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# THE VICTIMS OF THE 1994 CRIME ACT

*Stephen K. Moore\**

In passing the 1994 Crime Bill, the U.S. Congress pole-vaulted to new olympic heights in fiscal incompetence. A contingent of mostly Democrat House and Senate negotiators crafted a crime bill that will cost taxpayers \$30 billion, but will do virtually nothing to fight crime.

It should be no surprise that the over 1,100 page Crime Bill is irrelevant to the growing scourge of crime in America. From day one, the chief motivation for this legislation has never been to get muggers, thugs, or violent gangs off of the streets. Rather, it has been to serve as a back-door method of channeling billions of federal tax dollars to states, big city mayors, and a grab bag of left-wing special interest groups. It triumphantly succeeds in achieving that goal. One has to go back at least twenty years and five presidencies, to the days when Richard Nixon invented revenue sharing and started passing out free money to states and cities, to find a more expensive federal slush fund.

Yes, Virginia, California, New York, and Ohio, there is a Santa Claus after all.

For months, many commentators have noted that the crime bill is crammed with huge dripping carvings of "political pork." In the final version of the bill, roughly \$9 billion of new social welfare spending had been earmarked as crime "prevention." Here is a brief list of what Congress thinks will "prevent" crime:

- \$1.8 billion for the Local Partnership Act. This allotment is for such needs as education and self esteem programs. The Act resurrects the notion of federal revenue sharing. In truth, it is worse than federal revenue sharing because part of the formula for distributing the cash is based on local tax burdens; the more oppressive the local tax regime, the more money the city gets from Uncle Sam. This formula rewards cities which impose high taxes.
- Six new federal job training programs. America already has over sixty job training programs at an average cost of \$20,000 per client, or as much as it costs to send a student to Harvard.
- \$100 million for Democratic Congressman John Conyer's "ounce of prevention program." This program provides free spending money to mayors for virtually any purpose tangentially related to crime. Only in Washington is \$100 million considered "an ounce."

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\* Director of Fiscal Policy Studies at the CATO Institute. This article is adapted from Stephen D. Moore, *What the Crime Bill Does*, WALL ST. J., June 13, 1994, at A16; Stephen Moore, *Footing the Bill for the Crime-Pays Bill*, WASH. TIMES, Aug. 1, 1994, at A16.

- \$630 million for “child-centered activities.” This allotment includes spending for arts and crafts, dance programs, and recreational activities.
- \$10 million for public housing. Apparently, the \$30 billion a year that HUD is already spending is insufficient.
- \$200 million for assorted inner-city youth activity programs.
- \$6 million for urban parks and recreation.
- \$270 million for schools. The proponents of the Crime Bill intended “to improve the academic and social development of youths by instituting a collaborative structure that trains and coordinates efforts of social workers, teachers, and principals.” The proponents forgot about school crossing guards and janitors.
- \$50 million for youth development for such activities as “providing youth with life skills.”
- \$40 million for the highly publicized midnight basketball leagues. Each funded basketball team must have ten players (from areas with high percentage of kids in public housing and a high percentage of HIV positives in the population) and each funded league must have eight teams.
- \$450 million for drug treatment programs in prisons.

The streets of the South Bronx may seem safer already. “It’s amazing the ideas that found their way into the Crime Bill,” lamented Tim Penny, a retiring Democrat.

Bob Dole correctly stated that the Crime Bill looks like it was constructed by a panel of “university sociologists.” Congressional liberals accomplished a brilliant marketing coup. They took their lengthy wish list of failed social welfare initiatives—every one of which would never pass muster on its own—wound them tightly together with a bow under the banner of crime prevention, and now have the package passed. Thankfully, Bill Clinton didn’t have the foresight to put his health care reform in the Crime Bill, or that too would have surely sailed through Congress.

Bill Clinton and the Democrats should not be held solely responsible for this election year spending stampede. The Crime Bill is bipartisan pork at its worst. A high-ranking GOP House staff member complained that Republican members have “little interest in cutting the costs,” concerning themselves only with “getting their fair share of the sausage.”

One of the most objectionable programs in the entire legislation is the \$1.8 billion earmarked for Joe Biden’s “Violence Against Women Act.” The Act represents every radical feminist’s utopian vision. Among other things, the Act provides gender sensitivity programs for judges and police, classifies assaults against women as “hate crimes” or civil rights offenses, and passes out millions of dollars to women’s groups for “rape education.” The Act might be more efficient if Congress simply dispensed with the federal middle man and required every American household to write a twenty dollar check to Gloria Steinem or the National Organization for Women.

