Insurers with an average weight greater than the statewide average would receive net transfers from the pool, while insurers with an average weight less than the statewide average would be required to make contributions to the pool.

States would implement pools for credit recipients simultaneously with federal implementation of the transferable health tax credit system. Implementation of health risk pools for small group coverage would occur over a five-year period on a phased-in basis, starting in the third year after enactment of the reform proposal. Transition measures, including premium limits, would apply in the small group market in the interval.

Encouraging Group Purchasing For Small Employers: Health Insurance Networks

The President's reform proposal will help reduce insurance costs for small businesses by encouraging group purchasing. Group purchasing can reduce health insurance costs

by as much as 16 percent through efficiencies of scale, lower administrative costs, and through pooling of purchasing power that helps small businesses negotiate better rates with insurers.

Cleveland's Council of Smaller Enterprises (COSE) operates a successful health insurance group purchasing program for small firms. While COSE has been successful, surprisingly little of this type of group purchasing is going on nationwide. The reforms described in the preceding sections will spur group purchasing by protecting against some of the abusive practices that have daunted some local purchasing groups. Additional assistance is provided as well to encourage rapid formation of group purchasing arrangements.

ERISA Reform/Incentives for Group Purchasing.—The federal preemption of State regulation of self-insured health benefit plans under ERISA that benefits virtually all large employers would be extended to small businesses that purchase coverage on a group basis through a Health Insurance Network (HIN). This would protect against (i) State mandated benefit laws that require firms to provide certain costly services, (ii) excessive State health insurance premium taxes, (iii) and State anti-coordinated care laws. These laws typically increase premium costs by 2 to 5 percent. HINs could also still self-insure, but in this case, enhanced insurance State solvency and increased Department of Labor standards would apply to ensure the economic stability of the plans.

Functions.—HINs could contract with insurers to provide coverage to members or could self-insure subject to enhanced State solvency

**Table 3-4. Savings From Small Market Reforms:
Administrative and Bargaining Effects**
(Expressed as percent of total premium, by firm size)

Firm Size Claims	Total Savings
<4	15.9
5-9	13.1
10-19	10.9
20-49	8.5
50-99	6.0

regulation (if State solvency standards are insufficient, Department of Labor solvency standards would operate as a backup oversight system). All federally approved HINs would be required to offer at least one coordinated care option and to use a standard claims form.

Organization.—HINs would be structured as non-profit voluntary membership organizations with a board of directors elected by the membership. HINs would be registered and qualified, as applicable, by a State agency or by the Department of Labor. There would be no limit on the number of HINs that could be established in a given area. HINs could be established along the lines of professional societies, industry, or trade associations and would be subject to all of the market reforms listed in the preceding sections. By buying coverage through a HIN, small businesses would be able to achieve more effective purchasing power in the market, thereby helping reduce the cost of insurance to their employees.

HINs will provide the mechanism for pooling large numbers of individuals and employees of small firms, an advantage that is now only available to large companies. These plans have not grown in the past because of State laws. To allow for federal preemption, plans had to "self insure". Small groups have difficulty raising capital to self insure risk. This system allows "imputed ERISA exemptions"—small firms can join together without self-insuring, and have insurers carry the risk.

Intrastate and Regional Pooling.—The State or Federal government could certify an HIN. For example, Pennsylvania (or the Federal government) could certify an HIN of 1,000 small employers who pooled market power to negotiate with local providers in Philadelphia, or the Federal government could certify a similar HIN for the Philadelphia area (PA, NJ, and DE) that would pool market power in the entire region.

Multi State Pooling.—HINs would allow for the first time, multi State pooling of small firms. Groups like NFIB, National Small Business United and The Chamber of Commerce (or any other group) could offer the same basic plans to members nationwide. In the past, State barriers have prevented such plans. This

will simplify marketing and administration and sharply reduce costs.

Increasing Flexibility for Health Plans

States would no longer be allowed to mandate benefits that unduly limit flexibility for health plans, thereby increasing health care costs and restrict coordinated care.

State Mandated Benefits.—Many State laws require insurers to cover certain optional or ancillary services. These mandated benefits drive up premium costs up by at least 3 to 5 percent.

Provisions that Restrict Coordinated Care.—Some State laws impose restrictions which prevent the development of coordinated care—and the competitive pressure it imposes on fee-for-service providers. Anti-managed care laws include:

- *Restrictions on reimbursement rates or selective contracting:* Laws that restrict the ability of a carrier to negotiate reimbursement rates with providers or contract selectively with a limited number of providers.
- *Restrictions on differential financial incentives:* Laws that limit the financial incentives that a health benefit plan may require a beneficiary to pay when a non-plan provider is used on a non-emergency basis.
- *Restrictions on utilization review:* Laws that (a) prohibit utilization review of any or all treatments and conditions, (b) require that such review be made by an in-State physician or by a physician in a particular specialty, (c) require the use of specified standards of health care practice in such reviews, or require the disclosure of the specific criteria used in such reviews, or (d) require payment to providers for the expense of responding to utilization review requests.

Federal/State Relationships

Most of the reforms described in the preceding section would be implemented by the States. Thus, the responsibility for regulating health insurance would remain primarily with the States. However, federal legislation would be amended to provide States with clear

September 10, 1992

MEMORANDUM FOR ROBERT ZOELLICK
TORIE CLARKE

FROM: JENNIFER GROSSMAN JAC
CAROL AARHUS ct

SUBJECT: CHICAGO PUBLIC SCHOOL TEACHERS INFORMATION
AGENDA FOR AMERICAN RENEWAL

Regarding the fact that appears in the Agenda for an American Renewal ((46% of public school teachers in Chicago send their kids to private schools)): It was fact-checked. Here are our sources:

- o Heritage Foundation Report March 21, 1990 (enclosed).
The report in turn cites a 1988 Harris poll.
- o An American Enterprise Institute Report by Dennis Doyle ← He says we can use him as a source
[formerly a Department of Education employee, now a senior fellow at the Hudson Institute]. His report was called "Where Public School Teachers Send their Children to School: A Preliminary Analysis." His information came from a 1986 census study.
- o A Wall Street Journal editorial. 6/26/92
- o A Washington Times editorial by Don Lambro. 7/6/92

6TH STORY of Level 1 printed in FULL format.

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Heritage Foundation Reports

March 21, 1990

SECTION: BACKGROUNDER; NO. 760

LENGTH: 5298 words

HEADLINE: A PRIMER ON CHOICE IN EDUCATION: PART I -- HOW CHOICE WORKS

SERIES: This study reviews the arguments in favor of choice, its success to date, and the choice options available. Part II will address the legal considerations that should guide policy decisions.

BYLINE: Prepared for The Heritage Foundation by Clint Bolick, Director, Landmark Legal Center for Civil Rights, Washington, D.C.

BODY:
INTRODUCTION

Every year, America spends increasing sums on education, yet it seems to be without much noticeable impact on the disastrously low academic achievement of the nation's youngsters. For this reason, a growing consensus is emerging that doubts whether more spending and more tinkering will improve the performance of schools.

What will improve it, say increasing numbers of liberals and conservatives, are reforms that give parents the freedom to choose the best schools for their children. This would create competition among schools that would improve the schools and schooling. Last year alone, 23 states considered some form of education-choice proposals; three enacted choice legislation. n1 In fact, there are already an estimated 10,000 schools which students attend as a matter of choice rather than assignment. Reports Fortune magazine: choice in education "is simply the hottest item on the education reform agenda today." n2

n1 Susan Phillips, "Education Choice Emerging Trend?" Family, Law & Democracy Report, July 1989, pp. 1-3.

n2 Jaclyn Fierman, "Giving Parents a Choice of Schools," Fortune, December 4, 1989, p. 147.

