Alternative Legislation Briefs

Lifeline Gains

Some of the most exciting pieces of “alternative” legislation are the “Lifeline” electric utility rate structure proposals. Originally developed in Vermont in 1973, “Lifeline” would guarantee every electric user a basic amount of electricity at a set and reasonable price, such as 300 kilowatts for $10.

In the two years since Lifeline was developed, Lifeline bills have been introduced in at least 15 state legislatures in a variety of forms dependent on the specific conditions in each state. In addition, in some states, consumer groups have tried to get the state’s public utility commissions to adopt Lifeline rate structures and in others they are using the initiative and referendum process.

(A packet of various Lifeline bills which have been introduced in state legislatures is available from the National Conference Clearinghouse in Washington)

Massachusetts Petition Campaign

In Massachusetts the power of the private utilities in the State Senate successfully defeated the Lifeline bill in the last days of 1975. A Lifeline bill had successfully passed the House of Representatives, and had passed through two readings in the Senate before it was killed by referring the bill to Committee on the Third Reading.

Groups supporting the Lifeline bill will be concentrating on state initiative and referendum to require “Fair Share Rates.” The sponsoring group, Massachusetts Fair Share, has already collected the required number of signatures necessary to force the House and the Senate to vote on the initiative. If the “Fair Share Initiative” is defeated by the House or the Senate, Mass. Fair Share can collect another 10,000 signatures which will require that their bill be on the November 1976 ballot for the voters of Massachusetts to vote up or down.

California Act Passes

The California Lifeline Act, a bill prepared and lobbied for by the Bay Area Citizen Action League, an Alinsky-style community group, became law in September. The law provides a life-line rate by exempting that amount of electricity or natural gas necessary to provide for necessities of life [as determined by the California Public Utilities Commission] from future rate increases until it is 25% lower than all other rates. The life-line rate will thus actually be prospective. It guarantees that present residential rates will go no higher until the next lowest rate is 25% higher.

(continued on page 9)

Second Annual Conference Set for Austin

Austin, Texas will be the site of the second annual conference of the National Conference on Alternative State and Local Public Policies. It is set for mid-June, 1976 and is certain to be of major political significance. The three-day conference will culminate a year of rapid growth and activity since the widely reported initial meeting in Madison, Wisconsin last June. Increased national interest in the phenomena of the growing number of activist public officials in state and local government has been further generated by the four successful regional conferences held to date. (Reports follow)

The decision of the National Conference to meet in Austin was in a major extent the result of the enthusiastic invitation of Mayor Jeff Friedman and Councilwoman Dr. Emma Lou Linn. Requests also came from Judge Jose Angel Gutierrez of nearby Zavala County and other community figures. The new populist municipal politics of Austin was a further factor. Kaye Northcott, Texas Observer editor, says, “At first glance the new Austin city council looks like an affirmative action program gone berserk. There’s a 30-year-old Jewish mayor, a black man, a brown man, a blind white male millionaire, and three women.” The city council comes out of a strong progressive coalition between the university and liberal communities and the black and brown communities of East Austin.

Well known activist local officials from throughout the nation will participate in the annual conference. Workshops will cover the major issues that state and local governments are facing today. The conference will
follow the last presidential primary and will be just prior to the major party conventions. Although the work of the National Conference on Alternative State and local Public Policies is programmatic at the state level, it will have special national significance this year.

The National Conference came into existence in June of 1975 at the bidding of the populist elected and appointed officials, community organizers and planners of alternative programs who met in Madison. A National Conference Center and headquarters has been opened in Washington, D.C. The national coordinator there is Barbara Bick. Lee Webb, professor at Goddard College, is national director.

Both public officials and others concerned with developing or working on alternative programs on the state and local level should begin to make their arrangement to attend the Austin conference. For more information, write to the National Conference Center. Please include names of others who might be interested in the work of the National Conference.

New England Regional Conference

"The New Left," said the Boston Globe, is "turning to the people." The New York Times was characteristically more restrained: "Radicals Discuss Using the System," said the headline. The Boston Phoenix thought the event showed "the promise of the pragmatic left," while the Real Paper characterized it as "peanut socialism."

Whatever the press's verdict, the New England Regional Conference on Alternative State and Local Public Policies, held in Amherst, Massachusetts, in mid-October last year, made something of a splash in the region's political waters. Upwards of 150 people showed up for the Friday-night-through-Saturday gathering, braving both a driving rain and an annual homecoming crowd on the University of Massachusetts campus where the conference was held. As at the Madison conference last June, maybe a third of the participants were public officials, the rest included aides and agency people, organizers, researchers, and journalists.

There were some interesting combinations. A special assistant to the Hartford Board of Education debated public unionism with the president of an SEIU local from Boston. Montague (Mass.) tower-toppler and nuclear saboteur Sam Lovejoy argued with Connecticut legislator Rusty Post, who admonished him to "join the system and run for office." Massachusetts state representative Elaine Noble (once characterized by Ms. as "not just another gay feminist legislator") chided the conference for its largely male leadership and panelists.

For the most part, though, the conference format followed the Madison approach of nuts-and-bolts workshops—on energy, public banking, job creation, tax reform, and so on. A reader called "Programs and Proposals" was on sale (and still is, for $6.50; write CCED, 639 Mass. Ave., Cambridge MA 02139). And a visiting fireman from Canada's New Democratic Party gave the windup speech Saturday night. "The most important form of public ownership," said Jeremy Akerman, leader of the Nova Scotia provincial NDP, "is public ownership of power." Akerman then went on to describe the NDP's "third-party alternative," and to discuss the ward-precinct details of building a political base.

Not surprisingly, Boston was overrepresented at the conference, and Rhode Island and New Hampshire were underrepresented. And at least one conference organizer grumbled that the workshops ran the gamut in quality from A to F. But most participants seemed pleased, and plans are already underway for follow-up work. As the first sequel to the Madison conference, the New England gathering indicated substantial interest in alternative public policies in the region, and laid good groundwork for the months to come.

—John Case, Editor of "Working Papers"

Mid-West Conference

The Midwest Conference held in Madison, November 21-23 focused on issues confronting the region. Because the Midwest contains some of the country's most highly industrialized urban areas as well as productive agricultural lands, the Midwest Conference pursued questions of labor and agriculture. Labor issues were explored in workshops dealing with unions, women, and minority employment as well as in discussions of the urban fiscal crisis. Edward Sadlowski, Director of the Chicago-Gary District of United Steel Workers, and a new third-generation force in labor, discussed the rights of workers and changes in labor-management relations which he is (continued on page 4)
New Model Legislation

Occupational Health Bill

A model bill to create a strong state occupational health and safety agency has been completed by the Health Task Force of the National Conference.

The model bill is designed to substantially strengthen state laws and enforcement procedures to protect the health and safety of workers. The model bill includes sections guaranteeing protection for workers who make complaints, involving workers in the inspection process, expanding the number of workers covered by state laws, and giving workers the right not to work in unsafe or unhealthy conditions.

Presently, the bill is in outline form and is being circulated to interested public officials, union leaders, and public health specialists for comments and suggestions. A final copy of the bill is scheduled for completion and submission to the Austin Conference in June 1976. A copy of the outline bill is available from the Conference Clearinghouse.

—DIT TALLEY

Consumer Cooperative Bank

A National Consumer Cooperative Bank that will make direct loans to consumer cooperatives is a distinct possibility if a bill recently introduced by Senator McIntyre of New Hampshire and by Congressman St. Germain of Rhode Island, passes. The identical Senate and House bills originated with Ralph Nader and the Cooperative League of the U, S, A, and is modelled on the large federally financed agricultural banks established in the 1930’s. Any consumer cooperative would be eligible. Technical and financial advice would also be provided. In addition, a special Development Fund would be created to loan initial start-up funds to new cooperatives to make them eligible for Bank loans.

The bill is likely to run into stiff opposition from existing banks as well as from retail businesses such as supermarkets which are presently losing business to food cooperatives. However, the bills have considerable support. The Senate bill has 24 co-sponsors and the House bill has 42. Both the subcommittees of the Senate Banking Committee and the House Banking Committee are planning to hold initial hearings on the bill in the early Spring.

Public Utility Commission

The outline of a model state legislation for the structure and powers of state public utilities commissions is now available from the National Conference Center. The bill, reprinted in the December 1975 Congress Record includes recommended sections in all areas of electric utility regulation including composition structures, procedures, rate making standards, jurisdiction, consumer protection, corporate disclosure, and enforcement.

The bill was prepared by Leo Webb, a member of the Conference Coordinating Committee and Jackson Chesson, Counsel to the Senate Subcommittee on Reports, Accounting, and Management, which initiated preparation of the bill.

The model bill is designed to assist the many state legislators interested in new legislative proposals to strengthen state regulation over private electric utilities and better protect consumer interests. The bill was assembled using the best sections of various state statutes already enacted as well as from ideas and proposals being discussed or introduced by state legislators, consumer and environmental groups.

Automobile Insurance Corporation

A bill to create a state-owned automobile insurance corporation is being prepared by Michigan State Representative Perry Bullard. The bill will be modelled on the successful provincially owned automobile insurance corporations in the Canadian provinces of British Columbia, Saskatchewan and Manitoba. In these provinces automobile insurance is a government monopoly. Insurance rates are far lower than in the Eastern provinces where private companies are dominant. Bullard’s bill is expected to be ready in late January. He is being assisted by a group of economists and others in the Boston area who are investigating the prospects for alternative legislation in the insurance field. Copies of the Bullard bill will be available from the National Conference.

Federal Notes

Women’s Conferences

Congress has passed H.R. 8903, which provides for the convening of a National Women’s Conference in 1976. The measure, introduced by Bella Abzug and co-sponsored by 14 Congresswomen, authorizes a series of state conferences, leading up to a national conference, to assess the progress of women in the nation’s first 200 years, and to develop recommendations and a timetable for removing the barriers to full equality.

The bill is funded at $5 million. About $4 million will be earmarked for the state conferences, with money apportionment based on population. Conference organization will be directed by the staff of the Domestic Commission on the Observance of International Women’s Year. For information on how to participate in the convening of your state conference, write to: International Women’s Year Secretariat, Room 1004, Dept. of State, Wash., D.C. 20520.

New Budget Process

In an attempt to reclaim the “power of the purse” from President Nixon’s policy of impounding appropriated funds, Congress adopted new budget procedures in the 1974 Budget Control and Impoundment Act. Under the new budget process (which will be implemented for the first time this year) a national priorities debate will take place in the two budget committees and on the floor of both chambers.

The debate will focus on reallocation, meaning what will probably be a fairly constant level of federal spending among different types of categories. This debate will lead to the setting of “target ceilings” by May 15, for both overall federal spending and subcategories of spending, e.g., defense, revenue sharing, education, health, etc.

State and local officials can play an important role in affecting a transfer of resources by: (1) giving written and oral testimony to the budget committees, (2) presenting your views by March 15 to the major committees which handle programs you want increased, e.g., the Senate Committee on Labor and Public Welfare, to make sure these committees submit high enough requests to the Budget Committees; and (3) after the Budget Committees have reported their “target ceilings” to the floor, support floor amendments which further transfer funds towards programs we support.

Time is short. Find out more about the process, and keep in touch with efforts to cut military spending and transfer resources to social programs by writing to: Coalition for a New Foreign Policy, 110 Maryland Ave., N.E., Washington, D.C. 20002. (202) 546-8400. —Jack Nicholl
promoting. Participation of labor was significant for the possibilities it holds of a critical political alliance between populist elected officials and insurgent labor leadership.

