RESEARCH REPORTS

Reviews of new research by public agencies and private institutions

"Strategies for Effective Desegregation: A Synthesis of Findings."

Center for Education and Human Development Policy, Institute for Public Policy Studies, Vanderbilt University, Nashville, Tenn. 37212. 195 pp. $10.
Authors: Willis D. Hawley et al.

School desegregation—even some of its staunchest initial backers believe that it has largely failed to end racial separation and boost minority students' academic performance. Yet after examining more than 1,200 scholarly studies and analyzing the experiences of 17 cities, a team of researchers headquartered at Vanderbilt University contends that desegregation has benefited minority children without harming white students. They also suggest how the ill effects of mandatory desegregation—racial conflict and "white flight" to private and suburban schools—can be minimized.

Despite the sometimes violent protests it has sparked in cities such as Boston, compulsory desegregation continues to be the most effective way to end racial separation. "Even where substantial white flight has occurred," contend the authors, "racial isolation has remained significantly less than it was before desegregation."

And "metropolitan" plans that merge city and suburban school systems (introduced in Wilmington, Del., Louisville, Ky., and just a few other cities) reduce white flight not only by forcing anti-integration families to move farther to avoid change but also by lowering the proportion of minority students throughout the new district and thereby alleviating white anxiety.

Where possible, the research indicates, officials should aim for minority student populations of roughly 15 to 20 percent of the student body. This "critical mass" seems to "encourage intergroup contact, discourage self-isolation" and force educators to respond to lower-class minority students' special needs (e.g., with remedial or bilingual programs). Further, scholars have found the worst race relations in schools that are 40 to 60 percent white.

The Vanderbilt researchers found no studies showing that desegregation has hurt white or black student scores on standardized verbal and math tests. This holds for students who were bused—over any distance. For instance, a 1973 survey of Southern school districts found "no evidence that busing *per se* . . . (or) attending one's own neighborhood school has any effects, positive or negative, on school achievement or social climate."

In fact, several desegregation strategies prove helpful to minority students. Numerous studies show that "desegregation begun in kindergarten or grade one will enhance minority achievement test scores much more than desegregation in later grades." One simple reason: It avoids the disruptive effects of changing schools and classmates in mid-course. The authors note that Dallas and Los Angeles school officials have ignored this evidence and excluded early grades from present desegregation programs.

School officials can take several additional steps to ease the difficulties of integration. Under mandatory desegregation plans, white parents in Boston were willing to send their children to educationally "souped up" magnet schools located in integrated neighborhoods. (However, in districts with over 30 percent minority enrollments, magnet schools will not lure whites.) Sim-

ply renovating a delapidated ghetto school can overcome many white parents' misgivings.

Finally, the authors recommend integrating administrative and teaching staffs, reducing school and classroom size, and strictly controlling the use of "tracking" programs that too often needlessly resegregate the races when they are finally under one roof.

"Managing Oil Disruptions: Issues and Policy Options."

Staff Working Paper, Congressional Budget Office, U.S. Congress, Washington, D.C. 20402. 64 pp.

The Arab oil embargo and the ensuing 400 percent OPEC price increase of 1973–74 suddenly transferred billions of dollars to exporting nations' economies and helped plunge the West into deep recession. Five years later, the virtual cutoff of Iranian oil exports wreaked more economic havoc.

Yet the President's standby authority to establish a rationing plan expired September 30, 1981. The Strategic Petroleum Reserve is still nearly empty. And President Reagan's proposal to abolish the Energy Department could leave the country without contingency planning for future oil supply disruptions in the turbulent Middle East.

In this study, Congressional Budget Office economists describe the pluses and minuses of various countermeasures the government might take under two oil cutoff scenarios—a small three-million-barrels-per-day world oil shortfall in which the "benchmark" price would rise from $39 to $57 per barrel, and a larger 7.5-million-barrels-per-day gap that would send prices zooming to $86 per barrel.

Washington's first option is to permit the market to allocate petroleum products and restrain demand by letting prices rise. Windfall profits and corporate income taxes now in place would generate considerable government revenue to plow back into the economy and cushion the blow.

This "neutral policy" could limit the inflationary impact of a small oil shortfall to 3.1 points of the total inflation rate. But it would permit real GNP to fall by a full 1.6 percent and unemployment to rise by 0.7 percent. Moreover, it would do nothing to stem the flow of wealth to foreign oil exporters. And its efficiency nosedives under the large shortfall scenario. Reason: Cash-flush foreign and domestic producers will not be able to reinvest their profits fast enough to bolster the American and other Western economies.

The federal government could also levy three kinds of taxes to recapture more windfall profits and curb the flow of revenues abroad: oil import fees, crude oil refining taxes, and gasoline taxes. Largely by permitting increased federal spending, each would limit GNP loss and employment reductions better than the neutral policy under both scenarios. But they would let inflation rise higher.

Moreover, an oil import tariff might trigger further supply cutbacks or price increases by outraged producer nations. And any taxation scheme would create the enormous challenge of recycling billions in federal revenue back into the economy fast enough to prevent further contraction.