Harlem Success. Choice in education must not be limited to the wealthy or well-off who can afford either to pay for a private school or move to a good school district. Choice is needed most by financially poor parents whose children are trapped in the most inferior schools. When given a choice in schools, as is now available in New York City's Harlem school district, for instance, test scores rise dramatically.

Restoring Teaching's Prestige. With widespread public support, different choices schemes have been adopted in the states. Opponents mainly have been the education establishment, fighting to protect its monopoly and job security. Yet educators need not fear choice. Upgraded schooling, rising test scores, and fading illiteracy will raise the prestige of and respect for teachers and principals, restoring to teaching the high status that it enjoyed just a

1990 The Heritage Foundation, March 21, 1990

little more than a generation ago.

Educators should join with parents and lawmakers in backing such choice options as magnet schools and open enrollment for public schools, and tuition tax credits and vouchers for private schools. Choice plans instituted to date generally have been limited to public schools. While this limits their benefits, it addresses the most pressing needs and makes broader political support possible.

Though many choice plans have been adopted only in recent years, where evidence is available it is clear that competition among the schools boosts student performance. Thus state governors increasingly support parental choice, and George Bush has made choice the cornerstone of his education improvement agenda. The choice movement is gaining momentum, and policy makers must continue to introduce choice where it has not been tried and to expand it where it has been successful.

HOW CURRENT EDUCATION REFORMS HAVE FAILED

More than six years have passed since the report by the National Commission on Excellence in Education pronounced America's public school system a virtual shambles. n3 Yet the United States remains educationally "a nation at risk."

n3 National Commission on Excellence in Education, *A Nation at Risk* (Washington, D.C.: U.S. Government Printing Office, 1983).

The Commission's alarming findings triggered a flurry of reform that has included increased public school expenditures, higher academic standards and an emphasis on basic skills -- all with very disappointing results. In fact, last year the U.S. Department of Education reported that Scholastic Aptitude Test (SAT) scores have remained stagnant or declined during the past three years. n4 Only 20 percent of American high school seniors can write a simple letter and only 5 percent can decipher a bus schedule. n5 And the problem is most acute for the urban poor. n6 The evidence is clear -- increased spending and recent education reform measures have failed to improve student performance.

n4 Secretary of Education Lauro F. Cavazos, "Restructuring American Education Through Choice," speech delivered to the Education Press Association (May 19, 1989), p. 1.

n5 Survey findings by the National Assessment of Education Progress.

n6 *The Right to Choose: Public School Choice and the Future of American Education* (New York: Manhattan Institute for Policy Research, 1989), p. 8 [hereinafter *Right to Choose*].

How Reforms Picked the Wrong Target

The type of reforms undertaken since 1983 actually have little relationship to student performance. A 1989 survey of 187 studies by University of Rochester Economics Department Chairman Eric A. Hanushek, for instance, finds that teacher salaries, per-pupil expenditures, class size, and graduation requirements are unrelated to academic performance. n7 After surveying two decades of educational research, this report concludes:

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Expenditure increases, if undertaken within the current institutional structure, are likely to be dissipated on reduced class size or indiscriminate raises in teacher salaries with a result that growth in costs will almost surely exceed growth in student performance. n7

n7Eric A. Hanushek, "The Impact of Differential Expenditures on School Performance," Educational Researcher, May 1989, p. 47.

Rather, such less tangible factors as a clear educational mission, strong leadership, and an atmosphere of professionalism and flexibility have a much more significant impact on student achievement. These critical factors, notes Brookings Institution Senior Fellow John Chubb, "are not things that school reformers can easily influence with policies." n8

n8Right to Choose, pp. 9-10.

The lessons of the 1980s are clear: spending more money and fiddling modestly will not improve the performance of American students. What will is competition among schools. This will force the improvements needed to make American students as well educated as their foreign counterparts. There are different methods of introducing competition into the school system, all of which give parents some degree of choice in selecting their children's schools.

OPTIONS FOR EXPANDING CHOICE

The principal options for promoting educational choice include (either alone or in combination) magnet schools, open enrollment, tuition tax credits, vouchers, and home schooling. The first two options normally confine choice to public schools, while tax credits and vouchers extend the freedom of choice to some or all private schools. Each of these strategies had different attributes and different implications for parents and for schools.

Choice within the Public Schools

Most current proposals focus on increasing choice and competition among public schools. This empowers the vast majority of parents. Students can improve their opportunities and poor schools will face powerful incentives to improve. Among the most important versions of public school choice:

Magnet Schools. The term "magnet" connotes an intrinsic drawing power, and this is precisely how magnet schools are designed. To attract students from outside their normal attendance areas, magnet schools are given the flexibility to design specialized courses of instruction and experiment with instructional techniques. Used increasingly in recent years as a desegregation device, magnet schools have accomplished what decades of forced busing could not: voluntarily integrated schools offering high-quality educational opportunities.

Magnet schools currently comprise about 25 percent of all schools of choice. They are organized around particular themes: specialized academic courses like math, science, foreign languages, or remedial education; performing or creative arts; vocational or technical education; or particular learning methods. One-third of these schools base admission on established criteria, such as superior academic performance; the remainder admit students on a lottery or first-come basis. It is not uncommon for this latter version to result in long lines of parents camped out for days, waiting to register their children.

1990 The Heritage Foundation, March 21, 1990

Magnet schools exist at the primary or secondary level and the size-attendance zone can vary widely. Examples: Montclair, New Jersey, has turned all its elementary and secondary schools into magnets and has instituted open enrollment throughout the municipality; St. Louis, by contrast, has created a program in which it exchanges students with 23 suburban school districts. n9

n9Educating Our Children: Parents & Schools Together (Washington, D.C.: U.S. Department of Education, 1989), p. 29.

Impressive Gains. The academic gains produced by magnet schools so far are impressive. The Education Department reports that 80 percent of the magnet schools in fifteen urban districts showed higher achievement scores than their district averages. n10

n10Ibid, p. ii.

In designing magnet schools, policy makers should offer real choices to the maximum number of students. If a school district creates a number of magnet schools that prove to be successful, other district schools should be permitted to compete with the magnets by modifying their own curricula or methods. Schools with long waiting lists should be replicated.

To the extent they are used as a desegregation device, magnet schools can succeed only if the principal goal is educational quality rather than racial balancing as an end in itself.

Open Enrollment. Also called "public school choice," open enrollment is the most comprehensive way to introduce competition within the public educational sector.

Minnesota is the pioneer in open enrollment. Launched in 1987, the Minnesota program requires open enrollment in certain school districts; all the state's school districts will be included by the 1990-1991 school year. Under this policy, students may apply to schools in districts other than the one in which they reside, and the schools must accept them unless space is inadequate or the transfer would upset racial balance. n11 The state's portion of the cost of educating a student "follows" the student to the school of choice. Thus schools that attract more students attract more money.

n11This requirement may well be unconstitutional. Landmark Legal Foundation has filed on behalf of black schoolchildren a legal challenge to the Kansas City policy of strict racial quotas in magnet school admissions, under which the school district has turned away black students despite having empty seats in the magnet schools. See the discussion of nondiscrimination in Part II of this paper, forthcoming.