Agricultural issues were explored in workshops and in panels. Roger Blobaum, an Iowa agricultural consultant, Marty Strange, Director of the Center for Rural Affairs in Nebraska, Allan Stone, General Counsel for the U.S. Senate Select Committee on Nutrition and Human Needs, and other panelists examined policy alternatives to highly-mechanized, energy-intensive agricultural production and distribution systems. Labor-intensive, self-renewing agricultural production coupled with programs that discourage corporate land-holdings and support equitable land distribution were seen as viable alternatives to ecologically-unsound “green revolution” policies.

Agricultural policy alternatives may first be encountered by people in the Midwest but eventually agricultural questions will demand national attention. The Midwest region will provide a forum for agricultural policy alternatives which will be available as a resource for the National Conference.

A major speech was given by Douglas MacArthur, a representative from the New Democratic Government of Saskatchewan, Canada. He detailed NDP approaches to natural resource management and agriculture, as well as NDP programs of public ownership and control of land and mineral resources. Government ownership of mineral resources such as uranium, copper, oil, and potash are considered critical to the stabilization of the province’s economic resources. Portions of government-owned agricultural land are leased to farmers through the Saskatchewan Land Bank Commission. Despite barriers to similar government-ownership of land and natural resources in this country, the Canadian NDP models do provide direction to people struggling with problems of corporate vs. popular ownership of resources.

For the Midwest Conference Report send $1 to Institute of Governmental Affairs, 610 Langdon St., Madison, Wis. 53706.

―Susan Bennett

South-West Conference

Productive political conferences are as hard to find as the Lost San Saba Mine. That’s why the Southwest Conference on Alternative Local Public Policies was such a special event for the 150 or so who showed up at St. Mary’s University in San Antonio. It was a weekend of discussion, mutual support, and information exchange. Not mind you, political grandstanding, haranguing, ego tripping, backbiting, demagoguery, and nitpicking. A genuine, civilized exchange of ideas—and in Texas, no less.
The Texas conference, like the other regional conferences, was unique in that many participants felt they had actually learned something in the workshop sessions, not to mention in the innumerable free lance discussions that began with registration Friday evening, gathered force on Saturday and continued over nuevos rancheros after the last meetings on Sunday morning.

The gathering included a broad range of people from the left—Houston Controller Leonel Castillo, Zavala County Judge Jose Angel Gutierrez, Austin Council-member Emma Lou Linn, La Raza party members, radical ex-cons, Elaine Baca from the New Mexico Public Interest Research Group, ACORN folks from Arkansas and North Texas, and Colorado county commissioners Mike Kinsley and J. A. Utterback. Labor representatives included Garland Ham of the United Auto Workers, organizers from San Antonio and Austin AFSCME, and Tony Orendain of Rio Grande Valley United Farm Workers.

Most of the conference participants paid their own expenses. And, as if to underline the seriousness of the meeting, people staying on campus were housed in vacant monastic cells. [How strange to come to roost in a tiny little cell after a Saturday night of dancing and drinking on the San Antonio River.]

For a gathering primarily composed of activists who earned their stripes in the civil rights and anti-war movements, the participants spoke with surprisingly quiet voices—voices subdued by age to some extent, but, more importantly, by the complexity of the issues at hand. Election (or appointment) to political office seems to have been a humbling and maturing experience to the radicals and populists who came to San Antonio. Most of them had some idea where they want to go politically, but they were all anxious to share clues on how to get there.

It's too early, of course, to tell whether the conference actually accomplished anything. But it's safe to say that a lot of people who needed to know one another made connections. For example, Judge Gutierrez got together with members of the Austin food co-ops to talk about farming and food distribution networks. And the energy alternative people seemed at least mildly interested in figuring out something to do with all the pig manure generated at Zavala County's cooperative hog farm. A great source of methane gas, they said.

Regional co-sponsors for the conference was St. Mary's University Department of Political Science, and Texas Papers, c/o Mary Sanger, 3106 Hemphill Park, Austin, TX. 78705. For information on regional materials and conference report, write to Texas Papers.

—Kaye Northcott, Editor, The Texas Observer

California Conference

The California regional conference was held on January 9, 10, 11 at the Sacramento Convention Center in downtown Sacramento, directly across from the State Capitol. More than 200 people attended, most of them state and local officials from California. A few heart eyes did venture to the conference from Anchorage, Seattle, and Denver.

Congressman Ron Dellums delivered the luncheon address, speaking on the importance of building a new coalition of activists, labor, women, and minorities to fight for social change. Newly elected San Francisco Mayor George Moscone spoke Saturday evening about the problems he faces in his city. As elsewhere across the country, revenues are down in San Francisco and demands of city employees for wages and demands of citizens for services are up.

Friday evening's panel on "Political Change in California" included a brief welcoming address by the new mayor of Sacramento, Phil Isenberg. The panel, which included Berkeley city council member Ilona Hancock, Davis mayor pro tem Bob Black, East Los Angeles Assemblyman Art Torres, and Oakland Supervisor Tom Bates, discussed the lack of Democratic Party discipline and structure and how this openness can be used by insurgents and reformers.

Saturday was taken up with workshops on women's legislative issues, health, economic development, public employees, etc. A number of union members from public employee locals around the state participated in the discussion of "Good Guys as Bosses" on the tensions of being a pro-union elected official. The workshop on "Food and Land" featured participation by land reform groups and farmworkers from the San Joaquin valley where huge agribusinesses control the land. They emphasized that there are farmworkers ready and able to farm the land, if real land reform were to take place by breaking up the big corporate farms. Representatives from the Consumers Co-op of Berkeley described how their chain of stores is trying to contract directly with farmworkers co-ops and family farmers for food deliveries.

A policy reader of 300 pages, prepared for the Conference, was titled "Great Expectations"—a not too subtle dig at Governor Edmund G. Brown, Jr., whose favorite line is that we must "learn to lower our expectations of government." It is a 300 page compilation on West Coast programs. Send $7.25 to California Public Policy Center, 1435 Westwood Blvd., Los Angeles, CA 90024.

—Derek Shearer
The Fiscal Crisis of the City

The looming threat of fiscal crisis is haunting city officials and citizen alike. An easy out is to scapegoat both city employees and human-service programs. But, in truth, state and local governments are facing economic squeeze at the same time that the nation as a whole is having a severe recession and suffering massive job displacement. This creates a seriously explosive political environment. Progressive state and local officials are deeply concerned that long fought for gains by working people will be sacrificed. At the same time continued reductions in public services alongside rising taxes is increasingly untenable politically. Alternative public policies, including innovative revenue-generating programs which were previously unacceptable may now win voter approval on pragmatic grounds.

The two articles below represent some of the discussions that have taken place at regional conferences. Iloni Hancock, Berkeley city councilwoman and a member of the National Conference steering committee, has been a resource person at the first Madison conference, as well as the South-West and California regional meetings. She is an active participant in the Berkeley Coalition that is the subject of a remarkable study being published by the National Conference.

Paula Echeverria is a city planner who was a resource person at the first Madison conference and the New England regional meeting. She is participating in the Fiscal Crisis Task Force chaired by Leonard Rodberg at the Institute for Policy Studies.

City Unions and Progressive Politicians
The “Good Guys” as Bosses

Cities and working people across the country are finding themselves caught in a spiraling financial squeeze. City unions and city politicians too often face each other in the adversary position of meet-and-confer sessions or strike negotiations. These polarize feelings and make it easy to forget three things:

1. Without strong unions Cities may fall into the easy path of solving their financial problems at the expense of their employees.

Politicians face many pressures: citizens want more services and cities need to provide more services for healthy community life. Citizens, many of them hard-pressed working people, cannot afford to pay more taxes. I have not voted for a property tax increase in my five years as a council member since I believe that increasing taxes will simply “tax out of town” the very people who most need the services we are taxing to provide. The property tax is a regressive tax that hits poor people harder than the rich, since the lower the income the higher the percentage of income spent on housing. However, squeakless wheels get no grease, and unless City employees have strong and effective unions the tendency will be to keep municipal salaries low and “save money for other things.”

2. Cities are broke.

If a city decides not to increase taxes it is faced each year with essentially the same amount of money. Each year the costs of supplies and services goes up, and since employees should receive a reasonable cost-of-living increase the net result is that some services must be cut back and some employees must be laid off. In practice this day of reckoning may be put off for several years by cutting fat out of the present city budget. Since I have been on the City Council I have gone over the budget each year (with the help of many community volunteers) and been able to find pockets of padding that can be used to fund programs and give employees reasonable wage increases.

The problem here is obvious—the first year finding the fat was easy. I am now, however, in my fifth year as a City Council Member, and the obvious and undefendable padding has mostly been discovered and eliminated. The remaining pockets are either more carefully hidden or more controversial, and as a political minority on the Council, I cannot get enough votes to reallocate the money.

For example, in Berkeley each Department head is given a city car for personal use. This may be a nice gesture in times of affluence, but when we are cutting services to citizens or not giving City employees adequate salary increases, executive cars begin to look like luxury Berkeley can no longer afford.

I have discovered, however, that a motion to cut executive cars in order to fund a desired social program almost always results in the City Manager “finding” the additional money somewhere else.

In the last budget one city department requested a $99,600 paper budget, which figured out to over 10,000 sheets of paper per employee for each working day, and over 100 sheets for every man, woman and child in Berkeley. This budget was eventually “readjusted” to fund some direct service programs. The incident shows clearly, however, why unions tend to distrust City pleas
of poverty and to continue to demand high wage increases for their members. Cities have cried “wolf” too often to be credible now that the “wolf” is really at the door.

The fact remains, however, that after all the fat is cut away, most cities cannot refuse to raise taxes, maintain the present level of services, and give employees substantial yearly wage increases all at the same time. Cities are not corporations—they have no profit margin to cut into. There is just not enough money.

3. Both Cities and the union movement are suffering from the same larger problem.

The problem is the movement of large corporations away from highly unionized areas into non-unionized parts of the United States, and to parts of Asia and Latin America where labor can still be employed for as little as $5.00 per hour. Put bluntly—corporations gravitate to areas where people are most vulnerable to exploitation. Progressive cities and organized working people should be looking for ways to stop this business exodus together. Cities need the tax base, and citizens need the jobs.

Instead, municipal governments are sometimes seen as a relatively easy target and militant union activity is directed towards them. The resulting confrontations create an adversary posture between unions and city governments that mitigates against working together to solve the real problem.

**What do we do?**

As a City Councilwoman I believe in strong City unions. I do what I can to encourage them and to defend the right of our employees to organize and bargain collectively. I believe that is absolutely necessary to ensure that city workers in Berkeley do not end up paying for the financial crisis of Berkeley.

The unskilled worker is especially vulnerable to being ignored in this way. Berkeley, for example, pays its upper echelon employees very well indeed, but the council political minority, of which I am a part, had to fight hard to get a living wage for the men who provide that most essential city service, garbage collection.

Four years ago the Council majority refused a decent cost-of-living increase to those employees and then sought an injunction against their union when they went out on strike. That year I walked the picket line with city employees.

On the other hand, I know that the pockets of padding are running out, and that without massive federal assistance on a permanent basis we will have to begin cutting employees and services whenever we raise sal-

aries. This raises the specter of cities with a few highly paid employees, minimal services, and many unemployed citizens living marginally. The question before us may be—will a few work for a lot of money or will many work for salaries that are merely adequate?

This is not a pretty picture, and I take no pleasure in it, but it is what I see. It may, however, be that all people in the United States must begin cutting back on their consumption. We cannot go on using up more than our share of the earth’s irreplaceable resources, or aiming for an ever-expanding industrial capacity and ever-increasing salaries.

