

National News

'Gore Is a Bore' Reaction to 2004 Bid

Democratic loser Al Gore's attempts to reemerge as the party's Presidential candidate in 2004 are being greeted with the enthusiasm of swimmers for "Jaws II."

The *New York Times* reported on Sept. 2 that even among Gore's most ardent supporters, "There are deep reservoirs of anger and resentment about the way Mr. Gore conducted the campaign." Though many believe he was robbed in Florida, they believe Gore's own missteps made the race much closer than it should have been. Typical is former Gore adviser Lanny Davis, who says that Gore "should have run on the outstanding record of the Clinton and Gore Administration, rather than run away from it."

Another fundraiser in the last campaign commented, "Gore is a bad candidate. He lost three debates to George Bush, and that isn't easy. I won't raise another dime for him."

A Housing Crash 'Could Make Recession Serious'

"It's bad enough that the stock market's wealth effect is disappearing. What happens to the economy if that other prop, home equity, starts to wobble? There are ominous signs that this is about to happen," warned *Forbes* in August. "A burst of the housing bubble wouldn't just hurt homeowners and people who own shares of Fannie Mae or Toll Brothers. It could end up squeezing all Americans. A real estate slump 'could make this recession we're having turn into something that's quite drawn out and serious,' says Yale economist Robert Shiller."

"No one is talking bust—not yet, anyway," *Forbes* claims, but if you look close, "you'll see the cracks starting to form." Sales of \$1 million-plus homes, which outpaced all other categories last year, sank 15% in the first five months of 2001. Supply is beginning to outstrip demand, with the inventory of unsold U.S. homes—which fell steadily during the 1990s and reached a low of 1.4 million homes last year—up

23% since January, according to the National Realtors Association

The pace of sales is down 10% or more in "muscular markets like Atlanta, Seattle, Chicago and Washington." Santa Clara County, California, has four months of inventory for sale, triple the level carried in the past three years. In Dallas, where housing values have soared 73% in the last five years, so many high-end homes are on the market that, at the current pace of buying, it would take 18 months to get them all sold, a level unseen since 1989.

Veterans' Budget Slashed While Medical Costs Soar

Veterans organizations appear to be learning that cameo appearances by George Bush at their recent conventions do not a supporter make, as the Bush Administration has followed up these appearances with studies aimed at closing "outdated and unnecessary" veterans hospitals in every region.

A Booz Allen Hamilton study claiming, "It is no longer cost-efficient to maintain so many full-service hospitals," is being used as a pretext to shift the cost of medical treatment to veterans, and cut funds to the Veterans' Administration facilities.

Brits To Run Chunk Of U.S. Power Grid

Britain's National Grid Group has been appointed to operate a new Regional Transmission Organization (RTO), to transmit electric power in approximately 25% of the United States, for an annual management fee of \$14 million. National Grid will also be able to receive incentive-based earnings if it delivers customer savings and enhanced system reliability. It has a seven-year contract with the new RTO company, called Alliance Regional Transmission Organization. The region included covers 41 million people, and comprises the transmission systems of ten companies covering Indiana, Illinois, Kentucky, Michigan, Missouri, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia. Na-

tional Grid says it will invest \$75 million to run the new company, and start operations in December. It already provides electricity to 1.7 million customers in the Northeast, and will soon buy Niagara Mohawk Holdings Inc. This will make National Grid the ninth-largest electric utility in the United States.

Under threat from the Federal Energy Regulatory Commission (FERC), regions are now required to set up Regional Transmission Organizations (RTOs) to allow electricity to be shuttled around the nation wherever the lowest price will take it. FERC's aim is to have four regional grids for the entire country. The nation's transmission systems used to be built, owned, and operated by local utilities, which used the capacity to bring power from their generating plants to their customers. Now, the transmission system is supposed to function as the "electron superhighway" of the free market, overloading and congesting key lines.

High-School Students Get Drugs at School

According to results from a new six-year survey of 12- to 17-year-olds conducted by National Center on Addiction and Substance Abuse at Columbia University, over half of high schoolers and a quarter of 12- to 14-year-olds reported knowing someone at school who can sell them drugs. Most students do not report classmates who are using or stealing drugs. The study reports that the more a student uses alcohol, marijuana, and other illicit drugs, the lower his grade point average is likely to be. High school students who use alcohol or other drugs frequently are up to five times more likely than other students to drop out of school.

Substance abuse and addiction will add at least \$41 billion, or 10%, to the costs of elementary and secondary education this year, due to class disruption, special education, teacher turnover, truancy, violence, property damage, injury, and counselling. Joseph A. Califano, president of CASA said, "Parents raise hell and refuse to send their kids to classrooms infested with asbestos. Yet every day they ship their children off to schools riddled with illegal drugs."