The student's family is responsible for transportation to the new district's boundaries, but from there transportation is provided for needy students at public expense. In the four years since open enrollment was first proposed, public opinion in Minnesota has flipped from 2-to-1 opposed to 2-to-1 in favor of the policy. n12 Last year, Arkansas, Iowa, and Nebraska, enacted open-enrollment programs patterned after Minnesota's, and Ohio has launched an open-enrollment pilot program. n13

September 10, 1992

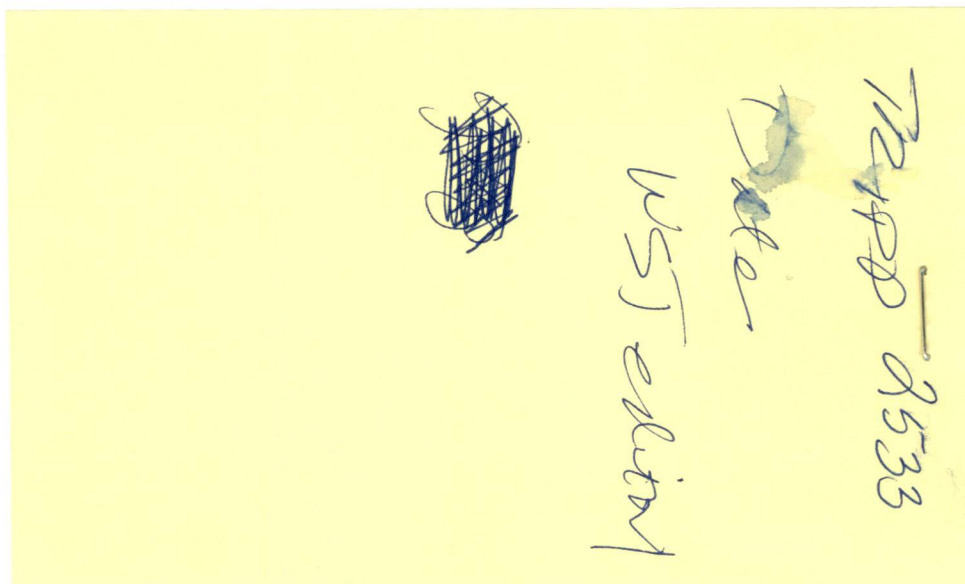
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Torie Clarke

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Text

1990 The Heritage Foundation, March 21, 1990

n12The Right to Choice, op. cit., p. 19.

n13 Phillips, op. cit., p. 3.

Denying Choice to Some. Other jurisdictions have opted for "controlled" choice giving parents the opportunity to identify their top two or three school preferences. Administrators then assign students to a school aiming at achieving a racial balance, with parent preferences as a secondary concern. Boston instituted controlled choice last year, and although most of the city's students received their first and second choices, a large percentage of students were assigned to a school they had not chosen. After a generation of racial conflict stemming from forced busing, administrators hoped that controlled choice would enable the schools to integrate through voluntary means. n14 However, unlike open enrollment plans, controlled choice does not permit a child to attend the neighborhood school if it would upset the racial balance. This choice option, therefore, denies choice to a large proportion of parents, whose children remain subject to mandatory busing.

n14"American Agenda," ABC World News Tonight, November 13, 1989.

Other examples:

** In 1981, Cambridge, Massachusetts, abolished attendance zones for grades K-8 and allowed parents to select their top three schools, subject to space and desegregation limitations. Following the introduction of choice, the proportion of students electing to attend public schools rose from 74 percent to 82 percent, and student achievement scores have risen steadily. n15

n15Schools of Choice: The Beginnings of a Systemic Change in American Education? U.S. Senate Republican Policy Committee, August 3, 1989, p. 8.

** New York City gives 90,000 of its 940,000 students choices among 250 alternative programs, some on a lottery basis and others subject to screening requirements.

** Colorado's Second Choice Pilot Program offers school dropouts a chance to attend certain out-of-district public schools, vocational/technical schools, or adult educational programs, transferring 85 percent of the per-pupil expenditures from the resident to the nonresident school district. n16

n16Educating Our Children, op. cit., p. 31 and Model IV (Appendix).

Magnet schools, open enrollment, and controlled choice have proven effective in improving education by injecting an invigorating dose of competition into the public school system. Public school choice can promote program innovation and specialization as well as greater parental involvement and school autonomy. But competition that is limited to the public sector cannot accomplish the full range of benefits available from competition that includes the private sector.

Choice and Private Schools

A 1988 Harris poll finds that more than half of public school parents would choose private schools for their children had they the means to do so. n17 Perhaps the greatest indictment of Chicago's failed public school system is that Chicago public school teachers who live in that city are twice as likely as

1990 The Heritage Foundation, March 21, 1990

all other parents to send their children to private schools -- 46 percent of teacher parents and only 22 percent of other parents. n18 These teachers' own union vehemently opposes extending the same choice to less affluent parents.

n17 Educational Choice: A Catalyst for School Reform (Chicago: City Club of Chicago, 1989), p.5.

n18 Herbert J. Walberg, Michael J. Bakalis, Joseph L. Bast, Steven Baer, We Can Rescue Our Children (Chicago: The Heartland Institute, 1988) p.11.

While private schools are often beyond the reach of low-income families, they are not exclusively serving the affluent. In fact, according to the Council on American Private Education in 1988, some 41.7 percent of families who send their children to private schools have incomes less than \$25,000 a year. Moreover, providing assistance to less-affluent parents to enable them to exercise that choice actually could save taxpayers billions of dollars. The reason: typically it costs less to educate a child in a private school. Each child attending a non-public school saves taxpayers at least \$4,000, which is the annual per pupil average cost in public schools. The five million pupils currently in non-public schools save taxpayers over \$20 billion a year.

Currently there are several strategies and proposals expand choice to private schools. Among them:

Tuition Tax Credits. One much-debated option for expanding choice is a tax credit for tuition or other educational expenditures incurred in out-of-district public, private non-sectarian, and/or church-affiliated private schools. Tax credit advocates note that because the aid flows directly to parents rather than to educational institutions, credits eliminate the need for burdensome and intrusive regulation of private schools. Critics argue that tax credits do not help those low-income families who pay little or no taxes, but this criticism ignores the fact that tax credits could be refundable to assist low-income families who do not have tax liability.

Minnesota allows state income tax deductions for tuition, textbook, and transportation expenses incurred at public or private schools, covering expenses from \$650 to \$1,000 per student. Iowa has a tax credit of 5 percent of private school tuition up to \$1,000 per child. n19

n19 Educating Our Children, op. cit., Model V (Appendix) and p. 30.

Several New Hampshire towns are exploring the prospects for property tax abatements for school expenses. The towns would give taxpayers a \$1,000 credit for every youngster who enrolls in a school (private or public) outside the district. The abatement would also be available to taxpayers who provide scholarships. The abatement program reduces the towns' education costs, while giving parents greater access to education alternatives.

Tuition tax credits can expand the option of attending a private school to less affluent families. Private schools have been shown to be particularly successful in educating poor and minority school children. Providing financial assistance in the form of such tax credits, could go a long way toward expanding opportunity for the neediest in society.