The country as a whole may need to move towards a simpler, and in the long run healthier, life-style which means forgoing very high salaries. This, of course, must be held equally true for those at the top—and we should be moving forthrightly towards leveling the salary spread.

If cities, in many cases, cannot give much money, we can give other things. We can encourage strong unions to watchdog our budget process and make sure that employees get their fair share. We can increase job flexibility and move towards programs that make the quality of work better for the employee.

In Berkeley some departments allow employees to work flexible hours (7am-3pm, 10am-6pm, instead of 9am-5pm, for example). I have introduced programs which would give employees the option of job sharing or working part-time. The area of worker-participation in work-place decision making will also be important.

**Needed: Joint Strategy**

I am convinced that progressive municipal unionists and progressive city officials need to get together and arrive at a mutual strategy. The present posture of predominantly money demands in a situation where cities have less and less money to give is a no-win strategy for both unions and cities.

It is no-win for unions because it costs them heavily in public support, and, when there really is no money, the strike will be lost, weakening the union movement. It is a no-win position for cities because it encourages anti-union feeling in the electorate and means that progressive city officials must either fight unions they want to work with, or give in to demands that will cut city services and/or cut other city jobs.

We need a jointly-arrived at strategy that will lead to adequate cost-of-living increases for city workers; improvement of working conditions for city employees; and attention to the problem of the departure of large businesses and corporations to non-unionized parts of
the United States and the world.

We need legislation to discourage this departure, and
need to find ways to keep a city’s wealth recycling within
a city. This can be done by moving towards municipal
banks, and by wise and imaginative local investment of
pension funds. A particularly exciting option is that of
using federal block grants to develop cooperative municipally
owned businesses that will train and employ local
people and perhaps even return a profit to the general fund.

As a pro-union City Council Member who has both
walked the picket line with employees in ‘72 and op-
pposed a 16% money demand in a firefighters strike in ‘75,
I would welcome a coming together of city officials and
city unions to address the basic economic issues that are
behind both our sets of problems. —Loni Hancock

Urban Land as a Public Resource

A wide variety of potential benefits can come out of a
strengthening of local self-government. One that is sel-
dom discussed is control over the resources which resi-
dents themselves generate, indirectly as well as directly.
There is much that must be done at the state and na-
tional level, but localities and neighborhoods are an im-
portant arena to begin to take back control of the wealth
that we all create.

The essence of urban economics is private profits ac-
cruing from collective economic activity. That is, there
are whole sets of economic activities generated by soci-
ety as a whole or by the population of a particular region,
the benefits of which flow into a limited number of pri-
ivate hands. Let’s take an example:

Land is a natural monopoly. There is no production
line that can produce more land. On the other hand,
there is nothing that a private property owner does, there
is no magic fertilizer he sprinkles on that land, to en-
crease its value. It is rather the fact that, starting with a
village of 5000 souls, seeing it grow to a town of 50,000
and a city of 500,000, the accessibility or locational advan-
tage of one piece of property in relation to another is
the prime factor in increasing its market value. The pri-
ivate property owner has done absolutely nothing to
create this new value of his piece of land.

I am not talking here about his possible role as a de-
veloper, but only about his ownership of the raw land. Nor
am I talking about the person who owns a house on a
small plot of ground. We are discussing land used as a
commercial commodity, not land and housing owned

and enjoyed by people living on it. It is precisely the land
uses devoted to commerce and industry that have the
highest increments in land values—the highest capital
values and the highest stream of income generated per

Therefore, one of the first planks of a local-control
platform would be to bring more land under public
ownership and control in order to collectively reap the
values that we create collectively. Enormous benefits
could accrue to the majority of the people who live in
the city or neighborhood. The use of land, placed under
public control, could be reorganized to produce maxi-
mum benefits for the residents rather than maximum
profits for the owners. Housing, shopping, and busi-
nesses could be located so as to minimize travel time and
transportation costs. The provision of a decent urban en-
vironment could become part of the obligation of the
local government. Eliminating the profit on residential
land could produce housing within the economic reach
of up to 70% of the population. (Today 85% of our pop-
ulation cannot afford to buy a new home.) Finally, the
leasing of publicly-owned land to large revenue produc-
ers—commercial, industrial, and high-income residen-
tial land—could produce a stream of income to the local
government and reduce the cost of housing or otherwise
subsidize public services. —Paula Echeverria

New Food Systems Spread

Pennsylvania Plan
Pennsylvania Governor Milton Shapp and his innovative
Secretary of Agriculture James McHale offer a much needed
contrast to the pro-agribusi-
ness, anti-consumer stereo-
type in which most govern-
ment officials are cast. Mc-
Hale, himself a successful
dairy farmer, has set up a con-
troversial program to revamp
and revitalize Pennsylvania
agriculture, develop new food
marketing networks and re-
order state agricultural re-
search priorities.

The state has begun exten-
sive efforts to encourage small
culture and reduce
food prices via the direct mar-
keting of farm products to
dividual consumers. The De-
partment of Agriculture has
helped set up about one dozen
“tailgate” farmers’ markets
across the state.

The department is organ-
ing a marketing program with
even greater potential from
both the consumer and pro-
ducer ends. Department repre-
sentatives are locating all the
food buying clubs and con-
sumer cooperatives in the
state and organizing buying
federations from these smaller
groups. These federations,
with their sizeable combined
buying power, will then be
put in touch with individual
farmers so that they can buy
or contract directly from
producers.

Where no buying clubs
exist, the department is trying
to organize them. It has let
out three research grants
aimed at facilitating this ef-
fort. Much of this research
money is being used to set up
inner city buying clubs and
inner city tailgate markets.

McHale’s program also in-
cludes state-supported “anti-
inflation” gardens—the first
such program in the nation, McAuley says. The department, working with county commissioners, mayors and civic groups, distributed at minimal cost 175,000 packets of vegetable seeds and 104,000 vegetable sets. McAuley says the department has ploughed up over 125 acres of land for use as community gardens.

**West Virginia**

West Virginia has also developed a network of state supervised direct marketing facilities. The state Department of Agriculture operates four regional farmers’ markets and one smaller area market. Sales in the state-supervised markets reached almost $1.7 million in 1974, an increase of $500,000 over the year before.

**Massachusetts Commission**

Convened in October 1973, the Massachusetts Commission was the first state-level investigation of the reasons behind high food prices and declining agricultural production. The Commission found that Massachusetts imports 64 percent of its food. Even Massachusetts' important fishing industry has been declining over the past decade.

In order to halt this decline, the report recommends the establishment of an agricultural support system which would make farming more profitable and would reduce food prices. This system would include a grain and food storage facility, a revitalized rail freight network to reduce food transportation costs; the introduction of new types of agricultural production, especially meat production; and the development of a state food processing industry. The commission estimates that if Massachusetts imported wheat and milled it, rather than importing finished flour, consumers would save $3 million every year.

The commission urges the stringent enforcement of recent state land use laws which alters property tax assessment methods so that development potential as translated into excessively high property taxes will no longer force farmers off prime agricultural land.

**Vermont**

Following Massachusetts’ lead, Vermont established a food commission this past June. Vermont, like Massachusetts, imports 80 to 90 percent of its food and has experienced an agricultural decline in the past three decades. Commission chairperson Rosalyn Oakes believes that Vermont could once again meet, at least in part, state demands for fruits, vegetables, feed grains and meat, and halt the demise of its important dairy industry which now accounts for 90 percent of its agricultural production.

Although the architects of all these new food policies recognize the desirability of statewide food self-sufficiency, they also recognize the impossibility of such a goal. What they are more concerned with is the re-establishment of diverse agricultural systems and the protection and rebuilding of regional agriculture. —Catherine Lerza

[This article is excerpted from The Elements, a monthly journal on natural resources published by the Transnational Institute. In addition to detailed reportage and analysis of ownership and control of the world’s natural resources, The Elements also carries regular columns on the struggle to reform utilities, the movement towards self-sufficient agriculture, and coverage of the growing number of proposals for new public banking systems. Subscription rates are $5 per year for individuals; $10 for institutions, 1901 Q Street NW, Washington, DC, 20009.]

**Bond Issues**

**Ohio Bond Defeated**

A successful fight to defeat a regressive bond issue was waged in Ohio by "Citizens Against Unfair Taxation," a broad coalition consisting of the state AFL/CIO, the UAW, League of Women Voters, and a variety of community and church social action groups. A wide range of elected officials, including Lt. Governor Richard Celeste, worked with the coalition. The corporate giveaway would have eliminated taxes for manufacturing plants that are constructed or expanded between February 15, 1975 and January 1, 1981. Governor Rhodes spent close to $2 million in a media campaign to pass the four bond issues. The major funders of his campaign were Ohio contractors and utility companies. The coalition spent far less in their successful opposition, which saw each issue defeated by at least 4 to 1 margin.

In addition to providing 15 and 30 year tax exemption for new industrial investment, the bond issues totaling $4.5 billion, would have raised sales and gasoline taxes to fund highway construction, housing construction, and capital improvements for cities and towns.

**Austin Bond Defeated**

The first split between Austin activists and the progressive council majority which they have supported came this December over a $200 million bond issue. The entire council endorsed the 12 bond propositions. So did old guard city booster types. A university community-led group, however, stole a march on the conservatives and set up an organization called Citizens for Fiscal Responsibility. The group opposed $162 million in water and sewer bonds. They argued that the bonds included some growth-encouraging expansion for the system that might end up increasing water bills.

A solid 60% of the voters rejected the water and sewer propositions, as well as funding for a new city arena. Minority voters were the only identifiable group to go for the whole $200 million package, apparently following the Black and Chicano council members' blanket endorsements to assure passage of the social issues such as health and streets. The bond vote was interpreted as a political victory for the Austin progressive activists, a well-organized, issue-discriminating political force capable of getting its troops to the polls in a pinch. The message to the council was that the progressives are going to take an active and perhaps dominant interest in city planning and growth control issues.

-Kaye Northcutt, Texas Observer (continued from page 1)

**Arkansas Plan**

Arkansas Community Organization for Reform Now (ACORN) has also begun a campaign for lifeline service. It is using a statutory provision which allows municipalities to enact ordinances "to determine the quality and character of and the rates for each kind of product or service to be furnished or rendered by any public utility within said city." The ACORN plan calls for a 400 kilowatt hour rate exempt from all extra charges, such as fuel adjustment costs. The cost for the first 400 kilowatt hours will vary from area to area, depending on the local allocation between residential and industrial. This fall ACORN targeted nine areas where its members took its lifeline proposal to the city or town council.

**D.C. Real Estate Speculators Tax Pushed**

A proposal to set heavy taxes on real estate speculators in the city of the District of Columbia is being pushed by Washington, D.C. Council-member Marion Barry. Barry, who attended the Madison Conference and agreed to serve on the continuing conference's national steering committee, is chairperson of the D.C. Council's Finance and Revenue Committee. The tax would apply to speculators who buy and sell inner city houses within a short period at profits often reaching 100% or more. The proposal is modeled after the Vermont Land Gains Tax. It is supported by a coalition of community groups outraged at evictions of low income, mainly black tenants, and at the rapid escalation of housing prices.

Barry's committee has also held hearings on legislation to repeal special property tax exemptions granted by Congress for certain organizations before the District received home rule.
National Conference Center

The National Conference Center in Washington was opened in August and has moved quickly to assist public officials and others interested in alternative politics and programs in state and local government. Major activities of the National Conference Center include:

**Clearing House of Alternative Legislation.**
A unique resource center of existing alternative bills, ordinances and proposals as well as new model legislation is being established. Copies of bills, advice, and assistance in finding out what other states, cities, or even other countries, are doing will be available.

