

Homes boom needed to reverse price inflation

The Weekly Telegraph Issue No. 647.

New houses

By BECKY BARROW

MORE than 320,000 homes must be built in Britain each year if house price inflation is to be brought under control.

The proposition, which will provoke fury among environmental groups, was delivered by Kate Barker, who was commissioned by the Government to investigate the chronic disparity between the number of homes and households.

In her interim report, Miss Barker, a member of the Bank of England's monetary policy committee, said the housing shortage was one of the main reasons for the record rises in house prices over the past few years.

But plans for the construction of millions of new homes, particularly in the South-East, will outrage people who believe that too much countryside has already been replaced by concrete.

Last year, 183,000 houses were built, one of the lowest levels since the Second World War, despite the urgent demand for new homes,

largely from couples getting divorced, children leaving home, and immigrants.

It is estimated that an additional 145,000 new houses each year would be needed if the rate of house price inflation in Britain, which is higher than in most other countries, is to be lowered to more moderate European levels.

Miss Barker admitted that these numbers were calculated "purely from the perspective of the UK economy", but the decision should be made after listening to all concerns, not just financial ones.

To compound the problem, many of the new developments were not built to a high quality and were not the type of housing that people actually wanted to live in, the report found. The number of flats being built was a particular cause of concern among housing experts as many people, especially in rural communities, wanted to live in houses.

David Curry, the Conservatives' local government spokesman, said: "If we are going to build this housing, then it must be accompanied by a major [improvement in]

infrastructure — roads, rail, major investment in existing town centres, education, leisure, cultural and health facilities. Without adequate infrastructure there is a great danger of creating soulless dormitory towns."

Hugh Ellis, a planning adviser for Friends of the Earth, the environmental charity, said: "If the Treasury is serious about promoting sustainable development, then the last thing it should be doing is attacking the planning system. Rather it must put pressure on developers to build on brownfield sites allocated for development, and protect vital resources from developments that cannot be sustained."

It is the parlous state of the planning system that is partly responsible for the low number of new homes being built. Miss Barker said that the time taken to obtain planning permission could be "very long": one case took eight years.

First-time buyers are among the losers from the lack of new homes being built as an increasing number are finding themselves frozen out of the property market.

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New rules aim at diesel soot in air

Michael Janofsky NYT
Tuesday, May 11, 2004

U.S. plan addresses tractors and trains

WASHINGTON The Bush administration has announced new regulations that will significantly reduce emissions from tractors, bulldozers, locomotives and other nonroad vehicles propelled by diesel fuel that, altogether, spew more soot than the United States' fleet of cars, trucks and buses.

Michael Leavitt, administrator of the Environmental Protection Agency, said Monday after a meeting with President George W. Bush that the regulations would be made official on Tuesday, setting in motion a plan for full compliance by 2012.

The new rules require refineries to produce cleaner-burning diesel fuel and engine makers to cut diesel emissions by more than 90 percent, a reduction that health experts say could prevent as many as 12,000 premature deaths and 15,000 heart attacks every year.

"This is a big deal," Leavitt said after the meeting at the White House, comparing the importance of the new standards to rules decades ago that took lead out of gasoline. "The result of this is that people will live longer, live better and live healthier lives."

The new rules, the first for this group of vehicles, were developed through years of collaboration among environmental groups, public health advocates, engine makers and fuel refineries. Representatives of all the groups said the adoption of the new standards reflected an extraordinary and unusual willingness of the Environmental Protection Agency to listen to everybody.

"They opened the door, let everybody in and made us all feel like the favorite child of the parent," said Bill Becker, executive director of two groups that represent state and local air pollution agencies.

The goal of the new standards is to lower the sulfur content of diesel fuel that is used in engines as large as 6,000 horsepower. Sulfur not only leads to more soot in the atmosphere, but also prevents newer engine technology from reducing other pollutants.

Stronger rules for buses and trucks that use diesel fuel were adopted in the final days of the Clinton administration and kept in place by Bush, with enactment set for 2007. The new rules build on that effort, with all nonroad diesel vehicles, except for locomotives and marine vessels, required to reduce the sulfur content of diesel fuel to 500 parts per million by 2007 and to 15 parts per million by 2010. Locomotives and boats have until 2012 to meet the standard.