1990 The Heritage Foundation, March 21, 1990

Vouchers. The most comprehensive -- and controversial -- form of education choice is vouchers. In theory, these allow students to "purchase" educational programs at any school with certificates representing their individual share of tax dollars. Public schools would set "tuitions" and would be dependent upon vouchers for their revenues. As in other choice plans, funding would follow the student, and so schools would have to compete for "customers." Parents could supplement their vouchers if they elected to send their children to a more expensive school.

Because vouchers put public and private schools on equal footing, they directly challenge America's public school monopoly. For this reason, many experts believe that vouchers and other methods that include private school choice offer the only real chance for real reform. But also for this reason, a comprehensive voucher proposal would require enormous political courage. Yet the educational benefits seem likely to make it well worth risk. No other policy proposal would do as much to empower parents to control the educational destinies of the children.

Home Schooling. A choice option used by tens of thousands of American families is home schooling. This is formal education conducted in whole or part within the home. For those with the necessary commitment and resources, home schooling can provide wholesome, top-quality educational opportunities.ⁿ²⁰ But laws regulating home schooling vary from state to state, and in many places legal obstacles exist to educating children in the home. Limiting regulations of home schooling to ensure minimal educational standards while otherwise allowing maximum liberty will expand education choice in a significant way.

ⁿ²⁰See Clint Bolick, "The Home Schooling Movement," *The Freeman*, March 1987, p. 84.

THE GROWING CONSENSUS FOR CHOICE

The evidence indicates that achievement in America's schools will improve only if there are fundamental changes in the way that schools are managed and controlled. Central to this, a growing number of reformers maintain, is educational choice. The Bush Administration is backing its rhetorical support of choice with some action. Example: Bush has endorsed increased federal funds for magnet schools. The Department of Education also has convened a roundtable on public school choice, and last fall convened a series of regional grass-roots strategy meetings to promote choice.

Education choice is advocated by reformers of all political stripes. Observes Edward Fiske, the *New York Times* expert on education, "Conservatives see school choice as a way of injecting free enterprise into the educational system. Liberals see it as a way of giving the poor the same freedom that the rich have."ⁿ²¹ Indeed, Governor Rudy Perpich, a Democrat, has championed the statewide choice plan in Minnesota. He argues that "without choice, school districts have little incentive to change and to provide alternatives for those families that want them."ⁿ²²

ⁿ²¹Edward Fiske, "Lessons," *The New York Times*, January 11, 1989, p. B8.

ⁿ²²Lee A. Daniels, "Efforts to Allow Choice of Schools Stir Debate," *The New York Times*, March 1, 1989.

1990 The Heritage Foundation, March 21, 1990

Strong Public Support. Business leaders, meanwhile, faced with a severe shortage of skilled labor, are backing choice. Xerox Corporation Chairman and Chief Executive Officer David T. Kearns calls for "the total restructuring of our schools" n23 to be "driven by competition and market discipline." n24 Polls show strong public support for education choice. A 1987 Gallup Poll finds that 71 percent of Americans, including 77 percent of non-whites, favor allowing parents to choose among local schools; a plurality supported the even more comprehensive alternative of vouchers. n25 This broad consensus provides a strong foundation for meaningful education reform centered on choice.

n23David T. Kearns and Denis P. Doyle, *Winning the Brain Race* (San Francisco: Institute for Contemporary Studies, 1988), p. 2.

n24Ibid., p. 5.

n25Educational Choice, op. cit., p. 5.

WHY CHOICE IS THE KEY

Choice is seen as a critical lever for change because the central flaw in the public education system is its monopoly on providing education. The high taxes imposed to finance public education make it difficult, if not impossible, for most parents to opt out of public schools. And like any monopoly "industry" with a captive market of consumers and a guaranteed flow of revenue, public schools are under little pressure to produce a quality product.

This monopoly system traps students from poor families, who often are consigned to inferior schools where drugs and crime are far more common than educational opportunities. n26 Robert Woodson, president of the Washington-based National Center for Neighborhood Enterprise, which seeks to spur improvement within inner-city minority communities, views educational choice as crucial to the progress of poor Americans. Woodson explains that:

[W]hen we talk about enhancing choice, we are simply talking about giving working class people and poor people the same opportunity [as the affluent] to choose schools and services for their children. n27

n26See Clint Bolick, *Changing Course: Civil Rights at the Crossroads* (New Brunswick, New Jersey: Transaction Books, 1988), pp. 104-112.

n27Educational Choice, op. cit., pp. 8-9.

The deficiencies of the public educational system owing to its monopoly status are exacerbated by a second fundamental flaw: the educational system is controlled by the political process rather than by its "customers," the parents and the pupils.

Union Control. As part of the political process, public education is susceptible to special interest pressures, such as teacher unions' control of personnel. The unions dictate who is qualified to teach and often protect incompetent teachers. This undermines the autonomy schools have over their own policies and personnel.

Consider the staffing of public schools. As Brookings's Chubb points out, "Control over personnel is the most important quality that a school needs . . ."

1990 The Heritage Foundation, March 21, 1990

. in order to be effectively organized," yet "within the public sector, autonomy is more the exception than the rule." n28 Owing to this lack of control over personnel, the system frequently transfers incompetent teachers from one school to another. They often wind up teaching in poor communities.

n28Right to Choose, op. cit., p. 11.

The monopoly and special interest control of the public school system are antithetical to the autonomy and accountability essential to quality education. Hence, say advocates of choice, the most effective reform proposals must address both flaws. Allowing choice among schools, public and private, would do most to end the monopoly and the problem of political control. Short of this, freedom of choice within the public sector, with increased control by parents over the management of individual schools, could lead to significant improvements.

The crucial feature of a choice plan is increased competition between schools, even if that choice is limited to public schools. Explains Xerox's Kearns:

In a choice system, the state would fund individual children . . . Money earmarked for public education would reach the public school only when the student elected to enroll. The school would lose its guaranteed income, and it would be forced to provide the offerings that met the needs and interests of the community it proposed to serve. n29

n29Kearns and Doyle, op. cit., p. 18.

HOW CHOICE HELPS POOR FAMILIES

One of the most successful choice plans was initiated fifteen years ago in New York City's East Harlem, a school district about two-thirds Hispanic and one-third black. East Harlem's "open enrollment" policy allows parents to send their children to any of the 23 schools within the district. Parents choose among schools specializing in different themes, including performing arts and math and science. School administrators and teachers have the freedom to design new programs and hire new teachers to attract students.

East Harlem's choice plan has moved that district's reading scores from last to sixteenth among New York City's 32 school districts. The number of students who read at or above grade level in the district has increased from 15 percent to 64 percent. n30

n30Educating Our Children: op. cit., pp. 29-30.

Staying in the Neighborhood. East Harlem has the highest poverty concentration in Manhattan, But its choice plan has led to this impressive success. The great majority of students attend their neighborhood school even though they may attend any school in the district. The critical factor in improving student performance appears to be the decentralization that has allowed parents, teachers, and principals to make most decisions affecting their own schools.

The results are even more remarkable for urban minority students able to attend private schools. n31 The reasons for this are simple. By virtue of the need to produce competitive results to attract pupils and thus survive,

1990 The Heritage Foundation, March 21, 1990

private schools must be efficient. They have smaller bureaucracies than public schools, and they stress the academic basics to attract students. They also enjoy strong parental support for a disciplined and orderly school environment.

n31Jill Rachlin and Paul Glastris, "Of More Than Parochial Interests," U.S. News & World Report, May 22, 1989, p. 61.

