New Report Echoes 'Two Societies' Warning of 1968 Kerner Commission;  
Poverty: Eisenhower Foundation says to counter the slide toward a divided nation, funds are needed to aid the hard-core inner-city poor.

By Ronald J. Ostrow

A presidential commission's conclusion 25 years ago that America was moving toward "two societies, one black, one white" has grown more relevant in the wake of last year's Los Angeles riots and the failure of government to respond, a national foundation warned Saturday.

As a remedy, the Milton S. Eisenhower Foundation called for the nation to focus on improving the lot of the urban hard-core poor, "the roughly 10% of the population who live in urban areas of concentrated long-term poverty, and whose violence and suffering has a disproportionate effect on American life, class tension and race tension."

The report recommended that federal officials scrap or reform a number of unsuccessful high-profile programs and move away from experimental efforts in favor of programs that have demonstrated success.

The foundation estimated that at least $300 billion would be needed over 10 years to carry out its recommendations.

The recommendations are being made on the 25th anniversary of a 1968 report by the Kerner Riot Commission, which was created by former President Lyndon B. Johnson after racial disorder struck Newark, N.J., Detroit and other cities in the summer of 1967, two years after the Watts riots in Los Angeles. The commission was headed by former Illinois Gov. Otto Kerner.

While there had been some gains since the 1960s in attacking the social ills that underlay the riots, many were undone by "federal disinvestments of the 1980s," said the foundation. The foundation was named for former President Dwight D. Eisenhower's youngest brother. It was created by
members and staff of the Kerner Commission and two other presidential panels from the late 1960s.

"We conclude that the famous prophesy of the Kerner Commission, of two societies, one black, one white separate and unequal is more relevant today than in 1968, and more complex, with the emergence of multiracial disparities and growing income segregation."

After April's riots in Los Angeles, Congress enacted and then-President George Bush signed a $1.3-billion aid package that included small-business loans for Los Angeles and a $500-million program for creating summer jobs for youths throughout the country, the report noted.

Congress then passed a long-term aid package, which included urban enterprise zones and "weed and seed" initiatives to weed out criminal elements and then seed areas with social renewal programs.

The report questioned the value of both approaches.

"The day after the 1992 election, the President vetoed the bill," the report stated. "So ended the federal response to the riot, at least for the 102nd Congress.

"The contents of the vetoed bill and the motivations of Congress and the White House over the spring, summer and fall of 1992 raised grave doubts about whether the gridlocked American federal political process would or could ever enact informed solutions to the problems of the inner cities and the persons who live in them," the foundation report said.

The report identified Head Start preschools as an example of the kind of program that merits sharply stepped-up support, citing evaluations that Head Start is "perhaps the most cost-effective, across-the-board inner-city prevention strategy ever developed."

While more than half of those families earning $35,000 and above send their 3-year-olds to preschool, the enrollment rate is only 17% for lower-income families, according to the report.

Calling for extending Head Start to all eligible children, the report said that "it is noteworthy, if frustrating, that the Kerner Commission called for 'building on the successes of Head Start' more than 25 years ago."

President Clinton has proposed full funding of Head Start.

As an example of the need to scrap programs that don't work, the report cited the current major federal job-training system--the Job Training Partnership Act, launched in the early 1980s. While the program shows
"marginally positive" results for disadvantaged adults, high-risk youth "actually did worse than comparable youth not in the program," evaluations showed.

Job training and placement should focus entirely on "the truly disadvantaged" and be handled mostly through private, nonprofit community development corporations, the report said.

Among its other proposals, the foundation called for:

- Reversing the current federal spending formula so that 70% of anti-drug funds are devoted to prevention and treatment, while law enforcement and interdiction draw only 30%. The Clinton Administration appears to be leaning in that direction.
- Encouraging already established methods of successfully rehabilitating housing through nonprofit organizations but in a way that avoids "the infamous red tape" of the Department of Housing and Urban Development.
- Making public housing work better through resident management of public housing properties. "Where tenants are well organized and exercise real power, conditions improve, based on demonstration programs to date."
- Supporting so-called innovative policing and community-based policing so they are the model for the 100,000 new police officers Clinton has pledged to put on the streets of America.
- Treating handguns, like tobacco, as "a broad-based public health problem," making them the target of a campaign waged by high federal officials, including the surgeon general of the United States.

The report, while estimating that its recommendations would require $300 billion over 10 years, noted that reducing the federal budget deficit will be a high priority during the 1990s.

But some of the reform could begin as part of the economic stimulus program, the foundation said. In addition, defense spending cuts, higher taxes on the wealthy and the proposed energy tax could be used partly to expand Head Start and reform job training and placement, the report said. Carrying out all of the proposals "may take in the neighborhood of 15 to 16 years almost a full inner-city generation," the foundation said.