Currently, the average level of sulfur content is 3,400 parts per million.

Industry leaders, as well as environmentalists, said progress toward the new rules came about through several factors, including public pressure on the administration to produce tangible evidence of interest in cleaning the air, a willingness of refineries and engine makers to bear the enormous costs of improvement in exchange for a longer phase-in period and a realization by environmental groups that the new standards will have a substantial health benefit even if they take years to enact.

"This means a huge investment for us, in the billions," said Edward Murphy, an official with the American Petroleum Institute. "We're concerned about the cost, but it's worthwhile because of the environmental benefits."

An array of environmental groups applauded the administration for the new rules. But in many cases, the praise was tempered by concern over other unresolved issues involving air, water and land management.

"Unfortunately, this positive step stands in contrast with the administration's backward slide on other air pollution issues," said Richard Kassel of the Natural Resource Defense Council, which helped with the new standards.

The New York Times

Increasingly, American-Made Doesn't Mean in the U.S.

By LOUIS UCHITELLE

Anthony F. Raimondo, a Nebraska business executive, was all set to become President George W. Bush's manufacturing czar until he was caught in a political firestorm recently after the campaign of Democratic presidential candidate John Kerry suggested that Mr. Raimondo was a "Benedict Arnold C.E.O." for moving jobs from the United States to China, referring to the legendary American traitor of the Revolutionary War.

But it's not that simple. What Mr. Raimondo's company did, experts of many types say, has become standard business practice in response to domestic and international pressures.

Hundreds of American companies, among them Mr. Raimondo's Behlen Manufacturing of Columbus, Nebraska, own facilities abroad that produce goods and services for overseas customers rather than for shipment back home. Indeed, these overseas sales, which have risen to more than \$2.2 trillion annually in recent years, dwarf the nation's exports of roughly \$1 trillion.

Mr. Raimondo says he and the chief executives of most manufacturing companies contend that such moves are essential to keep American industry competitive in the global marketplace. Behlen got its start in China by exporting from Nebraska prefabricated steel framing for commercial buildings, particularly factories. Its biggest Chinese customer was a company that made

automotive glass.

In 2000, however, his big Chinese customer shifted to one of Behlen's competitors, in Kansas City, Missouri, which offered a lower price from a factory it had opened in China in 1996 to manufacture the heavy steel products closer to where they would be used. Behlen responded to this competition by shifting from exports to production in China, at a new plant that opened last year in Beijing.

"We think ours is the ideal dynamic model for American manufacturers," Mr. Raimondo said in a telephone interview. "I talked at length with the Department of Commerce and the White House, and they agreed that Behlen's competi-

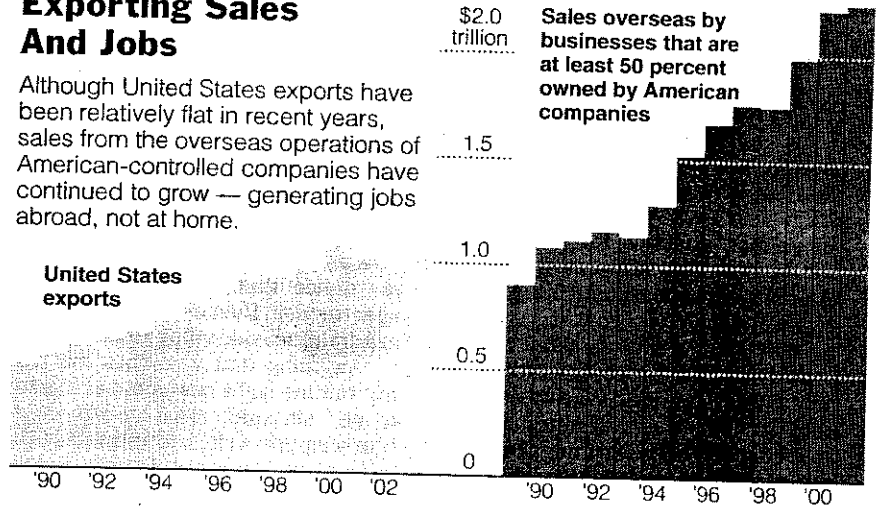
tive response is a tremendous message for all manufacturing. We do not outsource in the sense of bringing product back to the United States."