THE ARGUMENTS AGAINST CHOICE

Critics contend that widespread freedom of choice among schools would lead to more affluent and well-educated parents taking their children to suburban schools or to the best urban schools, turning inner-city schools into "dumping grounds" for the very poor and the hard-to-educate.

This contention is refuted soundly by the experience of families in East Harlem who made informed choices when they were free to choose and provided with through information about available choices. In fact, students were not left behind in inferior schools when East Harlem adopted choice. Instead, two schools that failed to attract students were closed and later re-opened with new staff and programs.

Critics also charge that choice is not a cure-all for what ails education and that its supporters often promote choice as a total solution. To be sure, choice is not the panacea. It must be coupled with reforms such as greater school autonomy and accountability, and high standards of achievements. Yet, even alone, choice will raise educational standards through competition. And then this competition will spur other necessary reforms to be made more quickly than they would have been in the absence of choice. n32

n32Chester E. Finn, Jr., "The Choice Backlash," National Review, November 10, 1989.

CONCLUSION

Choice-centered reform proposals are receiving growing bipartisan political support and are endorsed by the great majority of parents. Some school administrators, like California Superintendent of Public Instruction, William Honig, recognize that choice brings increased flexibility for themselves and teachers and prompts greater parental support. Despite the support of educators like Honig, the principal opposition to choice comes from education establishment. Politically powerful teachers' unions fight choice proposals at the federal and state levels. They seem to dread the prospect of competition and accountability.

Business Backing. Countering the opponents are grass roots parent groups and business leaders who recognize the value of competition. They have formed coalitions pressing for choice plans in the states. The California Business Roundtable, a group of 90 top executives, backs choice legislation in that state; the Illinois Manufacturer's Association has joined other business groups in promoting choice among public and private schools in the city of Chicago; and the Louisiana Association of Business and Industry, the state's Chamber of Commerce, has backed plans to introduce education vouchers.

1990 The Heritage Foundation, March 21, 1990

State Leaders. Some state governors have been at the forefront of the choice movement, like Minnesota's Perpich, a Democrat. In Wisconsin, Republican Governor Tommy Thompson has proposed legislation to create "education enterprise zones" for poor students. His plan would give parents educational vouchers to enable them to send their children to either public or non-sectarian private schools within the district. This effort in behalf of low-income students has received the support of black urban legislators.

Republican Congressman Steve Bartlett of Texas has introduced legislation that would allow federal aid to disadvantaged students (Chapter I funds) to go directly to parents of eligible students to be used toward payment of tuition at their school of choice. Bartlett's bill, H.R.3697, also would provide federal aid to help local and state education agencies design open enrollment plans and would remove federal regulatory barriers that impede choice.

George Bush's education legislation expands the federal magnet school program to make it available to school districts not under court-ordered desegregation plans. Bush also has requested additional funds to assess the results of choice plans. Bush and Education Secretary Lauro Cavazos must continue to highlight choice as the only reform strategy with the potential to boost student performance and parental involvement.

Restoring Accountability. Bush and Cavazos should take their cues from the parents, officials, and business leaders across America who have overcome opposition from the education establishment and have introduced competition and accountability into the school system. Where choice has not been supported, reformers should focus on putting together bipartisan coalitions in support of choice for disadvantaged youngsters.

Policy makers no longer lack the tools to improve educational quality and to expand opportunities for those who need them the most. The results are in, and they are encouraging: choice works and the greater the choice, the greater the results.

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.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 23, 1992

PRESS BRIEFING

BY

ASSISTANT SECRETARY FOR POST-SECONDARY EDUCATION
CAROLYNN REID-WALLACE

The Briefing Room

12:42 P.M. EDT

MR. WALSH: I'd like to welcome you to our education briefing. And today's briefer will be Carolynn Reid-Wallace, who is Assistant Secretary of Education for Post-Secondary Education. And she will be taking your questions and also elaborating on the bill-signing ceremony the President is going to be participating in today.

ASSISTANT SECRETARY REID-WALLACE: Well, we are glad that there are some people in the country who are interested in higher education. It is, from our point of view, an extraordinarily important topic, a topic that has great significance not just for today, but certainly for the months and years to come.

I'd like to begin by making a very brief opening statement. And it might be an appropriate thing to suggest that the higher education amendments of 1992 hit at four things that are critically important; things that the President has talked about in one way or another over a period of time. One of them is access for all Americans. And we have in this particular amendment an extraordinary example of access for all Americans -- not just rich people, not just middle class people, not just poor people, but all of these people having an opportunity to go to a college or university in this country.

One good example of access, financial access, is the Pell Grant program. The maximum Pell Grant award has been increased to \$3,700 for the award year '93-'94 with \$200 increases for the next four years. I think some of you know that Pell Grants for students studying for degrees less than half-time, that is a student who's going in to take one course as opposed to a full load, are now available under our higher ed reauthorization for '92. This is a part of what you've heard the President talk about as life-long learning.

There is also a real opportunity under these amendments for accountability and integrity. These are two things that taxpayers have for a very long time expressed genuine interest in having us do, and the President has himself said repeatedly, that it just isn't good enough to have these programs without a real sense of accountability and real measures of program integrity. And so we have, in this higher ed package, perfect evidence of this -- increased oversight of the guarantee agencies being one example; a reduction of the default rate trigger for removing high default rate schools from the GSL programs; increased scrutiny of schools by states and the accrediting agencies. These are a few examples of the kinds of things that we have attempted to do in order to be responsible to the taxpayer in terms of integrity and accountability.

There are provisions also to promote excellence. It isn't good enough to have access without also excellence. And one

MORE

example of that is alternative certification program for states to develop new routes to teacher certification. Another example is what is being called presidential access scholarships, that for the first time include an academic achievement component in a need-based student aid program.

Also we feel very strongly, and the President has said repeatedly, that simplification is important. Parents don't need to have long and complex forms to fill out as they're about to make application for their youngsters to get student financial assistance. And we now have in this package a need -- a single-need analysis system. The legislation establishes a single-need analysis system for all Title IV programs. And this is something that we're very, very proud of.

And so I'd say that access by way of financial access, excellence by way of being certain that we find a way to get excellence built into everything that we do by way of higher education, accountability and integrity and simplification are four thematic highlights of the '92 higher education act amendments.

And I'll stop at this point and would be very happy to entertain questions if you have them.

Q How is it that the President's able to get this piece of legislation through Congress, yet he complains that most of his domestic agenda is stalled on Capitol Hill?

ASSISTANT SECRETARY REID-WALLACE: This is not something that was easily come by. The President worked exceptionally hard in forming what we characterize as a bipartisan coalition to get this through. And it didn't happen overnight. It was a matter of over and over again being on the mark, working with the Congress to get it through.

An example of this is Secretary Lamar Alexander, unlike many other secretaries, made a total of some, I think, 13 visits to the Hill by way of not only presenting the facts and entering into negotiations, but discussing and talking with persons on the Hill. And so, in short, this has been the result of a rather long, arduous series of negotiations between the administration and the Congress. And in the final analysis, this is a good example of a bipartisan effort to push higher education along the way.

Q You mentioned that the President wanted more narrowly targeted award rules? How much of a concession did he have to make there?

ASSISTANT SECRETARY REID-WALLACE: I'm going to ask Bill Hansen if he would address this. He's the Assistant Secretary for Budget in the department.