**Publications available from the National Conference office**

- **Public Policy Reader.** $5.00
- **Report,** first National Conference. $1.00
- **Problem of the Federal Budget,** by IFS federal budget study group. $6.50
- **The Cities Wealth:** Programs for Community Economic Control in Berkeley, La. $2.50
- **Public Control of Public Money:** Should States and Cities Have Their Own Banks? by Derek Shearer. $1.50

**Legislative Reprints**
(50 cents each)
- Senate bill 52631, National Consumer Cooperative Bank bill.
- Model State Energy Act by Lee Webb and Jeff Faux.

- **Model State Occupational Health & Safety Act, by B. D. Talley.**
- Enclosed $________ for publications checked above.
- Enclosed $5.00 subscription (4 issues) to Conference letter.

Name ________________________________
Address ________________________________
City ______ State ______ Zip ______
Telephone __________________________
Position or Organization ________________________________

□ I recommend that you contact the individuals I have listed on attached sheet.
□ Yes, I want to attend the Austin Conference. Please send information.

**Task Forces**
Work groups have begun to study and develop new programs and model bills on issues for which there is the largest demand by legislators or citizen groups around the nation. These include innovative proposals on public utilities, banking, taxation and women’s issues. In addition, such critical areas as the fiscal crisis of cities and job loss in old industrial regions are being studied.

**Publications.**
The growing list has been enthusiastically received by recently elected officials in search of new public approaches to social and economic problems. The first three available are:
*The Public Policy Reader,* now in its second printing. Over 250 pages of the best legislation introduced, the book also has reports of innovative programs in Canada or under scrutiny in this country. *The Reader* is an essential tool for everyone concerned with progressive public programs.

*The Cities Wealth,* a brilliant report outlining in detail the programs and organizing strategies of the Berkeley Coalition over the seven years of its political work with the Berkeley city council.

*Public Control of Public Money,* by Derek Shearer, analyzes the advantages and disadvantages of state and city-owned banks. It includes descriptions of the state owned bank of North Dakota and recently proposed state banks in New York, Washington, Oregon and California.

**Regional, sectoral, national conferences.**
Anyone interested in more information on any part of the work of the National Conference should write to Barbara Bick at the National Conference Center in Washington, D.C.
Alternative Legislation

Displaced Homemakers Bill

A bill sponsored by Delegate Helen Koss in the Maryland legislature would provide job training, health counseling, placement services and educational programs to "displaced homemakers" — persons over 35 who have worked without pay as homemakers for their families and who find themselves "displaced" through divorce, death of spouse, or other loss of family income. Most of the beneficiaries would be women who need job training based on the skills they have acquired as homemakers, and who are ineligible for welfare, pension plans or social security because they have not been wage-earners.

The bill provides for a multi-purpose service center in each county and in the city of Baltimore, with job training including, but not limited to: lay advocates, home health technicians and health care counselors.

Each center would include a well-woman health clinic, based on preventative health care and consumer health education. Educational Programs, with courses that offer academic credit through community colleges, would include money management classes.

A copy of the bill is available from the National Conference Center.

Consumer Cooperatives Enablement

To remedy the ambiguous legal status of cooperatives in Texas, H.B. 643 was passed and signed into law by the Governor last year. The Cooperative Association Act grants full legal status to cooperatives, sets standards for voting, record keeping, officers, meetings, directors, membership, and the allocation and distribution of net savings. Representatives Bill Blythe of Austin and Sam Hudson of Dallas sponsored the legislation.

Massachusetts CDFC

In the next several months, if everything goes according to plan, a state-owned development bank will begin providing investment capital to community development corporations throughout Massachusetts.

Called the Massachusetts Community Development Finance Corporation (CDFC), the new bank is empowered to buy stock in any enterprise that is owned in common by the residents of a given geographical area.

The bill creating the CDFC passed the legislature virtually at the last minute — 8:46 pm, December 31, 1975, as the legislative session was coming to a close. No money for it has yet been allocated, but an ap-
Lessons of the Past Year.” To high-light the opening session, a leader of the New Democratic Party of Canada will address the conference on “A Democratic Economy: the NDP’s Program.” A party at the campus Rathskeller will follow

Economic Themes

While the conference will offer a unique overview of the latest programmatic developments in state and local government, the numerous workshops will focus on economic issues. General questions of strategy will sharpen plenary discussions of alternative economic programs that would allow some control over local economies. On Friday morning, June 11, the first of these sessions will be on “Public Control of Public Monies.” Workshops will follow on specific topics such as public ownership of utilities, public banks, tax reform, pension funds, public control of natural resources, and state insurance companies. Public officials, analysts and planners have been selected to lead each workshop on the basis of their experience in running such programs, or other expertise on the subject.

Friday afternoon’s plenary session will be on “Public Control of Development and Growth,” led by a panel of nationally known public officials. Workshops will feature presentations on growth control strategies, development corporations, urban and community development, water and land use control. Especially provocative will be workshops on community response to business requests for tax subsidies, and the issue of public employee unions and organizing. All workshops will be small enough for maximum participation.

Faulk To Keynote

Keynoting Friday evening will be John Henry Faulk, eminent story-teller in the tradition of Will Rogers and Mark Twain. Faulk’s social satire and political wit brought him national broadcasting fame before the blacklisting of the mid-50’s. His celebrated lawsuit against those who drove him from the air was recently dramatized in the CBS television movie, adapted from his book, Fear On Trial. Major speeches by outstanding personalities in the state and local political arena are planned as well. They will speak on the issue of “State and Local Politics: New Directions and New Opportunities,” “Successes and Problems in Practice,” and “The National Dimension of a New State and Local Politics.” Colorado State Treasurer Sam Brown, who is a member of the Na-

propriation of $10 million will be included in the Dukakis administration’s 1976-77 budget, due to be voted on in May or June.

“The breakthrough in this legislation represents,” says University of Massachusetts professor David Smith, one of the bill’s principal drafters, “is that ten million dollars of state money will be going to publicly owned enterprises.” And it was the only piece of legislation enacted last year,” Smith adds, “that was supported by both the governor’s office and the legislative leadership.”

The CDFC is unique both in its focus on community development corporations and in the fact that it offers equity capital rather than loans. “Equity” investment, typified by stock purchases, means that the investor gets a return when and if the enterprise begins making money.

As the first publicly supported equity finance vehicle in the country, the CDFC may serve as a model both for other states and the federal government. Representative Michael Harrington (D-Mass.) is already proposing a series of federally supported regional development banks modeled in part after the CDFC.

—John Case

Public Utilities Reform

Numerous changes in Pennsylvania laws to strengthen the independence and powers of the state Public Utility Commission were included in a 75 page report of the Pennsylvania Senate’s Committee on Consumer Affairs. Under the leadership of its chairman, Senator Franklin L. Kury, the Committee recommended a series of steps to stop possible conflict of interest by commission staff members. The P.U.C. Also included were recommendations to reduce their terms from 10 years to 6, to set aside monies for independent consultants, to require public hearings before rate approval, and to establish an Office of Consumer Advocate in the State Department of Justice. Copies of the report can be obtained from the Senate Committee on Consumer Affairs, Harrisburg, Pa.

Utility Consumer Rights

Senate Bill 74 would amend the Virginia statutes to give certain rights to utility consumers. It is modeled after similar legislation passed in Michigan and Wisconsin and provides utility consumers a right to due process and a fair hearing in billing disputes or threatened disconnection of services.

The Utility Consumer Bill of Rights is part of the legislative program of the Consumer Congress of the Commonwealth of Virginia. Their 1975 Legislative Program Manual is available from Consumer Congress, 701 East Franklin St., Richmond, VA. 23219.

State Banks

Interest in the notion of state-owned banks continues to grow. Currently, there is only one state-owned bank — in North Dakota. It was founded in 1919, when prairie populists operating under the rubric of the Non Partisan League captured the state government. The bank is efficiently run, uncorrupt, and makes a healthy profit for the state treasury.

Impressed by the success of the Bank of North Dakota and by the concept that the public should have greater control over the investment of capital, legislators in other states are introducing bills to create their own public banks.

In Massachusetts, Senator Chet Atkins introduced a state bank bill in the 1976 session. In Oregon, a state bank bill was introduced in 1975 by Rep. George Starr. A state bank patterned directly after the legislation creating the Bank of North Dakota was introduced in 1975 by Washington State Rep. Michael Parker. In Florida, Rep. Ray C. Knopke introduced legislation in the 1976 session to establish a select joint legislative committee to study the feasibility of creating a state-owned bank. Similar legislation to establish a Commission on the Establishment of a Municipal Bank has been introduced in the District of Columbia by city council member Nadine Winter.

Greatest progress toward passage of a state bank bill has been in New York. A bill to
create the New York state bank, introduced by Assembly Speaker Stanley Steingut in the spring of 1975, passed the Democratically-controlled Assembly, but was stalled in the Republican-controlled Senate. Steingut is pushing the bill again this year. If passed, the New York state bank would almost immediately become one of the largest banks in the state, in terms of deposits.

—Derek Shearer

Land Reform

One of the most significant land reform bills in the country has been introduced into the California legislature by Assemblyman Art Torres. A freshman legislator, Torres formerly worked as a legal advisor and organizer with Cesar Chavez and the United Farmworkers. He brings to the legislature many of the concerns of the farmworkers. One of the oldest dreams of farmworkers — and of increasing numbers of young people — is to own their own small farm. The rising price of land as urbanization spreads, and as corporate agribusinesses expand, has prevented this dream from becoming reality. The Torres bill is modeled after the successful Saskatchewan Land Bank Commission.

Automobile Insurance Corporations

A bill to form a Louisiana Automobile Insurance Corporation has been drafted by the Louisiana Commissioner of Insurance, Sherman A. Bernard. It would operate and administer a universal, compulsory automobile insurance plan which would be the exclusive automobile insurance company in the state. Bernard has also prepared an extensive favorable study of the Manitoba Automobile Insurance Plan. Both the bill and the study are available from the National Conference Center.

A bill to create a Michigan Insurance Authority has been prepared in draft form by State Representative Perry Bullard. Sponsoring this bill, the Michigan Insurance Authority would be empowered to provide automobile insurance and also life, disability, and property insurance. The Authority would be run by a five person Board appointed by the Governor. Rep. Bullard based much of the first draft of his bill on the successful provincial automobile insurance corporations in Manitoba and Saskatchewan, Canada. Additional revision of the draft bill is being planned partly on the basis of a projected trip by Rep. Bullard to Saskatchewan where he will interview officials of the Saskatchewan Insurance Corporations and observe the plan in operation.

Controlling Corporations

A model bill aimed at making corporations more socially responsible has been drafted by Professor Christopher Stone of the University of Southern California Law School. The model bill is an attempt to put into practice many of the ideas in Stone's book, Where the Law Ends — The Social Control of Corporations, (Harper & Row, 1975).

Stone argues that the law has treated giant corporations as if they were persons. Businesses are threatened with fines, which usually do not deter socially irresponsible behavior. A company may pollute a river or produce an unsafe product, and it will pay the fine if caught. Rarely, if ever, do corporate officials go to jail. The model bill, titled “A Model Code for Corporate Rehabilitation” — would put offending corporations on a sort of probation. In some cases, Special Public Directors (SPD's) would be appointed to sit on the corporate boards. For example, a public health officer might be placed on the board of a corporation that polluted the atmosphere, or a member of Common Cause on the board of a corporation that bribed politicians.