The nation's manufacturers have shed 2.7 million American jobs since Mr. Bush took office. The Bush administration believes that Mr. Raimondo's strategies could help save American businesses.

"For American companies to be competitive on a global basis," said Grant Aldonas, the Commerce Department's under secretary for international trade, "they need to be able to have the freedom to establish a beachhead overseas that allows them to expand their sales abroad."

Exporting Sales And Jobs

Although United States exports have been relatively flat in recent years, sales from the overseas operations of American-controlled companies have continued to grow — generating jobs abroad, not at home.



Source: Economy.com; Bureau of Economic Analysis

The New York Times

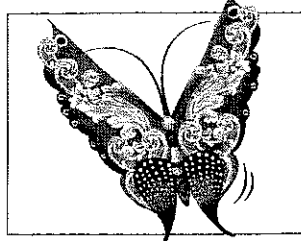
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The New York Times, April 4, 2004

Companies and innovation

Less glamour, more profit

Innovation is rarely rocket science



WHEN Frito-Lay added a little curl to its snacks, the company's sales improved. The clever twist allowed consumers to scoop up their guacamole or salsa dip and place relatively more of it in their mouths and less on their rugs. Of such seem-

ingly modest innovations are great fortunes made. Next month Gillette will launch the successor to its sensationally successful Mach3 razor. Much as the company would like it to be as revolutionary as the Mach3 was in its day, the battery-operated vibrating beard-remover is unlikely to be more than evolutionary. That may not, however, prevent it from making a sizeable contribution to Gillette's profits.

Big firms still aspire to make truly great breakthrough inventions—products that will underwrite their profits for at least a decade. They are, however, coming up with such inventions less and less often, even though many industries, notably pharmaceuticals, continue to spend vast sums trying. Indeed, for most of industrial history, small firms have been responsible for the bulk of breakthrough products. America's Small Business Administration claims that the pacemaker, the personal computer, the Polaroid camera and pre-stressed concrete all emerged from small entrepreneurial outfits, and those are taken only from the list of items beginning with the letter P.

Big firms are better at less eye-catching forms of innovation—adding the twist to the snackfood, for example, and generally improving the ways in which products invented elsewhere are manufactured, marketed and continually enhanced (see pages 75-77). Henry Ford, whose name is almost synonymous with four-wheeled transport, did not invent the auto-

mobile. He “merely” invented a far superior way to manufacture it—namely, the mass-production assembly line. And on that was built an industrial empire that has thrived for almost a century. Likewise, in the past few decades most of the companies that have created truly extraordinary amounts of wealth have done so by inventing great processes, not great products. Dell, Toyota and Wal-Mart, for example, have risen to the top of their respective industries by coming up with amazingly efficient ways of getting quite ordinary products into the hands of consumers more cheaply than their rivals.

Does this mean that big firms should sack all their scientists and leave inventing to others? In practice, more and more are doing just that. For some time, the computer industry has, in effect, relied for much of its research and development on small firms backed by venture capital, and the telecoms industry is outsourcing more and more research to smaller firms in India and elsewhere. Without their own in-house labs, however, big firms fear that they will be taken by surprise by what a Harvard professor, Clayton Christensen, famously described as a “disruptive technology”, an innovation so revolutionary that it will enable an upstart outsider to crush them, much as the PC did to the mainframe-computer business.

But, as history has shown time and time again, a bevy of in-house scientists gives no guarantee that their output will protect their employer from technological change. Xerox, AT&T and IBM spent billions on research but all failed to exploit much of what came out of their labs, and all ended up being caught out by new technologies. It is far better if big firms' managers keep their binoculars well trained on the outside world and their minds open to any new ideas they spot there. They can then buy them and do what they do best: find innovative ways to bring them to market. ■

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Conditions at Youth Prisons In California Called 'Barbaric'

By JOHN M. BRODER

WHITTIER, California — The mission of the California Youth Authority, which runs the state's 10 juvenile prisons, housing 4,600 inmates, is to educate and rehabilitate offenders sentenced by juvenile courts. But state officials and outside experts brought in to study the system say it fails in its most basic tasks, because of antiquated facilities, undertrained employees and violence endemic within the walls.