ASSISTANT SECRETARY HANSEN: What we'd asked for both in our budget and in authorization is that the award rule be targeted to make sure that those that are the most needy receive the grants that are made by the government, and that is the primary target on which we operate. Under the higher ed bill which has been authorized is authorized at over about \$12 billion right now. So what it does is it throws the burden on the appropriations committees to determine how much funding and they're the ones that are going to have to set the award rules, basically; that's the way that it's going to work.

Q So you just left it up to Congress then to set the rules?

ASSISTANT SECRETARY HANSEN: No, we in our budget recommended very strong award rules.

Carol -
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Q What was your amount?

ASSISTANT SECRETARY HANSEN: Our amount this year in our proposed budget is \$6.6 million for the Pell Grant program. That is the biggest budget for the Pell Grant program in the history of the program. It is an increase from 1989 of 50 percent, and this year it's also the biggest one-time increase in the Pell Grant program. And what we did in our budget request is we said how we would pay for it and also who would get the grants.

Q But this comes in at \$12 billion now?

ASSISTANT SECRETARY HANSEN: That's what the authorization bill would allow for.

MR. SCULLY: But that's not real money.

Q I understand what the difference between authorization and appropriations --

MR. SCULLY: No, the difference is that under the caps under the budget agreement our requests fit into the total caps. The appropriators have to deal with the same guidelines that we have to deal with. The authorizers deal with fake money.

Q In fact, what's happening as I understand it is that it's not really \$3,700, it's actually a decrease from current Pells? That's the way --

ASSISTANT SECRETARY HANSEN: They've authorized it at \$3,700 but --

Q They've authorized it at \$3,700, but because of caps and because of what the appropriators are talking about we're really talking about a decrease?

ASSISTANT SECRETARY HANSEN: Well, also it's because of the award rules and the widely expanded way in which they are in place right now will only probably accommodate about a \$2,400 maximum award. That's the current log number.

Q Which is down from what -- \$2,700?

ASSISTANT SECRETARY HANSEN: No, it's \$2,400 now.

MR. SCULLY: But it could still go up in the future under this new authorization. Because they expanded the award rules, the total number of dollars will go up massively, but the maximum amount may be flat for this year. But it can still go up next year.

Q The administration had originally opposed changing Pell Grant eligibility and award sizes, but they had also opposed a direct loan program. Can you explain why the shift in stance on these two issues?

ASSISTANT SECRETARY REID-WALLACE: The administration had opposed a direct loan program as a full-blown program. And the reason this was opposed is pretty simple and very, very straightforward. It would have cost too much money. There simply would not have been sufficient money to support a full-blown direct loan program. And so we had aggressively opposed that.

We had, however, been very clear about our interest in some compromise. And that's what we have before us now. It is a demo project designed to support over a period of time a much smaller program than a full-blown program. We're really talking now about a cap of some \$500 million.

MORE

Q Can you address the same question as to the administration's opposition to changing Pell Grant eligibility and award size?

ASSISTANT SECRETARY REID-WALLACE: I'm going to ask -- Bill, could you speak to that?

ASSISTANT SECRETARY HANSEN: We never opposed the Pell Grants. In fact, we were the ones who proposed eligibility rule changes both in our budget submission and in our reauthorization proposal.

MR. SCULLY: Very large --

Q Maybe you can clarify -- I'm just looking at the March 19th, 1992 statement of administration policy, which says that "the administration strongly objects to provisions that would change Pell Grant eligibility and determine award sizes in ways that would give excessive aid to the wealthiest students."

MR. SCULLY: There's the key -- in ways that would --

Q Wait, wait. Then it goes on to say that the bill would increase Pell Grant funding for students from high income families. Well, that's what it does.

MR. SCULLY: It doesn't.

Q Similarly, it says that you're opposed to a percentage of total Pell Grant funds targeted on neediest students from 61 percent to 40 percent. That's also in the bill.

MR. SCULLY: No, it's not that big. The whole point of this bill is the President's proposal from the beginning was, Pell grants should go to the neediest kids first and that we should probably expand in the middle class, but that we should make sure that the neediest kids get as much grant money as they can and that we should essentially not pump all the extra new money in the middle class and not take care of needy kids. What the bill basically is is a compromise that will put more money into all categories but in a much more structured way. And the way we demanded, it puts a lot more money into the pockets of needy kids before you get around to funding middle class kids with grants.

Q Can you explain how that works in the bill then, what the --

MR. SCULLY: Yes, I think it was -- what the House and Senate wanted to do as political matter is they wanted to go out and create a huge new package of new Pell Grant funding to kids at very high income levels -- from families of \$60,000, \$70,000, \$80,000 a year. And what we said is, you should give more money to low-income kids first, and then to the extent that we can afford it, we should expand to the middle class. And I think that's a fairly middle-ground result -- is what happened.

Q So in other words, there are guidelines in the bill that you have to address the needs of low-income students before high-income students?

MR. SCULLY: With the Pell Grant formula, how it goes, the Pell Grant formula gives kids grants up to \$44,000 a year in the average family. It's a very complicated formula. And that's \$4,000 higher than it used to be. And those kids of those relatively middle-income families will probably end up getting more. But many people in the House and Senate wanted to go way above that. And the reality is, if you have a fixed pot of money, you're taking the money out of the pockets of relatively lower income kids and giving it to more of the middle-class families.

And think what happened was a compromise. Everybody's getting a little bit more. The administration wanted to make sure that the program's dollars went first to relatively low-income kids before you went to middle class. Politically, as you might guess, a lot of people's constituencies wanted to put the money in the middle class first. And I think what happened was the middle version.

ASSISTANT SECRETARY REID-WALLACE: In addition, I think I should point out, under Pell Grants, for the first time we now have an opportunity, thanks to the President's insistence that part-time students also have an opportunity to study in school and receive Pell Grants. This is a part of our push for lifelong learning.

THE PRESS: Thank you.

END

12:55 P.M. EDT

July 23, 1992

The Higher Education Amendments of 1992

The President is signing the Higher Education Amendments of 1992 at Northern Virginia Community College (NOVA) because it is part of one of the largest community college systems in the nation, and serves many part-time students. This legislation includes a key provision that would greatly expand Pell grant assistance to individuals who are taking as few as one or two courses at a time toward a degree.

Many of those who attend community colleges take a course or two in the evenings and, as a result, have not been eligible for many Federal student assistance programs, which have been geared toward students who are in school at least half time.

The President is especially pleased with this legislation because it includes provision for four major initiatives he has sought since taking office.

The first is expanding access to postsecondary education. The bill allows almost all families and students to qualify for a student loan and increases the maximum Pell grant awards for low- and middle-income students from \$2,400 to \$3,700.

The second is enhancing accountability and integrity in the student loan system which will help reduce fraud and waste. It strengthens the states' role in determining whether higher education institutions can participate in Federal student aid programs and tightens the threshold for eliminating from the program schools with high default rates.

The third is promoting alternative certification to help attract talented individuals who have great competence in their discipline but who do not teach in our elementary and secondary schools because of the rigid certification requirements. Encouraging alternative certification is particularly helpful at a time when large numbers of military personnel, skilled in teaching, are leaving the armed forces and looking for opportunities to contribute in the civilian workforce.

The fourth is the establishing National Teacher and School Leader Academies. These academies are designed to train and enhance the skills of current teachers and educators so they can help our students reach the world-class standards the President has called for in his AMERICA 2000 strategy.