A number of state legislators from such states as Texas and Minnesota have expressed interest in introducing Stone's bill next year. Copies of the model bill are available from: Prof. Chris Stone, Law School, University of Southern California, University Park, Los Angeles, CA 90007.
Alternative Legislation Briefs Continued...

Worker-Owned Enterprises

Michigan State Representative Perry Bullard is preparing legislation to facilitate the development of worker-owned and controlled enterprises. This legislation would establish a special status for such corporations, providing for tax relief, and loans and technical assistance from the state development authority. Rep. Bullard is now researching this legislation and hopes to have it completed within the year. More information on corporate law as it relates to worker-controlled enterprises is needed, especially in areas where the law discriminates against such entities. Rep. Bullard is soliciting ideas and input on this legislation. He can be reached at State Capitol, Lansing, MI 48901.

Jobs for Artists

An amendment to the 1965 Arts and Humanities Act offered by Congresswoman Bella Abzug initiates an emergency program for employment of artists — painters, musicians, actors, writers and others — by the National Endowment for the Arts. The hiring would be authorized during any fiscal year in which the national unemployment rate exceeds 6 ½%. The measure, which would provide for direct grants-in-aid to states, specifies that its program be coordinated with CETA and other public employment programs.

Public Power

Support

Voters in Barre, Vermont approved March 3 a $20,000 study on the feasibility of acquiring and operating, as a municipally owned utility, the local facilities of the Green Mountain Power Co. Support for the feasibility study was organized by the Barre Alliance, a citizens’ group affiliated with the state-wide Vermont Alliance. The Barre action follows similar action taken by the voters of Springfield, VT a year ago.

In nearby New York, the citizens of Sherill will vote on March 30 on a $1.5 million revenue bond that would authorize the creation of a municipal utility and acquire the local electric facilities of the privately-owned Sherill-Kenwood Power and Light Co. A recently-completed feasibility study indicated that the power rates could be reduced approximately 47% under a municipally-owned system.

Set Back

A proposal to place a referendum question concerning a feasibility study of municipal ownership of Madison Gas and Electric Company (MG&E) on the April election ballot was defeated last month by the Madison Common Council. Twenty-five thousand dollars is allocated in the 1976 City Budget for such a study, but can be released only on the condition that a referendum approve spending the money. The vote was 10-10, two votes short of the necessary 12 vote majority to pass the question on to the voters for consideration. MG&E is the fourth largest utility in the state.

This defeat is the third in nearly four years of attempts to begin studying the feasibility of municipalizing MG&E, a private utility supplying power to Madison and many surrounding communities in Southeastern Wisconsin. A coalition of fiscal conservatives and representatives from organizations effectively blocked the referendum resolution, which was sponsored by Mayor Paul Soglin and seven liberal and radical alderpersons.

Proponents of the referendum to free the feasibility study funds now plan to place the question on the November 1976 ballot through a petition drive. Eight thousand signatures will automatically place the issue before the voters, bypassing the Common Council.

Proponents of public power are confident that the electorate will approve the feasibility study, thus putting Madison on the road to eventual ownership of its gas and electric facilities.

Tax Reform

Wealth means mobility, and wealthy businesses and people threaten to move elsewhere at the slightest suggestion of heavier taxes. The tax burden remains — and grows — on the less well off, who stay put because they have to. In recent years the total tax burden on people of modest means has been edging up toward the sum born by the rich, while the share of state and local taxes born by business has been declining.

Nevertheless, some states and localities have made significant progress, including one or two major breakthroughs. This article can only touch some highlights, and suggest a way the federal government could act against business tax dodging and industrial flight.

Taxes on property are still the mainstays of local revenue systems. Recent studies have laid to rest the absurd claim that property taxes are inherently regressive. They have been regressive, as presently applied, because many assessors were allocating the tax burden illegally and unfairly. Groups such as the Citizens Action Program (CAP) in Chicago added millions of dollars to local assessment rolls by exposing the underassessment of major commercial and industrial taxpayers such as US Steel. Studies in Boston, Philadelphia, New Haven, and other cities revealed blatant assessment discrimination against poor black neighborhoods. Houston City Controller Leonel Castillo was one of the first elected officials to see the revenues at stake. Under his muckracking research and prodding, Houston’s assessment roll has grown by almost one-third in two years.

Many states and localities have tried to dispel their assessment problems by contracting the job out to private companies called “mass appraisal firms.” The performance of these firms has been spotty at best. Some, including the industry giant Cole-Layer-Trumble, have left in their path shoddy work, lawsuits, scandals, and disgruntled taxpayers and officials. It is far better for states to upgrade their own assessment systems than to rely on these expensive and questionable mass appraisal firms.

Other skeletons discovered in local property tax offices have included outright failure to assess large properties, appeals systems overly generous to the rich, uncollected delinquencies, and mortgage escrow
Programs

accounts, in which homeowners have to pay their property taxes in advance to their mortgage lender bank without receiving interest. Four states — Connecticut, Massachusetts, Maryland and New York, now require interest on these escrow accounts.

Expanding tax base

Better administration is only half of the property tax reform agenda. Expanding the tax base is the other. Most promising is the restoring of “intangible” property — stocks and bonds — to the tax rolls. Taxes could be cut on real estate by about one-third nationwide if intangibles were taxed at just one-fourth the rate applied to real estate. At the same time people who invest in paper would not be favored over those who invest in productive capital or homes. In theory, intangibles are still taxable in many states, but with a few exceptions, such as Ohio and Florida, assessors ignore them.

In Arkansas, farmers associated with Arkansas Community Organizations for Reform Now (ACORN) recently gained a court order compelling their county assessor to obey the law and put the intangibles onto the tax rolls. The state legislature panicked and is trying to undercut the court order by putting a constitutional amendment to the voters.

Connecticut and New Jersey recently enacted special taxes on the income arising from paper property; New Jersey expects to raise $65 million from the tax this year. Massachusetts taxes unearned income (dividends etc.) at 9% while wages and salaries are taxed at only 5%.

Another important reform is the “classified” property tax, in which different types, or “classes” of property are assessed or taxed at different rates. Washington, D.C. recently joined the five or so states with classified systems; in D.C. commercial property will be taxed more heavily than residential. A problem with existing classified systems is that they do not distinguish between small businesses and large, poor homeowners and wealthy. The Mom and Pop store gets hit just as hard as the Safeway because both are “commercial”. It might be better to classify properties according to value instead of type, with the higher-valued properties paying higher rates. Australia (continued on page 6)

Campaign Reform
A Common Cause model bill on campaign financing is currently being revised to conform to recent court decisions. It should be available in about two months. Other model legislation developed by Common Cause include lobbying, disclosure and open proceedings. For copies and information, write to Common Cause, 2030 M St., N.W., Wash., D.C. 20036.

State Campaigning Finance Laws Survey

Notes to Note

CBO Reports Available
The newly-created Congressional Budget Office, established to help Congress handle its responsibilities under the new, formalized budgeting process, has begun to publish a useful series of reports comparing alternative policies at the federal level. Such policies will, of course, have significant impacts on states and localities, and the CBO reports are providing valuable comparative data. Some particularly interesting initial reports are “Temporary Measures to Stimulate Employment: An Evaluation of Some Alternatives” and “New York City’s Fiscal Problem: Its Origins, Potential Repercussions, and Some Alternative Policy Responses.” (These are available from the Government Printing Office.) To get on the mailing list for future CBO reports, write Congressional Budget Office, U.S. Congress, Washington, DC 20515.

Democratic Economy Proposals
A comprehensive package of proposals dealing with all aspects of direct employee and community control of the American economy is being developed by the Peoples Bicentennial Commission. The PBC, which has an extensive communications, educational and activist network across the country, is working closely with individuals in the public sector as well as with organizations exploring a broad spectrum of new economic alternatives. The transition from private to public utilities and the reshaping of corporate statutes and chartering mechanisms will also be studied. PBC plans to utilize this package to further raise the vision and viability of a democratic economy. Anyone interested in participating in this project should contact Randy Barber, PBC, 1346 Connecticut Ave., N.W., Washington, D.C., 20036.

Alternative Experts
A directory of experts and consultants who could assist local and community officials in formulating alternative programs, is being compiled by the Community Ownership Organizing Project. The areas of expertise might include the operation of publicly owned utilities, the creation of a state-owned bank, or the financing of a cooperative housing project. The directory will include individuals with practical experience or technical expertise, and organizations which can help guide officials to individuals who are knowledgeable in particular areas. In addition, the Project is preparing material on how city officials have developed their own expertise. It will be based on the experiences city officials have had using professionals, students, and other members of the community to prepare proposals and develop competence in particular areas. Information about areas in which technical assistance is most needed, the names of individual experts, and experiences which have developed competence, should be sent to COOP, 349 62nd St., Oakland, Ca. 94618.
(continued from page 5)

adopted such a progressive property tax early in this century to help break up large estates.

Sales tax

To the chagrin of tax reformers, sales taxes regularly score high in public opinion polls. Apparently, people prefer to be nickled and dimed to death than to pay taxes in lump sums. Sales taxes could be made immensely more fair by expanding the tax to include professional services — lawyers and advertising agencies, for example — since these are consumed in large measure by the wealthy. New Mexico is one of the few jurisdictions with a broad-based sales tax of this kind. Last year roughly 25% of its sales revenues — $48 million — came from professional services.

The sales tax on food has become a rallying point for tax reformers and food activists. Since 1971 the tax has been repealed in eight states, most recently Washington, D.C. and Michigan. Poor people spend a larger portion of their earnings on food than do the rich, making the food tax highly regressive. Complete repeal may not be the best answer, however. New Mexico has taken a different route by guaranteeing that the combined burden of all state and local taxes will never exceed a set percentage of the taxpayers’ income. This targets relief to those who really need it.

Tax loopholes

A few states have closed income tax loopholes: California and Maryland beat Congress in repealing the oil depletion allowance. But the trend remains toward more loopholes, not less. Some of the biggest hide under a hot number called “federal conformity”.

When states adopt the loophole-ridden federal tax laws, their revenues drop drastically. Wisconsin lost about $16 million the first year when it went just part-way to the federal model in 1965. More recently, revenues fell by some $12 million in Utah when it made the shift in 1973.

A little-noted loophole has been lax income tax enforcement against large multistate corporations. Some corporations juggle their books to shift their income from high-tax states to low-tax states, or to overseas subsidiaries. Sometimes they do not even file returns. States such as California, with effective out-of-state audit programs, have taken in between eight and fifteen dollars in new revenue for every dollar in audit expense. Progressive tax administrators from 22 states, including California, have joined the Boulder, Colorado-based Multistate Tax Commission, which audits multistate corporations on behalf of its members. Businesses lobby state legislators furiously to keep them from joining the MTC, and a group of the nation’s largest corporations, led by U.S. Steel, has tied up the group in expensive litigation.

A model income tax reform bill with supporting materials has been drafted by the National Committee on Tax Justice, a coalition of national and local groups working on tax issues. The Tax Justice Act should be especially helpful to people in states with income tax laws patterned on the federal code. The California Tax Reform Association, a NCTJ member, has already developed a California version of this model reform.

Business incentives

Hard times and chronic business flight have made state lawmakers vulnerable to pressures for special business tax loopholes and “incentives”. Numerous studies, including one by the U.S. Advisory Commission on Intergovernmental Relations, have questioned the effectiveness of these. MIT economist Bennet Harrison found, in a study for the Massachusetts
New City Energy Policies

Energy is now a major component of individual and municipal expenditures. As a result localities are beginning to design programs to reduce energy consumption and to increase the supply of energy from renewable resources, like sunlight.