Youths with psychological problems are ignored or overmedicated, classes are arbitrarily canceled, and inmates or whole institutions are shut down for days or weeks at a time because of recurring gang violence, according to the independent experts, retained by the state after it was sued two years ago in a class action brought on inmates' behalf.

Two youths committed suicide at one prison last month, and dozens more try to kill themselves every year, officials and parents say. Conditions in many of the institutions were described by the experts as "deplorable," with blood and dried feces on the walls of many high-security cells.

Youths in solitary confinement are often fed what officials call "blender meals," in which a bologna sandwich, an apple and milk are pulverized and fed to the inmate by straw through a slit in the cell door.

The system's mental health programs are in "complete disarray," the experts found. "The vast majority of youths who have mental health needs," one report said, "are made worse instead of improved by the correctional environment."

There are more than 4,000 serious assaults by youths on other juveniles each year throughout the California juvenile prison system, an average of more than

10 a day, according to Dr. Barry Krisberg, a nationally recognized criminologist who was among the experts reviewing the Youth Authority.

Guards instigate fights among wards, he found, and fail to protect those who are singled out for rapes or beatings by other inmates.

"It is abundantly clear from a range of data that I collected as part of this review," Dr. Krisberg wrote, "that the Youth Authority is a very dangerous place and that neither staff nor wards feel safe in its facilities."

He also noted that California was the only state that used small cages, known as secure program areas, or SPA's, to isolate prisoners from one another and from members of the staff during instruction or counseling, a practice one prison pastor called "demonic."

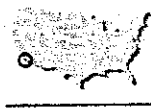
State officials newly appointed to run the Youth Authority do not dispute most of the findings. They have promised quick action, starting with the elimination of the security cages.

State Senator Gloria Romero, a Democrat who heads a special legislative committee overseeing the state's adult and juvenile prison networks, called conditions in the Youth Authority "barbaric" and "inhumane."

The state now spends \$80,000 a year on each imprisoned young offender, Senator Romero said, and yet recidivism approaches 90 percent. "On all counts," she said of the system, "it's been a failure."

Laura Talkington of Fresno, whose 19-year-old son, David, has been held in Youth Authority prisons since he was convicted of arson four years ago, makes no excuses for his crime. But she is furious at the state for the treatment he has received, which has included beatings by the staff and fellow inmates. "There is no rehabilitation," Mrs. Talkington said. "There is only punishment and a lot of abuse."

CALIFORNIA
Whittier



503 words

The New York Times, February 23, 2004

Scots lead the way with proposed ban

A crime to smack your own child

By TOM PETERKIN
AND NICOLE MARTIN

SMACKING young children could be declared illegal throughout Britain after the Scottish Executive announced plans to make any physical punishment of under-threes a criminal offence.

Parents could face imprisonment under the proposals published by Jim Wallace, Scotland's Deputy First Minister.

The legislation, which could receive Royal Assent by the end of next year, includes a ban on blows to the head, shaking, and the use of canes, belts or other implements to strike children of any age. Corporal punishment in childcare centres would also be outlawed.

Mr Wallace's made his announcement in response to a decision by the European Court of Human Rights. It ruled that British law on the physical punishment of children should be updated after a case in which a boy's stepfather who beat him with a 3ft cane was cleared in an English court of causing actual bodily harm because he claimed it was reasonable chastisement.

The Department of Health is completing a consultation document, *Protecting Children, Supporting Parents*. It commissioned it after the European court ruled that the stepfather was guilty of assault and English law had failed to protect the boy from "inhuman or degrading treatment".

The Scottish Executive's decision raises the prospect of England and Wales adopting similar measures to comply with European law, although Tony Blair has admitted that he has smacked his children occasionally.

Mr Wallace, who is also the Justice Minister, said: "We propose to ban physical punishment of children up to and including the age of two.

"Up to this age, it is very doubtful that a child would

understand why he or she was being punished and, if the child were in any imminent danger, it should be possible for an adult to restrain or remove the child from danger rather than punish them."