HEA Signing Ceremony

Nearly half of all full-time college students currently receive some type of Federal grant or loan.

- Under my administration, the amount of Federal aid available to students has increased by 40 percent, to over \$25 billion. The Pell Grant program, which helps the neediest students, has increased over 48 percent during that time.
- I had a number of goals going into the Higher Education Act (HEA) reauthorization:
 - Expanding financial access and choice;
 - Rewarding excellence and success in education;
 - Promoting lifelong learning;
 - Promoting greater accountability; and
 - Simplifying program delivery.

This bill brings us closer to achieving all of these goals.

- The maximum Pell Grant has been increased to \$3,700, as the Administration proposed. Loan limits under the Guaranteed Student Loan (GSL) programs have been increased for almost all undergraduate and graduate students.
- With the creation of the Presidential Access Scholarship program, need-based student aid will encourage and reward educational excellence for the first time. This program will supplement the awards of Pell Grant recipients who meet a minimum standard of academic achievement.
- The bill will expand eligibility for Pell Grants to less than half-time students, a key component of the President's Lifelong Learning Act.
- The bill includes many of the Administration's program integrity and default reduction provisions, such as an expanded State role in assuring institutional quality, enhanced Secretarial oversight of guarantee agencies, and the reduction of the threshold for elimination of high default schools from 30 percent to 26 percent.
- A number of vital steps have been taken to simplify the student aid programs. These include the adoption of a single need analysis formula for all aid programs and a common financial aid application form.
- A number of other provisions in the bill directly support AMERICA 2000. These include:
 - adoption of an alternative certification program through which states can develop new routes to teacher certification; and
 - authorization of National Teacher and School Leader Academies to provide in-service training.

1ST STORY of Level 1 printed in FULL format.

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The Atlanta Journal and Constitution

September 4, 1992

SECTION: EDITORIAL; Section A; Page 15

LENGTH: 627 words

HEADLINE: MYTHS OF THE '90s Will this decade go back to the future?

BYLINE: By Diane Crispell

KEYWORD: population; trends; statistics; lifestyles; forecasts; series; publications

BODY:

On Thursday, an excerpt from American Demographics magazine examined myths about the 1950s. In today's conclusion of the series: Myths in progress.

- The 1990s will be a rerun of the 1950s.

Even if you took away personal computers and microwave ovens, the 1990s would not be like the 1950s. Attitudes have evolved dramatically.

Back in the 1950s, cigarette smoking was fashionable and abortion was illegal. Separate-but-equal treatment of blacks was not considered discriminatory.

Women, minorities, older Americans and gays had no employment rights. These groups are especially unlikely to want to return to the good old days.

-The 1990s will be a decade of affluence.

Over the next 20 years baby boomers will be entering their peak earning years. A lot of households will be bringing in more money than ever.

But a dollar won't buy as much as it did for their parents the same age. Even though baby boomers will get the biggest checks they will ever see, many will be disappointed at how little their money buys.

- Women will quit working and return to their families in the 1990s.

Household finances in the 1990s are forcing many women to stay on the job. It now takes more than one earner to maintain the average household's standard of living.

The media jumped on the news that women's work rates dipped during the 1991 recession, but this drop only mimicked similar declines in men's work rates.

The Bureau of Labor Statistics predicts that the labor-force participation rate for women age 25 to 54 will grow to 82 percent by 2005, up from 74 percent in 1990.

1992 The Atlanta Journal and Constitution, September 4, 1992

- Husbands will help more with housecleaning.

Men are spending more time on housework than ever before.

Much of this increase is due to the fact that divorced men and never-married men are a growing share of all men and they are responsible for their own housework.

Husbands and fathers are also doing more chores. But these increases are primarily in the areas of child care and shopping.

Cleaning house has yet to become trendy among married men.

- There will be a new baby boom in the 1990s.

The mini baby boom of the late 1980s and early 1990s was really a parent boom. It will end soon. As baby-boom women leave childbearing years, the number of births will decline.

In fact, this downturn has already begun. The number of births in 1991 was lower than in 1990.

- Crime is at an all-time high.

The nature of crime has changed. Some crimes, such as child abuse and sexual harassment, were not reported 40 years ago. And other crimes, such as rape, may be more likely to be reported today than they were in past decades.

Greater reporting artificially inflates growth in the crime rate. But underreporting cannot account for the enormous increase in all major crime rates since 1960.

The murder rate has almost doubled, according to the FBI's Uniform Crime Reports. Burglary has doubled and property crimes, larceny and motor-vehicle theft have increased threefold.

The rates for rape and robbery are four times greater than they were in 1960. And aggravated assaults have increased five times.

- America will age rapidly during the 1990s.

The number of people age 45 to 54 will grow rapidly because baby boomers will enter this group.

But the generation reaching retirement age now was born during the Great Depression and is smaller than the one it is replacing. Increased longevity is behind rapid growth among adults age 85 and older.

But this group made up only a little more than 1 percent of the population in 1990 and will be less than 2 percent in 2000.

Over the decade of the 1990s, the median age of all Americans is expected to increase from 33 to 36.

1992 The Atlanta Journal and Constitution, September 4, 1992

Diane Crispell is an editor for American Demographics, from which this excerpt is taken.

GRAPHIC: Illustration: Members of a 1990s family seeing a 1950s family in the mirror. / WILSON LOWREY, JOHN AMOSSS / Staff

16TH STORY of Level 1 printed in FULL format.

The Associated Press

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August 26, 1982, Thursday, AM cycle

SECTION: Washington Dateline

LENGTH: 480 words

HEADLINE: FBI Says Robbery Reports Rise, Murders and Rape Decline

BYLINE: By KEVIN COSTELLOE, Associated Press Writer

DATELINE: WASHINGTON

KEYWORD:
Crime

BODY:

The number of robberies reported in the United States last year rose considerably while the number of reported murders and forcible rape offenses dropped slightly, the FBI said Thursday.

Meanwhile, one expert said a decrease in the number of people in the crime-prone, 15- to 24-year-old age group contributed to last year's slight drop in the serious crime rate.

"The most important factor is the change in the age distributions in the population. There were fewer people in the 15 to 24 age group that accounts for most of the index crimes (tabulated by the FBI)," said James J. Fyfe. He is a senior fellow of the Police Foundation, a private group that studies law enforcement issues.

Fyfe added that crime rates should continue to decrease gradually, but probably will pick up again beginning around 1992 as youngsters from the current baby boom become teenagers.

FBI Director William H. Webster said the number of reported robberies — the taking of something from a person by force, threat of force, or fear — was 574,134 during 1981. That was up 25,325 from 1980. Losses to victims were estimated at \$382 million.

The number of murders and related killings reported to police dropped by 2.3 percent to 22,516 last year, according to the bureau's Uniform Crime Reports.

The number of reported rapes, assaults with intent to commit rape and rape attempts dropped 0.7 percent to 81,536 last year.

Aggravated assaults dropped 1.7 percent to 643,720, of which 24 percent were committed with firearms and 22 percent with knives or cutting instruments.

The Associated Press, August 26, 1982

Burglaries _ the illegal entry of a building to commit a crime _ declined 0.5 percent. The more than 3.7 million incidents resulted in estimated losses of \$3.5 billion.

Larceny-theft crimes _ including shoplifting, bicycle thefts, pocket-picking and a wide range of other stealing offenses _ rose by 0.6 percent to more than 7.1 million incidents during 1981. The loss from all such reported incidents was estimated at \$2.4 billion.

