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REAGAN APPOINTS PRIVATIZATION UNIT

By JOEL BRINKLEY, Special to the New York Times
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President Reagan today appointed a commission to study ways Government functions can be turned over to private business.

Prof. David F. Linowes, a political economist at the University of Illinois, was named chairman of the President's Commission on Privatization, and said the 12-member panel's mandate "is very broad." It will "probe the entire dimension of Government operations" and offer recommendations in six months, he said.

Mr. Reagan, vacationing at his ranch near here, issued a statement saying the commission would help him "end unfair Government competition and return Government programs and assets to the American people."

That has been a favored theme since Mr. Reagan took office, but many of the Administration's efforts to privatize a broad array of Government programs and assets over the last six years have failed. The idea has not generally been popular with Congress. Only One Big Asset Sold

So far the Government has sold only one significant asset, Conrail, the national freight railway system. But efforts to pay contractors to fill a range of service jobs previously carried out by the Government have been somewhat more successful. The White House says 38,000 Government positions have been turned over to contractors in the last six years, at an annual saving of \$602 million.

Several privatization proposals in the White House's 1988 budget, including plans to sell some Amtrak facilities in the Northeast and certain Federal oil reserves, were not accepted by Congress. No Prediction From Chairman

Professor Linowes, speaking to reporters here, said he could not predict what the commission might recommend. But he indicated that likely targets of study included Federal low-income housing projects. The Government has already given some prospective tenants vouchers to pay for low-income housing of their choice, rather than building new Federal housing units. A similar Administration idea, to distribute education vouchers so parents can send children to the school of their choice, has gone nowhere.

Professor Linowes said the commission would also study the Federal penal system and the health care field. Several state and local governments have turned their jails over to private contractors, with mixed results.

Early in the Reagan Administration the Government proposed turning over some regulation of nursing homes and other health care facilities that accept Federal funds to an organization run by private industry. But the Government had to pull back in response to critics who said that, without public oversight, there was no way to assure that nursing home patients were cared for properly.

Meanwhile, the Office of Management and Budget announced today that it had created a new position, Associate Director for Privatization, and appointed Ronald Utt, an official with the United States Chamber of Commerce, to fill it. He is to promote ideas to reduce Federal spending through privatization.

Besides Professor Linowes, those named to the commission were: ANDERSON, Annelise Graebner, senior fellow at the Hoover Institution in Palo Alto, Calif. ANTONOVICH, Michael D., member of the Los Angeles County Board of Supervisors. BISH, Walter, president of the Independent Steelworkers Union at the Weirton Steel Corporation in West Virginia, the largest employee-owned company in the United States. BROCK, Sandra Mitchell, government relations adviser in Washington for Heron, Burchette, Ruchert & Rothwell. CARRUTHERS, Garrey, Governor of New Mexico. FINK, Richard, founder of Citizens for a Sound Economy. LAIRD, Melvin R., former Defense Secretary. McINTYRE, James T., former head of the Office of Management and Budget. PRIEST, George, Yale Law School professor. STANLEY, Ralph L., senior vice president of the Municipal Development Corporation in New York City. WRISTON, Walter, former chairman of Citicorp.

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