Full-blown gasoline rationing and price controls could cut GNP loss to 0.6 percent during a small oil shortfall by permitting consumers to keep some of the income that would otherwise be transferred to producers under the neutral policy, and to government under taxation schemes. (Their per-

formance in a large shortfall was not examined by the CBO.) They would also limit shortage-induced unemployment and inflation. Yet rationing could be a bureaucratic nightmare.

"There is no single best policy" for coping with oil cutoffs, the authors conclude. The hands-off posture, with its administrative simplicity, is best equipped to manage shortages under one million barrels per day. And tax schemes appear capable of quickly redistributing revenues during one- to two-million-barrel-per-day disruptions. Only the strains created by larger shortages seem to justify rationing—which alone may be able to preserve domestic harmony, say the authors, by creating a public perception of shared sacrifice.

"U.S. Economic Performance in a Global Perspective."

Office of Economic Research, New York Stock Exchange, 11 Wall St., New York, N.Y. 10005. 52 pp.
Authors: William A. Freund et al.

From Wall Street, which panned President Reagan's economic program in September, comes this partial endorsement of his "supply side" principles. The U.S. economy's dismal showing since 1960, says a team of New York Stock Exchange (NYSE) economists, stems from high taxes on investment income, which have choked corporate expenditures on new technologies and equipment and stunted productivity growth.

To gauge how the U.S. economy's "health" compares with that of seven other leading industrial nations, the NYSE devised a measure called the Economic Performance Index (constructed by dividing the real economic growth rate by the sum of the inflation and unemployment rates). Even before 1973—when OPEC oil prices quadrupled—the American economy lagged behind those of Japan, West Germany, France, Italy, Canada, and Sweden, topping only Great Britain. The United States did relatively well only in controlling inflation, but its 9.1 percent average inflation rate from 1974 to 1980 (lower than all but West Germany's) was nothing to cheer about.

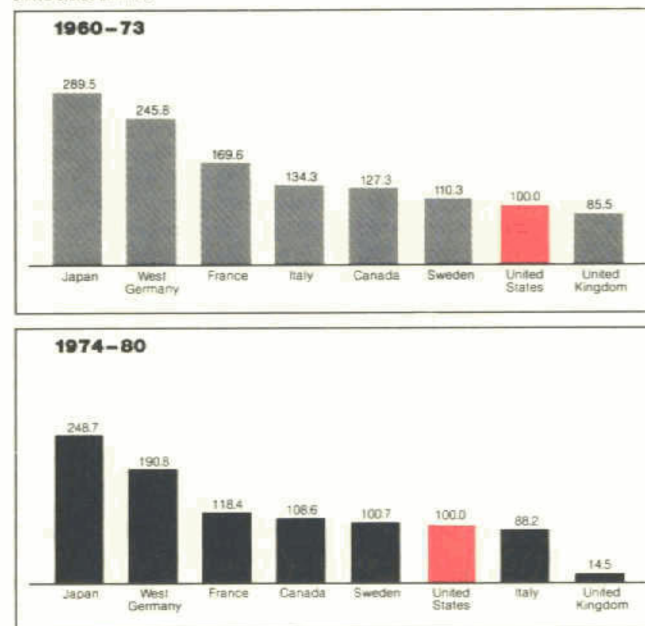
Significantly, the United States finished dead last in investment. During 1974–80, America put only 10.5 percent of its GNP into new factories and machinery (excluding housing). Japan invested at twice that level, and France invested 12.4 per cent.

The report blames inordinately high taxes. U.S. taxes on salary (26 percent) and interest income for a hypothetical $50,000-per-year individual during the 1970s were actually the median for the eight countries studied. But on dividend income, the Treasury's take was second only to Sweden's and, at almost 48 cents on the dollar, was more than double the rate in Canada, Italy, West Germany, and France.

The biggest difference of all, however, came in the area of capital gains. Italy and Japan imposed no tax on the profits from the sale of securities; France and West Germany took only 6.2 percent and 5.8 percent, respectively. But Washington claimed 26.8 percent of the investor's profit.

Overall, Americans faced a greater burden of taxation (33.5 percent) on investment income than any of their counterparts studied, save the Swedes (who paid a whopping 52.7 percent). As a result, the Exchange says, between 1975 and 1979, Americans saved only 6.3 percent of their income, by far the

Comparisons of the Economic Performance Index Relative to the U.S.
United States EPI=100



Adapted from U.S. Economic Performance in a Global Perspective, *1981.*

lowest proportion of all eight countries. In Italy and Japan, where the tax burden equalled 6.4 percent and 14.4 percent, respectively, the savings rates exceeded 20 percent.

After 1973, the authors write, all eight countries fell into the "policy trap" of trying to pump up their economies through deficit financing. Their reward was stagflation. Japan, the best performer after 1974, according to the EPI, failed to match last place Britain's record during the 1960–73 period. The moral: Cut taxes on investment income to encourage capital formation, but keep budget deficits under control.

"Analysis of National Crime Victimization Survey Data to Study Serious Delinquent Behavior."

Office of Juvenile Justice and Delinquency Prevention, U.S. Department of Justice, 633 Indiana Ave. N.W., Washington, D.C. 20531. 110, 124, 118, and 116 pp. Fifth volume forthcoming.