The overall crime rate declined 1.7 percent, from 5,899.9 of the tabulated crimes for every 100,000 residents in 1980 to 5,799.9 such crimes in 1981.

The FBI said that last year the number of reported serious crimes was 13,290,256 _ down 5,143 from 1980. It was the first such drop in four years.

The FBI's figures are based on data submitted by law enforcement agencies covering 97 percent of the U.S. population.

The FBI's figures include murder, robbery, rape offenses, aggravated assault, burglary, larceny-theft and motor vehicle theft.

"It is heartening to see that figures that have been marching upward for so long are now stabilizing," said Attorney General William French Smith.

Smith has called on Congress to enact several new measures to help control crime. However, most of those proposals are still awaiting action.

14TH STORY of Level 1 printed in FULL format.

Copyright 1992 News World Communications, Inc.
The Washington Times

August 30, 1992, Sunday, Final Edition

SECTION: Part A; Pg. A1

LENGTH: 1097 words

HEADLINE: Violent crime hits record level

BYLINE: Jerry Seper; THE WASHINGTON TIMES

BODY:

****FINAL FBI FIGURES FOR 1991 SHOW VIOLENT CRIME ROSE 4 PERCENT, PARTLY BECAUSE OF RISING JUVENILE OFFENSES****

Violent crime nationwide jumped 4 percent last year to a record high, with nearly 2 million murders, rapes, robberies and aggravated assaults reported to police, the FBI said yesterday.

Nearly a sixth of the nation's 24,703 murders in 1991 were committed by youths ages 15 to 19 - the largest proportion of any age group. The national murder rate increased 4.3 percent to almost 10 per 100,000 people.

The District of Columbia led the big cities with a murder rate of 80.6 per 100,000 population. Richmond was fifth with 56.2 per 100,000.

The overall rate of 758 violent crimes for every 100,000 Americans was an increase of 24 percent over 1987 and 33 percent over 1982.

The figures are part of the FBI's final 1991 Uniform Crime Report and were announced by Attorney General William P. Barr and FBI Director William S. Sessions. They include reports of murder, forcible rape, robbery and aggravated assault from more than 16,000 law enforcement agencies nationwide.

"There are two things that hold true in the world of violent crime," Mr. Barr said. "First, a disproportionate amount of violent crime is committed by a relatively small group of chronic, violent offenders.

"Second, prosecutors and police officers must be given the tools necessary to identify and incarcerate this hard-core group. All too often, law enforcement's hard work is undermined by a revolving-door justice system that puts career criminals back on the street before they have served their entire sentence."

The attorney general said the fight against violent crime and violence-prone criminals should include increased resources for law enforcement officials, a reform of federal and state criminal justice systems, "high-impact operations" that target the most dangerous criminals, and a combined effort by law enforcement and communities to help crime-ridden areas.

The FBI said that during 1991 incidents of forcible rape jumped by 3 percent, the robbery rate rose by 6 percent and aggravated assault increased 2 percent.

The Washington Times, August 30, 1992

There were more than 5,400 murders, rapes, robberies or assaults every day during 1991, the FBI said.

Of the record 24,703 murder victims, the FBI said 78 percent were men, and 89 percent were 18 or older. Fifty percent were black.

The FBI said firearms, including handguns, rifles and shotguns, were used in 31 percent of the violent crimes reported.

Mr. Sessions said the FBI study looked into the "social phenomenon" of increased juvenile violence and found "dramatic increases" in arrest rates for those 10 to 17 years old - both white and black.

The report noted a surge in youth arrests for murder during the 1980s. In 1980, slightly fewer than 20 in 100,000 youths were arrested for murder, compared with nearly 50 per 100,000 in 1990. The increases, he said, were evident in every area of the country and coincided with "a significant increase" in the arrest rate for cocaine and heroin use and for weapons violations.

"The study results indicate the surge in juvenile violent crime arrests has a broad base, and since it is projected the juvenile population will increase significantly by the year 2000, these increases in juvenile violence may continue in the future," Mr. Sessions said.

Mr. Barr said the trend clearly shows that a "wholesale reform of the juvenile justice system" is in order. He said first-time offenders should get counseling to prevent their return to trouble, but "chronic, hardened, youthful offenders" should be jailed for extended periods.

"The long-term solution to the problem of juvenile crime falls largely outside of the law enforcement system," Mr. Barr said. "It requires strengthening those basic institutions - the family, schools, religious institutions and community groups - that are responsible for instilling values and creating law-abiding citizens."

Almost 15 million violent and property crimes were reported last year nationwide, an increase of 3 percent from 1990. The new figures are 10 percent higher than 1987 and 15 percent above the 1982 level.

The FBI said the property-crime rate increased by 1 percent in 1991, with nearly 13 million reports of burglary, larceny-theft, motor-vehicle theft and arson - about 36,000 a day.

Total losses from property crime were estimated by the FBI at \$16.1 billion, or about \$1,200 per offense. In 1991, the FBI said, larceny-theft accounted for about 63 percent of the property crimes reported.

The FBI said more than 3.2 million burglaries were reported nationwide last year; two of every three involved residences. About 70 percent of the burglaries involved forced entry; the offenses were evenly divided between day and night.

More than 1.7 million vehicles were stolen - one for every 117 registered motor vehicles in the nation. The estimated loss from auto thefts was \$8.3 billion, or about \$4,900 per vehicle.

The Washington Times, August 30, 1992

Geographically, crime declined by 1 percent in the Northeast, increased by 1 percent in the West and South, and jumped by 3 percent in the Midwest.

The FBI said cities recorded a 3 percent increase in violent and property crime from 1990 to 1991. Suburban and rural areas saw 4 percent and 5 percent jumps, respectively.

During 1991, the FBI said, law enforcement agencies nationwide made about 14.2 million arrests for criminal offenses, not including traffic violations. The total is down 1 percent from 1990.

The FBI said 46 percent of those arrested were under 25. The bureau said 81 percent were male and 69 percent were white.

The FBI said the nation had 535,629 law enforcement officers in 1991; about 91 percent of them were men. The average of 2.2 full-time officers for every 1,000 residents nationwide was the same as in 1990, the report said.

****CHART (COLOR)

1991 CRIME RATE

The FBI measures eight major crimes reported by police agencies nationwide - murder, forcible rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft and arson. The rates for 1991 over 1990 are:

Overall crime up 3%
 Violent crime up 4%
 Property crime up 1%
 Murder up 4%
 Forcible rape up 3%
 Robbery up 6%
 Assault up 2%
 Burglary up 1%
 Larceny-theft up 1%
 Vehicle theft no change
 Arson up 1%

Source: FBI Uniform Crime Report

GRAPHIC: Box (color), 1991 CRIME RATE, By The Washington Times

LEVEL 1 - 1 OF 1 DOCUMENT

Public Papers of the Presidents

Remarks Announcing Proposed Legislation To Establish a "GI
Bill" for Children

28 Weekly Comp. Pres. Doc. 1139

June 25, 1992

LENGTH: 1942 words

... entitlement program. The Federal Government cannot afford one more entitlement, even for education. I've said many times that money alone isn't the answer. The United States already spends more per student for schools than any country in the world except Switzerland. I don't have to tell you where we stand in the international rankings of educational performance at the level we're talking about here today. Our universities and colleges are respected and have achieved the highest levels of achievement. But that, unfortunately, is not ...