

# I Pay, You Pay, We All Pay

*How the Growing Tort Crisis Undermines the U.S. Economy and the American System of Justice*

**Edited by Frederick T. Stocker**

*"As a long-time proponent of meaningful reform of the U.S. civil justice system, I welcome this important new contribution to that debate. The Manufacturers Alliance/MAPI makes a clear case that the pervasive abuses of the system we are witnessing today have a crippling effect not only on American industry but on the workers, retirees, and stockholders supported by that vital sector of our economy."*

**Vice President Dan Quayle**

A new Manufacturers Alliance/MAPI study chronicles the serious problems that exist in today's tort/civil justice system. The book analyzes the adverse impact routine abuses of that system have on all aspects of our economy—with a specific focus on the harm those abuses have on employers, employees, retirees, and investors. Indeed, as is detailed in the work, every citizen in the United States is paying a significant price to sustain this fractured system.

Some of the key points found in the book include the following:

- The U.S. is suffering a litigation crisis—state courts alone are annually processing in excess of 15 million civil cases. Justice is often delayed and results are inconsistent.
- On average, an injured party has to wait nearly five and one-half years to have their case heard in court—an increased wait of 15 months in just over a decade. A successful plaintiff receives less than 50 cents of every dollar awarded.
- The direct cost of the U.S. tort system in 2001 was \$205 billion, amounting to \$721 per person, 2.04 percent of GDP, or a payroll tax of nearly 3 percent. These costs are expected to rise to 2.33 percent of GDP by 2005.
- Over the past 50 years, the cost of the tort system has grown by an annual average of 9.7 percent, much faster than the overall economic growth or inflation.
- A recent study by the American Insurance Association estimates that the asbestos quagmire has already cost the economy 60,000 jobs, and nearly 70 companies have been driven to bankruptcy by the asbestos crisis. Significant indirect costs are a threat to the innovation that drives American productivity growth.

## ABOUT THE EDITOR:

**Frederick T. Stocker** is Vice President and Counsel of the Manufacturers Alliance/MAPI. He previously served as Attorney with the Interstate Commerce Commission and as a Sergeant in the U.S. Army. Mr. Stocker is the author of numerous reports on international trade, securities regulation, corporate governance, government contracts, products liability, and environmental, labor, and antitrust law. He also is the co-author of a book on export controls and the author of books on intellectual property protection, European Union economic integration, directors' and officers' liability, and customs law. In addition to editing this work, Mr. Stocker was a significant contributor.

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## CONTENTS:

- |   |  |
|---|--|
| Preface   | V. The Asbestos Avalanche  |
| I. Introduction   | VI. The Problem With Punitive Damages                                |
| II. The Economic Impacts of American Tort Law               | VII. The Threat Posed by Regulation Through Litigation               |
| III. Impacts of Tort Law on Selected Sectors of the Economy | VIII. Junk Science—The Absurd Has Become Acceptable in the Courtroom |
| IV. The Class Action Controversy                            |  |

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