A steady flow of news stories has convinced many Americans that hard economic times have boosted the numbers of criminal youth gangs prowling the streets committing unusually violent crimes. But this five-volume survey

prepared for the Justice Department contends that juvenile crime—while still a serious problem—declined slightly during the recession-ridden mid-1970s and proved to be less violent than adult crime.

The authors analyzed Justice Department and Census Bureau surveys that asked crime victims to establish an offender's age. These polls indicate that the annual rate of assaults, larcenies, robberies, and rapes committed by juveniles (12-to-17-year-olds) fell 11.2 percent between 1973 and 1977, to 4,852 crimes per 100,000 youngsters. During the same period, the rate for "youthful offenders" (18-to-20-year-olds) declined by 2.4 percent to 8,116 crimes per 100,000 peers. (The adult crime rate was 2,582 offenses per 100,000 adults.)

Not surprisingly, juvenile crime was still most common in central cities and least common in rural areas. But it was declining everywhere.

Juvenile crimes were far less apt to be violent than were adult offenses. Juveniles accounted for 32 percent of total personal larcenies (thefts of cash, purses, etc., without the use or threat of force) but only eight percent of all rapes. The adult figures were 38 and 76 percent, respectively. Moreover, violent crime as a percent of all juvenile crime held steady.

"Only" seven percent of juvenile crimes caused an injury requiring medical attention, versus nine percent of crimes by 18-to-20-year-olds and 11 percent of adults' crimes. The data supplies one explanation—adult offenders are four times as likely as juveniles to use guns (though knives are equally popular with both groups).

Males and blacks are heavily overrepresented in the ranks of young criminals. Some 43,000 black male juveniles were reported in crimes for every 100,000 black male juveniles in the general population. And nearly 85,000 black 18-to-20-year-olds were involved in crimes for every 100,000 young black male adults. (Victims' reports, however, cannot tell us how many of these were multiple offenders.) The comparable figures for male white minors (7,974), male white young adults (15,054), and male black adults (18,031) were all much lower.

Contrary to popular belief, the rates of unemployment and economic growth had no detectable effects on crime rates among any age group, and changes in the Consumer Price Index correlated with only five percent of crime rate increases or declines between 1973 and 1978.

Seasonal fluctuations in crime, by contrast, produced 51 percent of the overall crime rate changes. Spring and summer appeared to be the most dangerous times of the year.

"Crooks, Conmen and Clowns: Businessmen in TV Entertainment."

The Media Institute, 3017 M St. N.W., Washington, D.C. 20007. 38 pp. $5.50.
Author: Leonard Theberge

On network TV entertainment shows, businessmen are apt to be either executives at the top of the corporate ladder, and invariably crooks, or the owners of small businesses, generally portrayed as buffoons.

The Media Institute examined 200 TV episodes from the top 50 prime-time series between December 1979 and April 1980. The plots involved 118 businessmen, in all; 44 percent appeared on CBS, 40 percent on ABC, and only 16 percent on NBC.

Sitcoms and dramas had nearly

equal shares of businessmen. But regardless of the type of show and the network involved, the picture was the same: 67 percent of the businessmen portrayed were "bad guys"—"criminals, fools, or greedy or malevolent egotists." Only 25 percent wore white hats.

Most TV businessmen were shown outside as well as inside the workaday world. In fact, 27 percent of their involvements in a plot were purely personal. Twenty-six percent reflected a mixture of business and "pleasure"—as when Archie Bunker is sued by a friend who has fallen off a bar stool, in *Archie Bunker's Place*.

Whether a businessman's role was personal or professional seemed to determine his ethics. A hefty 94 percent of all businessmen portrayed as "good guys" were to some extent involved in "interpersonal" dealings, as opposed to philanthropy. "Typical," say the authors, "is a segment of *Lou Grant* in which Mrs. Pynchon, the newspaper publisher, sympathetically coaxes a young reporter toward a reconciliation with her mother."

When businessmen were shown performing purely *business* functions, they appeared in a bad light 86 percent of the time. In fact, almost half (45 percent) of all business dealings on TV are illegal (from "stockbrokers who deal in murder," to the small businessman who resorts to false advertising).

And, in contrast to reality, almost one in four TV businessmen (24 percent) either own a large company or serve as president or chairman of the board of one. Fourteen percent are in executive or supervisory positions (e.g., Louie, the nasty dispatcher of *Taxi*). But the largest category (40 percent) own small businesses (e.g., Mel, the excitable proprietor of a diner in *Alice*).

The biggest crooks were at the top of the heap. The authors found that 53 percent of all TV business leaders engaged in illegal activities; seven percent were merely malevolent (none were foolish). Their underlings, however, tended toward malevolence: 23 percent of the middle-level executive/managers were parties to a crime; 30 percent were malevolent; 16 percent were simply stupid or inept.

The biggest fools, however, were the small businessmen. Only 19 percent of them were crooks, and only six percent were malevolent. But 28 percent were foolish.

In sum, when the TV businessman is not arousing our loathing by seeing to the "business" of crime, he is inspiring our scorn with his incompetence.