Of course, nobody truly believes that this avalanche of spending will substantially contribute to the removal of muggers, drug king-pins, and sexual predators from the streets of America. We’ve already spent the past twenty-five years pouring funds into all of these initiatives with only meager results. The Crime Bill does not represent a bold new direction in the government’s war against crime—it merely represents another misguided attempt to throw money at a problem, hoping that it will go away. In 1992, the government devoted \$1.01 trillion to fight the crime problem via the “prevention” route. Table 1 indicates that while federal domestic spending soared, inner city lawlessness actually increased.

TABLE 1

YEAR	CRIME RATE (PER 10,000 PEOPLE)	FEDERAL SPENDING (BILLIONS 1987 DOLLARS)
1960	189	150
1965	250	210
1970	399	290
1975	460	470
1980	595	570
1985	521	605
1990	582	680
1992	566	720

Since 1965, the federal government spent an estimated \$2.5 trillion on the War on Poverty and urban aid. In real dollars, this amount is the equivalent of twenty Marshall Plans.

Even the approximately \$22 billion spent on police and prisons in the Crime Bill is of dubious merit. This spending allotment is a frontal assault on our system of federalism. Why does the federal government need to be in the business of building prisons for the states and paying for police in cities? The states spent more than \$6 billion in 1993. Since 1980, most states have seen their budgets double and even triple in size. The same increases occurred in almost all major cities.

Perhaps states need more prison cells and cities need more police—yet no principled case or fiscal case can be made that the federal government needs to pay for them. After all, the money that Congress seems so eager to dole out to the residents of states and cities on their behalf came from the taxpayers of states and cities in the first place. As Senator Daniel Patrick Moynihan argued correctly on many occasions, federal aid is a zero-sum game: some states win, some states lose. If every state could be a winner, why not pass a \$300 billion crime bill?



Using Congress' data for the dollar distribution of benefits, the CATO Institute determined the net winners and losers under the Crime Bill. The study computes each state's tax contribution toward the Crime Bill's total cost by taking the percentage of total taxes that is paid by the residents of each state and multiplying that amount by the \$17.3 billion cost of the anti-crime programs. Subsequently, the cost is subtracted from the benefit for each state.

California is one of the biggest financial losers. Californians receive \$2.07 billion in benefits from the Crime Bill. That's roughly twelve percent of the \$17.3 billion total. In order for the federal government to spend \$17.3 billion, however, Californians have to pay \$2.22 billion in taxes, or almost thirteen percent of the total. Hence, California is a loser from the Crime Bill—not a winner.

Table 2 and Table 3 list the ten largest winners and losers from the Crime Bill. The largest losers are New Jersey, New York, Pennsylvania, California, and Illinois. On a per capita basis, New Jersey, Connecticut, and Massachusetts are the biggest losers. The winners tend to be southern states, such as Louisiana, South Carolina, and Mississippi.

TABLE 2—TOP TEN WINNERS

STATE	MILLIONS OF DOLLARS
Louisiana	+ \$116.5
South Carolina	+ \$100.0
Mississippi	+ \$83.3
Alabama	+ \$82.7
New Mexico	+ \$78.2
West Virginia	+ \$63.2
Arkansas	+ \$62.3
Arizona	+ \$60.7
Oklahoma	+ 59.6
Utah	+ \$51.0
Total	+ \$757.5

TABLE 3—TOP TEN LOSERS

STATE	MILLIONS OF DOLLARS
New Jersey	- \$280.9
New York	- \$203.0
Pennsylvania	- \$180.3
California	- \$151.0
Illinois	- \$122.3
Connecticut	- \$108.7
Massachusetts	- \$102.8
Virginia	- \$89.6
Ohio	- \$77.0
Washington	- \$70.3
Total	- \$1,385.9

Significantly, a disproportionately low percentage of votes supporting the crime bill came from representatives of the states with the worst crime problems. As with all federal aid programs, dollars will be distributed on the basis of political rather than economic or social considerations.

This analysis cannot predict where the \$13 billion in discretionary crime bill funding will come to rest. Only the President, the Attorney General, and certain cabinet officials possess this knowledge. They have practically unlimited discretion in deciding where the money is sent. Indeed, this power is perhaps the most scandalous yet overlooked feature of the Crime Bill. The Bill establishes the largest urban slush fund ever.

In sum, the purpose of an effective crime bill is to teach criminals that crime does not pay. The 1994 Crime Bill, however, teaches Congress that crime *does* pay. George Mitchell, Joe Biden, Charles Shumer, and the big city mayors are laughing all the way to the bank.