While welcomed by child psychologists and children's charities, the plans were condemned by the Scottish Conservatives as "misconceived and unnecessary". Lord James Douglas Hamilton, their justice spokesman, said: "No one doubts that these proposals are well intentioned. Unfortunately, they smack of the nanny state. Jim Wallace should resist his apparently insatiable desire to legislate and instead choose to trust the good sense of the courts which are best placed to determine what is reasonable and what is unreasonable."

Children are already protected by law from unreasonable chastisement, but Mr Wallace's plans will give the courts guidance. Punishment would range from admonishment to jail sentences in severe cases.

Penny Leach, a child psychologist, said: "Ten European nations have made physical punishment of children illegal. Children should have the same rights as adults. There is no good reason to hit children and this is an enormous first in Britain, given Tony Blair's intransigence."

Lorraine Gray, a spokesman for Children 1st, welcomed the move, but said: "We would like to see a complete ban on physical punishment."

Sweden was the first country to prohibit corporal punishment of any children. In 1979 it added a provision to its parenthood and guardianship code: "Children are ... to be treated with respect for their person and individuality and may not be subjected to corporal punishment or any other humiliating treatment."

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Schwarzenegger turns terminator

Drastic welfare cuts to curb California's budget crisis

Duncan Campbell in Los Angeles Wednesday November 26, 2003 The Guardian

Programmes for poor, disabled and elderly people will be the first victims of budget cuts made by Arnold Schwarzenegger as he seeks to balance the California state budget. Proposals due to be introduced yesterday by the new governor would scale back home care for pensioners, and therapy programmes for mentally and physically disabled people, and reduce the number of people entitled to food stamps. Substantial job losses were also expected.

Mr Schwarzenegger's repeal of the state car tax, which had trebled licence fees, was introduced as soon as he took office last week and was warmly welcomed by drivers and the car industry alike. But it meant that a further \$4bn (£2.35bn) had to be cut from the state's budget, which already had a \$10bn deficit.

The reductions now proposed are the first sign of how the governor aims to close the gap. One cut of \$385m would end home cleaning, care and transport for around 75,000 elderly and disabled people, according to the draft proposal published yesterday in the LA Times. A further \$282m would be saved by cutting art, music and camping trip programmes for around 626,000 Californians with mental or physical disabilities. Another \$200m would be removed from recruitment programmes run by the University of California and California State University, requiring the institutions to make other unspecified cuts. A potential \$77m would be saved by freezing admission to a project called Healthy Families aimed at the working poor. Money would also be saved by reducing the number of people eligible for food stamps, which are aimed at the state's poorest families. Cuts would be made in the public transportation budget and another \$19m would be found by ending the tax benefit given to people who agree to preserve their land from development.

Some mayors have already expressed concern that the repeal of the car tax would mean that money they had sought to pay for improved police services would not be forthcoming.

"It's almost like a necessary pain that we have to go through," Kevin McCarthy, the new Republican assembly leader, told the LA Times. "We have had a cancer growing on our budget and to cure this we are going to have to go through the chemo."

Democrat assemblywoman Jackie Goldberg attacked the proposals, calling them a "radical right" view of the world. The governor had promised a centrist, bipartisan approach, and has appointed a number of Democrats and independents to his team.

Mr Schwarzenegger, with the support of the state senate, has also moved to repeal a controversial law signed by the outgoing governor, Gray Davis, which allowed illegal immigrants to obtain driving licences. He had promised to overturn the measure, which had been attacked by conservatives but welcomed by many Latino groups, and threatened to take the issue to the electorate next March if the legislature did not back him.

On the penal front, Mr Schwarzenegger has so far proved himself to be to the left of his predecessor. He has granted parole to a murderer, something Mr Davis rarely did, and agreed to a more liberal interpretation of the parole rules. This means fewer jail terms for non-violent offenders in technical breach of parole requirements.

The new governor has enjoyed a honeymoon with the electorate in the wake of his election - with his car tax promise seen as one of the keys to his success at the polls. Now he has the more difficult task of balancing the budget with what appears to be a substantial loss of jobs and services.