The most inexpensive way to save energy is through effective insulation. Several cities have increased insulation standards in their building codes. Colorado Springs, Colorado has had a building code in effect for two years under which 4500 single family dwellings have been constructed, which require R-19 (6" of fiber glass) in ceilings, R-11 (3" of fiber glass) in walls, and double glazing for windows. Possibly the most sophisticated building code was enacted in January 1976 by Davis, California. Using local meteorological data the code is designed specifically for Davis' hot, arid climate which requires a great deal of air conditioning. For example, the ordinance for new homes, which is advisory for existing structures, requires very light colored roofs. It is estimated that this new code will cut heating and cooling requirements for a typical new house by about 50% compared to the 18% reduction estimated by the state's energy conservation code.

Legislature, that “job creation” tax incentives costing the state $66 million per year had produced no new jobs. Tax incentives do not work for two reasons. First, taxes are not all that important for where businesses locate. And second, when one state enacts incentives its neighbors usually follow suit. The net result: business pays less all around and everyone else pays more.

Within a metropolitan area taxes can affect where businesses locate, though taxes are not the only reason firms flee the city to the lower-taxed suburbs. Here the seven-county Minneapolis-St. Paul Twin Cities region scored probably the greatest breakthrough in state and local taxes of the last twenty years. Led largely by the Minneapolis-based Citizens League, these counties agreed to share all increases in their commercial and industrial tax bases. No matter where in the area a business is located, all the counties would get a portion of the new revenue. This would end the self-destructive tax undercutting between the counties and enable them to base land-use decisions on something other than the need to attract new industry. School-financing inequities would be lessened, and the fiscal excuse for zoning out poor people would be reduced.

The center cities and poorer suburbs have gained substantially from this tax-sharing plan. Minneapolis gained over $9 million in assessed valuation last year — almost 60% over its own assessment growth — and the gain this year could be double that amount.

Businesses can still threaten to leave a state, however. Without alternative sources of jobs and revenues, few legislators dare call their bluff. Protection against such tax blackmail must come from Congress.

It would be simple to do. Congress could enact a special tax on large businesses and industries, against which all state and local taxes would be allowed as a credit. These businesses would pay this minimum state and local tax no matter where they moved, and the incentive to go tax bargain hunting would be less. Congress used exactly this approach to protect other states when Florida and Nevada tried to attract retirees by abolishing their estate and inheritance taxes in the 1920’s.

Where do we start? The first step toward fairer state and local taxes is to find out how much we are spending now on tax breaks for the unneedy. These breaks persist largely because people are not aware how much revenue is lost, and because the tax expenditures are not subjected to annual budget review along with other budget items. Both the federal government and the state of California now prepare tax expenditure budgets, showing how much each loophole costs the taxpayers each year.

—Jonathan Rowe

(Jonathan Rowe is on the staff of the Finance and Revenue Committee of the District of Columbia City Council, Chairperson Marion Barry. He formerly worked with the Public Citizen Tax Reform Research Group. For their newsletter People & Taxes, write PCTRGG, 133 “C” St., SE, Washington, DC 20003.

Mr. Rowe is also the co-author of Tax Politics (Pantheon Books) which explores the issue of property taxes more fully. The book also deals with federal income tax reform.)
Davis' code is planned to be comprehensive, addressing life styles, neighborhood design, and solar rights. A bicycle network complete with cross ties between cul de sacs and interblock cuts, which reduce distances, has been implemented and serious consideration is being given to reducing street widths from 34 to 28 feet, thereby saving significant energy.

Several cities are also exploring the concept of sun rights. Los Angeles County Supervisor, James Jayes, has proposed that all new in-county construction be sited and designed to enable solar heating and cooling hookups. The California State Assembly Judiciary Committee has held hearings on three-dimensional zoning and sun rights. In the 1960’s, Tokyo adopted sun rights ordinances. Since then some 300 Japanese cities have sun rights in operation and the courts, although not consistent, have upheld the legitimacy of such ordinances.

Some cities are beginning to develop concepts for solar utility systems. This has occurred first in those cities which own their own distribution network. In Santa Clara, California, 12 residential swimming pools will be outfitted with solar collectors this spring by city utility crews. The equipment will be sold at dealers’ cost and at 7½% interest. The city sees this as a first step toward establishing a solar utility company which would lease units to homeowners.

Rod Kuharich of Colorado Springs, Department of Public Utility, will present a paper to the National Council of State Legislatures in late March conceptualizing a state solar utility system, with most of the design applicable to local utility development as well. Proponents of such a structure see it as a way to rapidly introduce solar equipment to residents, overcoming the hurdle of high down payments. Critics are wary, believing that if such a system is based on leasing arrangements, it will go the way of toll roads; that is, once the initial equipment cost has been paid off, the cash flow will have been integrated into city revenue projections, and leasing will continue. This would mean solar energy would never be free, and might also lead to cities prohibiting the use of private collector systems.

Bridgeport, Texas, which owns its own electric system, is planning to move one step further in constructing a 5 megawatt solar thermal electric facility which would make it almost completely independent. Such a move was prompted by rising electric rates charged by the regional electric generating company. The City of Bridgeport is currently negotiating with ERDA about funding, and with a company in Reno, Nevada for the construction of the facility.

Growing government support for solar, rising energy prices, and an almost sure tax credit for solar equipment will rapidly develop the solar equipment and manufacturer market. Cities pioneering in the introduction of solar energy will gain experience useful to other cities just starting to explore this promising field. Perhaps the most difficult question is how to integrate a basically decentralizing technology into a utility (not to mention political) structure which is essentially centralized.

For further information on energy planning, with special emphasis on solar electric technology, write to David Morris, Director of Urban Energy Systems, Institute for Local Self-Reliance, 1717 - 18th St., N.W., Washington, D.C. 20009.

—David Morris

New Art Policies

Public support for the arts is becoming policy for many city, county and state governments, where officials are beginning to view public access to the arts as a basic service, like police protection or street paving.

The last great experiment along these lines was the New Deal quest for "cultural democracy," when WPA hired artists to work at their own professions, and visionaries strove to integrate artist and society so that art would document the American experience more deeply and not remain a luxury for the elite. But the federal bureaucracy eventually stymied its own brainchild and the idea faded during the war years and the complacent 50's.

In the 1970's, recession-ridden communities are rediscovering the potential of their artists to enhance the environment and enrich the community. It is not bread-and-circuses. It is an important facet of public education, a source of employment, and a stimulus for the revitalization of urban centers.

Ongoing projects include city financial support of local arts groups; "1%" bills and ordinances which provide that a percentage of the construction cost of public buildings be set aside and used for public art; the use of CETA positions by manpower departments to hire artists to produce works, teach classes, administer arts programs, or, in the case of Seattle, to carry out projects they themselves choose; and government sponsorship of free public festivals.
Neighborhood Power

Trends toward decentralization of government power down to control by neighborhood organizations have intensified in the past several years. Examples include the following:

Washington, D.C. In 1974 a charter calling for Advisory Neighborhood Councils was approved by referendum. In 1975 the City Council approved legislation creating 372 single member districts within 36 Advisory Neighborhood Council areas. Elections were held February 3, 1976. ANCs will advise the District government on matters of public policy including decisions regarding planning, recreation, and other social services.

Pittsburgh, PA. The establishment of similar community advisory boards was approved by charter in 1974. However, Pittsburgh's Advisory Board will not be broken down to the single member district level. No election date has been set.

Simi Valley, CA. In 1972 the City Council enacted an ordinance creating five neighborhood council districts. Anyone over 18 is entitled to vote at meetings which operate like New England town meetings. Topics including animal control, sewer expansion and land development are discussed.

Portland, Ore. In 1973 the City Council passed an ordinance recognizing neighborhood associations as authorized agencies of citizen participation in city government and appropriated funds to an Office of Neighborhood Associations. The associations have cooperated with the city on the community development block grant programs and have received a percentage of this grant for neighborhood-run projects.

Boston, Mass. In 1972 the City Council approved an amendment giving the Model Neighborhood Board of Boston (18 members) the power to approve all programs, budgets and contracts relative to the Model Cities program. Arbitration procedures apply when the board disapproves a contract that the administrator recommends.

Detailed information, including an in depth look at Washington, D.C.'s experience with neighborhood councils, is available in a Handbook on Advisory Neighborhood Commissions prepared by Milton Kotler and Greta Smith. It is available for $5 from the Institute for Neighborhood Studies, 1901 Q. St., N.W., Washington, D.C. 20009.

Citizens Power Campaign

Jon Blair Hunter, who participated in last year's Madison Conference as a representative of the Mountain Community Union, is running in a "citizens power" campaign for the West Virginia House of Delegates. Rank and file labor and community representatives from across Monongahela and Preston Counties are being organized into a Citizens Power Forum. The Forum will voice demands and needs of the community both during and after the election campaign.

Announcing the campaign at a meeting of workers at a Morgantown pharmaceutical plant seeking Oil Chemical Atomic Workers union recognition, Jon stressed state enablement of "workers rights." This includes public employee collective bargaining rights; an end to court anti-strike injunctions; and expanded workers compensation and occupational health and safety coverage. Social and non-discriminatory revenue-sharing priorities, and an end to electric utility rate increases and coal strip mining will be emphasized in the campaign also.

For more information, write: Citizens to Elect Jon Blair Hunter, Rt. 5, Box 309, Morgantown, W. Va. 26505.

Notes to Note...

Working Papers

State incentives to businesses cost taxpayers in Massachusetts over $1 million a year. In the spring issue of Working Papers, economists Bennett Harrison and Sandra Kantor examine what impact incentives such as tax credits, loan guarantees, etc., have on business decisions to expand or relocate plants. After reviewing surveys collected across the country since the 1950s, the authors conclude that state incentives to businesses are nothing more than a "windfall for the companies at the expense of the taxpayers."

Also in the spring issue of Working Papers — Professor Christopher Stone's corporate reform proposal, a state-level alternative to Nader's federal chartering, is described. Another article looks at public enterprises at the state level, suggesting what state enterprises can and cannot be expected to do. Setbacks and successes of locally oriented citizens' movements in Montreal, Crystal City, Santa Barbara and Chicago are also in the new issue.

For a subscription to Working Papers, send $10 to Working Papers, 123 Mt. Auburn St., Cambridge, Mass. 02138. Send $2.50 for a single issue.

Pension Funds

Investment

A recent study of how a $13 billion state and local public employee pension fund was invested revealed that it was done in an unprofitable, as well as a socially useless, fashion. Under the cloak of knowledgeable investment counselors, the funds have been sunk mainly into stocks, which are subject to major fluctuations in value, and in low yield private corporate bonds. The average return on pension fund investments has been only 5 1/4 %. Yet the fund managers reject the view that socially useful investments should be made, claiming that it would be at the expense of pensioners.

The report suggests that pension funds should be invested in housing construction and rehabilitation, and community development, at an equivalent yield to present investments. "Side effects" of the investment of these huge funds in employment generating enterprises include improved housing, and increased state and local tax revenues. The increase in tax revenues, which provide a third of the revenues for the pension systems, would be equivalent to an increase of several points in the rate of return of the retirement system assets. The report concludes that, up to this time, state and local governments have not considered the economic impact and potential of their investments.

Ed Kirshner, Director of the Community Ownership Organizing Project, directed the study, which was commissioned by the California Employment Development Department.

Copies are available from Coop. 349 62nd St., Oakland, Ca. 94618, for reproduction and mailing costs of $1.25.

Clearinghouse for Midwest Legislation

A Clearinghouse to link Midwestern people who are developing alternative public policy has been set up in Madison, Wisconsin. Designed as a focus for policy solutions to specific regional problems, the Clearinghouse will also draw together the energies of people who share a geographic base. The Clearinghouse will provide a collection and distribution center for model legislation and policy research. The coordinator is currently contacting legislators and conference participants in order to create a group from which to draw these materials on a regular basis. Clearinghouse materials will be available at cost and a bibliography will be sent to those who request it. Alternative legislation/articles should be sent to the Midwest Clearinghouse at The Institute of Governmental Affairs, 610 Langdon St., Madison, Wisconsin 53706. Contact may also be made by phone at 608/262-1741.
Seattle is re-writing its “1%” ordinance to provide for a long-term municipal art plan to be presented at annual budget hearings, assessing the city’s art needs on a neighborhood basis. The city is also preparing a model contract for the local artists whose work it buys, providing for benefits to them in the event of appreciated value of their works.

Baltimore is in the 12th year of its “1%” program — the result of a 1964 ordinance written by art professor Bennard Perlman (also the author of a state bill now pending in the Maryland legislature). Professor Perlman’s handbook One Percent in Civic Architecture details the four-year battle for passage of the city law and suggests variations on the Baltimore model that could be used in other cities. It deals with such questions as financing the measure, mobilizing community support, and the history of art in public works. Copies may be obtained for $5 by writing Mr. Perlman at the Community College of Baltimore, 2901 Liberty Heights Ave., Baltimore, MD., 21215. The supply is limited.

The Minneapolis Arts Commission is applying for grants from the National Endowment for the Arts and HUD to develop proposals for rehabilitating the downtown “Strip” by building artists’ collectives. The idea is to create subsidized housing and working space for artists by renovating old but structurally sound buildings that are at present under-utilized. The city hopes to revive the fading commercial district and provide additional rental units at a low conversion cost. A similar program has been in effect for several years in Louisville, Ky. Revenues from a raise in the Minneapolis hotel tax will also be used for arts support.

San Francisco’s arts backers have organized themselves into a potent political constituency which functions as a voting bloc and which had a substantial role in affecting the outcome of the ’75 mayoralty race. This network of activists, organized on a community and neighborhood basis, is beginning to make itself felt in statewide races as well.

The New York State Council on the Arts, however, faces a 40% slash in its budget, in addition to the proposed $4.1 million cut already incorporated in the 1976-77 budget. Joan K. Davidson, chairwoman of the arts council, said the proposed cuts would “cripple one of the healthiest parts of the state’s economy, one that returns a profit to the taxpayers.”

—Mary Ann Fraulo

Source: The Federal Budget and the Cities, U.S. Conference of Mayors, January, 1976,
Programs and Proposals

Nonprofit Food Stores

Spiraling food prices and high unemployment have motivated UAW Local 600, the world's largest local union, located at the Ford River Rouge Plant, to open two non-profit food stores in Detroit. UAW Worker's Market #1 and #2 have forced local chains to lower prices by selling food at 30% below retail price. To create these two stores and develop future ones, Local #600 has formed a separate non-profit corporation which has used funds from the union treasury for startup capital. Strongforce, an alternative economic project in Washington, D.C. is preparing a training manual through an NIMH grant that will provide detailed case studies on the UAW stores and other worker-community operated nonprofit food stores nationally. To receive a copy of this booklet when it is published contact Strongforce, 2121 Decatur Pl., N.W., Washington, D.C. 20008.

Criminal Justice Programs

Sheriff Hongisto of San Francisco was recently re-elected to his second four-year term. Since San Francisco is both a city and a county, Hongisto does not have responsibility for street patrol. His duties are primarily to operate and maintain the county jail, and to exercise court orders — evictions, wage attachments, injunctions and repossessions. He has described much of these functions as the oppression of poor people.

Hongisto has put most of his efforts into reforming the county jail, and curtailing its use by the court system. When he took office in 1972, San Francisco County sent more people to jail for longer sentences than any other county in California. In four years, he reduced the jail population.

String time in jail, eliminating many "false" legal problems by which people were arbitrarily held, creating programs to get alcoholics out of jail, and promoting a publicity campaign among judges about San Francisco’s high jail population. By reducing the number of inmates, Hongisto has been able to stretch the low jail budget to bring services to a greater percentage of the population.

Hongisto has also tried to broaden educational and work programs within the jail, and to improve physical conditions. He has increased education classes and employment counseling, and included a program involving 32 VISTA workers who help sort out inmate's personal problems caused by detention.

Medical care for the jail population, once perfunctory at best, has been greatly improved in the past four years. Sheriff Hongisto went to federal court to force the county Board of Supervisors to provide substantial funding for food, clothing, medical care and sanitation. "Squirtle cages" and isolation cells once held emotionally disturbed inmates and those being punished by the jail authorities. Sheriff Hongisto has transferred many of the inmates requiring psychiatric care to state mental facilities, and reduced the number of days inmates spent each year in the isolation cells from 1400 to almost zero.

Anti-Redlining Strategies

Community groups around the country — working in conjunction with sympathetic elected officials — are combating "redlining." This is the practice by banks of denying loans to geographic areas they decide are "going down hill" and are bad credit risks. The process of deterioration, once in motion, is self-fulfilling. Current operation of private financial institutions thus encourages the decay of inner city ghettos, urban working class neighborhoods, and certain rural areas.

In California, Assemblywoman Teressa Hughes has introduced a bill that would ban the practice of redlining by all private financial institutions that receive state deposits. In Chicago, Alderman Dick Simpson successfully sponsored a similar resolution, which held that the city tax deposits could not be placed in financial institutions that redlined.

Pressure by Los Angeles County community groups — the Coalition Against Redlining — has forced the state Business and Transportation Agency to draw up fairly strict anti-redlining regulations for state-chartered banks and savings and loans. Representatives of the private financial institutions are trying to water down the regulations, while the community groups are attempting to strengthen them. Detailed information on anti-redlining legislation is published regularly in the newsletter of the National Task Force on Credit Policy. Subscriptions to the newsletter titled "Long Term Notes" are available free by writing Credit Task Force, Center for New Corporate Priorities, 1516 Westwood Blvd., Los Angeles, Ca. 90024.

Material aimed more at community groups engaged in fighting redlining is available from the Movement for Economic Justice (MEJ). They have recently compiled a manual on anti-redlining strategies used by community groups in Indianapolis, Chicago, Milwaukee, and Boston. Write: MEJ, 1609 Connecticut Ave., N.W., Washington, D.C. 20009.

"Redlining: Mortgage Disinvestment in the District of Columbia," is a booklet published by the Institute for Policy Studies, The Institute for Local Self-Reliance, and D.C. PIRG, which documents redlining in the District. The booklet also contains suggested strategies for opposing and reversing redlining. For copies or information contact: Cynthia Washington, IPS, 1901 Q St., N.W., Washington, D.C. 20009.

Vietnam and Amnesty

A resolution calling for U.S. recognition of Viet Nam was unanimously adopted by the City Council of Berkeley, CA. late last year. The Council's statement — supported by 24 religious groups and hundreds of individuals — also calls upon the U.S. to "act now in a spirit of reconciliation to heal the wounds of war."

Another state and local action around the issue of the Viet Nam war was a call for national amnesty by twelve governors and state legislators, including Colorado and Wisconsin. Twenty mayors and city councils also observed National Amnesty Week, among them the cities of Biloxi, Louisville, New York and Madison.

Staff Position Open

The National Conference is presently seeking a person for the position of National Clearinghouse coordinator, to work in our Washington office. Responsibilities will include assembling files of the best alternative bills and ordinances in over 20 different program areas, maintaining an active correspondence on program ideas with state and local officials across the country, responding to requests for information and technical help coming to our office from public officials and others, assisting in the coordination of task forces developing model legislation, and publicizing our model legislation and other bills to public officials and others. Some additional responsibilities would be expected on other projects or activities of the National Conference.

We are looking for an individual with significant experience in either state or local politics or government. Writing skills are important. Salary to be negotiated, but in the $11,000 range. Please send applications and resumes to Barbara Bick, National Conference Center, 1901 Que St., NW, Wash., D.C. 20009.
National Conference Center

The National Conference Center in Washington is set up to assist public officials and others interested in alternative politics and programs in state and local government. Major activities of the National Conference Center include a CLEARING HOUSE OF ALTERNATIVE LEGISLATION, which compiles existing alternative bills, ordinances and proposals as well as new model legislation. Copies of the best bills are available as part of the Center’s publication series. The National Conference Center coordinates TASK FORCES that study and develop new programs and model bills in such areas as public utilities, banking, taxation and women’s issues. Special conferences and work groups are currently studying alternative urban policies and job loss in old industrial regions. In addition, the National Conference Center has a growing list of PUBLICATIONS that explore new public approaches to social and economic problems.

Publications available from the National Office

_Alternative Legislation Series (50 cents each)_

- Senate bill S2631, the National Consumer Cooperative Bank bill. Proposes a bank that will make loans directly to consumer coops.
- Model State Public Utility Commission Act. Includes recommendations in all areas of electric utility regulation: commission structure, procedure, jurisdiction, enforcement, etc. By Lee Webb & Jack Chessen.
- National Community Health Service bill. Model legislation for a community-based, nationally funded health service. By the IPS Community Health Alternatives Project.
- Lifeline Packet. The most innovative “lifeline” electric utility rate structure proposals introduced in various state legislatures.
- Louisiana Automobile Insurance Corporation Act. Model legislation establishing a universal compulsory auto insurance plan, with the state corporation the exclusive underwriter.

_Public Policy Pamphlet Series_


- The Cities’ Wealth: Programs for Community Economic Control in Berkeley, Ca. A report outlining in detail the programs and organizing strategies of the Berkeley Coalition over the seven years of its political work with the Berkeley City Council. Compiled by the Community Ownership Organizing Project. $2.50.
- Public Control of Public Money: Should States and Cities Have Their Own Banks? Analyzes the advantages and disadvantages of state and city-owned banks. Includes descriptions of the state-owned bank of North Dakota, and recently proposed state banks in New York, Washington, Oregon, and California. By Derek Shearer. $1.50.
- The Problem of the Federal Budget. An analysis of present federal budget priorities, by a study group of the Institute for Policy Studies. $3.

Enclosed $________ for publications checked above.

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Alternative Legislation

Tax Compact

Twenty-one states have won a major court victory over big business. The U.S. District Court in New York City has upheld the right of these states to cooperate, through the Multistate Tax Commission, in enforcing their taxes against interstate businesses. The decision means that U.S. Steel and ITT, among other inter-state corporations, will have to submit to joint tax audits. Much of the $6.6 billion in net corporate income taxes paid to states in 1975 came from large interstate corporations. Through joint audits of interstate corporations, state tax administrators expect to collect considerable additional tax revenues. (U.S. Steel Corp., Et al. v Multistate Tax Commission, et al. 72 Civ. 3438-CLB)

Drug Substitution Law

Florida's new drug substitution law is regarded as a trailblazer in consumer legislation. One of 19 states with drug substitution measures, Florida goes further than the others, requiring druggists to offer to fill prescriptions with the least expensive generically equivalent medication. For more information write to Florida Legislature, Legislative Information Division, Tallahassee 32304.

Utility Bill of Rights

The Washington State Utilities and Transportation Commission has adopted rules prohibiting utility companies from collecting deposits from customers who have good credit and requiring interest for customers who must pay deposits. The Consumer Bill of Rights also requires the companies to tell customers they may take complaints to supervisors and establishes hearings procedures for unmet complaints.

Anti-Nuclear Initiatives

Initiative Measure 325 in Washington State would prohibit the construction of nuclear power plants unless Federal limits on operator liability were waived, the "effectiveness of safety systems" are demonstrated, assurances are provided that radioactive wastes and toxic chemicals can be stored "with no reasonable chance" of leakage, and a need can be demonstrated for nuclear projects on a case by case basis. In addition, each project would have to be approved by a two-thirds vote of both houses of the state legislature. Measures to restrict nuclear power development will also be on November ballots in Arizona, Colorado and Oregon.

Talk About Cities

"The Revolution of Declining Expectations" (p. 2)
by Felix Kramer
The politics of the new austerity strategy is incisively examined, with particular attention to New York City.

"Updating Economic Populism" (p. 3)
by David Smith
New legislative responses to the old industrial cities' economic crunch.

"Northeast Cities Conference Set" (p. 6)
by John Alshuler
Public Officials and others from large and small cities to meet Dec. 10-11-12.

"Progressive Politicians and Public Employees" (p. 11)
by Paul Booth
AFSCME representative urges consideration of higher taxes when necessary to retain basic services.
The Revolution of

By Felix Kramer

If the 1960's was the decade when anything seemed possible, then the 1970's, according to a growing number of politicians and social theorists, is the time to acknowledge the failure of our visions and to lower our expectations. "Cutback" is the new watchword of politicians of every persuasion. The strategy's appeal lies in the way it capitalizes on the nation's general anti-political, anti-status-quo mood. The attack on "big government that has tried to do too much" will prove a fraud since public expenditures are hardly the principal source of society's profound economic troubles. As a percentage of the GNP they have changed little since the 1950's.

Austerity cannot be benign. It begins as an attack upon the recently secured rights and powers of the urban poor since its context is a society increasingly incapable of providing sufficient jobs for its people. Our basic infrastructure—the housing, health and education of the workforce, transportation, the use of advanced technology in heavy industry—has year by year fallen further behind the needs of the population. Waste production, broadly inclusive of military expenditures, built-in obsolescence, production and goods that are energy-inefficient, conspicuous consumption, and the massive duplication of services for pyramids of paper-shufflers in all the financial and speculative industries, occupies an ever-growing portion of the workforce.

The profitability of waste production has increasingly blocked investment in production of necessary goods and services. Simultaneously, U.S. corporations and multinationals have moved their traditional low-wage manufacturing plants to other nations. These labor-intensive enterprises traditionally provided jobs in the cities. Consequently unemployment is now a permanent fact of life for many low-skilled and poorly educated Americans. If the national urban crisis can be said to have any one prime cause, it is the lack of useful work for many millions of people.

Federal spending, a growing private service sector, and increasing state and municipal employment did offset some of the impact of the job drain for a number of years, particularly in urban centers. But in the late 1960's, the economy began to falter. Welfare, health and education seemed to be the logical sectors to be raided to prop up the growing non-productive sector of the stagnant economy. Public spending cutbacks were to be the answer for the many hundred-billion dollar "investment shortfall" projected for the coming decades.

Americans take for granted their access to basic public services: police and fire protection, hospitals, schools and libraries. For this reason, austerity took the form of accusation: "It's not that you do not need these services, it's just that you've had a free ride for too long. Sorry, but we need to save our resources for new business investment."

Be armed with information about the latest and best responses, programs and legislation designed to combat strategies of austerity and concentration of economic power. The "Second Annual Public Policy Reader" contains sections on NEIGHBORHOOD GOVERNMENT, CRIMINAL JUSTICE, GOVERNMENT REFORM, EDUCATION, FOOD, LAND AND GROWTH, HEALTH, CONTROLLING CORPORATIONS, ENERGY, ECONOMIC DEVELOPMENT, TAX REFORM, PUBLIC ENTERPRISE, AND POLITICAL ORGANIZATION AND LONG-RANGE PROGRAM. Published by the National Conference. $7.50.
ORDER YOUR COPY NOW.

The austerity regime would be characterized by a general freeze of living standards, and in some cases, a rollback of benefits already secured. Several distinctive strands are developing in the austerity movement; some focus on attacks on trade unions, others on personal habits of middle class consumers. But all have agreed on a first target: the newly unionized municipal labor forces, together, of course, with the clients of urban service institutions.

New York City has become an object lesson for the nation's first massive reduction in social services since the Depression. The city was extremely vulnerable due to its dependence on Federal funding for social programs. A national economy in recession, job losses, and inequitable city-suburb relationships, all contributed to a declining tax base. In addition, a major shift of investment resources out of municipal bonds, beginning in 1972, had rapidly accelerated by 1975.
Declining Expectations

The continued expansion of human services was incompatible with the financial community’s plans for the long-term evolution of the city. New York has changed from a port of entry for immigrants and a center of specialized businesses and small scale production. It has become the center of an unparalleled network of services and personal connections facilitating business, investment and trade throughout the world.

Business leaders and newspaper editorialists also determined that the city’s vital new municipal unions had gained an unacceptable political leverage over elected officials. As a result of a year of turmoil in 1975, New York City unions have been considerably weakened and to keep their losses at a minimum, they have been forced to become equal partners with the major banks in ownership of the city’s debt.

New York is merely the first of the urban supplicants for state and federal aid. But no more funds are forthcoming from any level of government. All the money is budgeted for debt service and continued cost—plus profits to avert bankruptcies in the economy’s non-productive sectors.

The austerity campaign has already transformed the framework for local electoral politics. As social programs increase in cost, the burden of producing all the goods and services to support a society of young and old, of unemployed and unemployable, falls upon the declining portion of the population that works, and the even smaller percentage of workers that is truly productively employed. Every pension benefit, every built-in inflation escalator clause, in fact every collective bargaining agreement or Social Security benefit, promised in perpetuity, thus becomes a potential time bomb.

Spending programs, such as the extension of unemployment benefits to municipal and state employees, easily enacted and funded in earlier years, have become harder to deliver in the recession-plagued 1970’s. In the new political landscape, interest groups plead with the elected officials, not for new concessions or pro-

Continued on page 7

Updating Economic Populism

By David Smith

Not many years ago when one talked of the Bank of North Dakota or the TVA it was to reminisce about a time that once—or perhaps more accurately—never quite was. Those two institutions were reminders of a populism and democratic politics which died with the economic recovery prompted by World War II. The ideas of peoples banks and public ownership were replaced—permanently it seemed—by an admixture of public assistance programs for the poor and federal bailouts designed to prop up the Fortune five hundred. Government was asked only to use its Keynesian bag of tricks to smooth out bumps in the business cycle, while providing enough benefits to the unemployed to insure their quiescence.

Today that is changing. Elected officials in at least eight states have or are prepared to file legislation establishing state-owned banks. Congressman Harrington and Congresswoman Abzug have drafted pieces of federal legislation which would establish publicly-owned regional development banks. The state of Vermont actively assisted the purchase by workers of an asbestos plant slated for closure by its multi-national conglomerate owner. Massachusetts has passed legislation establishing a publicly-owned venture capital corporation aimed at financing ventures owned by community development corporations. Led by Michigan, Colorado, Pennsylvania, and Massachusetts, state banking and insurance commissioners are moving beyond traditional safety and soundness concerns to ask what is the public stake in the investment policies of those institutions. In Hartford, Madison, Oakland and Buffalo local officials and community groups are engaged in a variety of experiments involving local ownership and/or the creation of new public capital instruments. The list could go on. From this perspective at

Continued on page 5
Corporate Disclosure

Alaska has recently enacted legislation which requires corporate disclosure of ownership interests. The act requires corporations doing business within the state, domestic or foreign, publicly or closely or closely held, to report annually the names and addresses of persons who own 5% or more of the corporation's common or preferred stock. In addition to the names, the corporations must disclose the number and percentage of shares held. By filing this information with the State's annual report, the information is made public.

Corporal Punishment In Schools

The Supreme Court decision upholding the North Carolina statute permitting teachers to hit children over the objection of their parents has stirred interest in the subject of corporal punishment as a teaching tool.

Efforts to limit or abolish the use of straps, paddles, canes, whips, belts and rulers by teachers upon children will have to proceed on the local level until a majority of communities are free of this albatross. Only then will the Supreme Court reverse itself and rule that children as well as prisoners and the insane are to be granted sanctity of their persons against institutional assault. At the present time 48 states permit corporal punishment and some of these do not permit local option. In the largest cities corporal punishment has been abolished for the most part but it is still rampant in others.

In California progress has been made in three steps. First a concurrent resolution requested the Department of Education to make a survey to ascertain the facts. Second, a law to protect the handicapped was introduced and passed after being amended to require parental permission. Third, a bill requiring parental approval on file in the school before corporal punishment could be administered was passed and went into effect Jan. 1, 1976.

Many districts mandated total abolition rather than bother with requesting written approval of all parents.

A model law, based on the New Jersey statute is recommended by the National Education Association. Further information and data may be secured from the committee to End Violence Against the Next Generation, 977 Keeler Ave., Berkeley, Ca. (415) 527-0454.

Tenant-Landlord Relations Commission

The Citywide Housing Coalition of New Orleans has proposed an amendment to the city charter which would establish a 5-member Tenant-Landlord Relations Commission. The amendment provides renters protection against retaliatory eviction, establishes a procedure for the conciliation of grievances and outlines a formula for rent regulation.

Although more than the required 10,000 signatures had been collected, the New Orleans City Council declared the amendment unconstitutional and did not place the initiative measure on the November ballot. A court decision is pending. For further information contact: Jo Ann Canaday at the Citywide Housing Coalition, 808 N. Robertson St., New Orleans, La. 70116.

Living in the Cities

The rights of cities to require that municipal employees live within a city's boundaries has been upheld in a recent ruling of the U.S. Supreme Court. Local residency ordinances have been a controversial issue in many parts of the country.

In New York City, a residency law requiring city employees to live within the five boroughs was repealed in 1962. A bill is pending in the State Legislature to restore the requirement for new employees.

Direct Marketing

One way to cut the high cost of food is to eliminate the middleman: market food direct from the farmer to the consumer.

In a few areas around the country, public officials are championing programs that do just that.

In California, the state Department of Consumer Affairs has initiated a toll free statewide number that informs callers where there are surplus fruits and vegetables which farmers are willing to sell cheaply or let city folks pick themselves. According to Ruth Yannata, assistant to the director of the Consumer Affairs Department, the program has been a success since its beginning this summer. Participating farmers have quickly sold out their surplus products and city dwellers from both southern and northern California have enjoyed a ride in the country and bargain shopping.

Also in the west, in Honolulu, the city's mayor has sponsored a weekly series of farmers' markets for low-income city residents. More than 25,000 Honoluluans shop at 21 scheduled locations of "People's Open Markets," as they are officially designated, at substantial savings from supermarket prices.

The city invites farmers and other vendors to sell their fruit, vegetables and certain other foods—frozen meats, packaged products such as seafood—directly to the consumer bypassing the wholesaler or retail store. It supervises the vendors, provides the open air marketplace in 21 poverty neighborhoods, usually at a parking lot by a city park or recreation center. Vendors are required to sell below the price at which wholesalers sell to retailers, as established by the State Department of Agriculture.

A detailed report on the innovative program can be found in the Wall Street Journal, July 26, 1976, in a front page article by Herbert G. Lawson. For additional information, write: Mayor Frank Fasi, City Hall, Honolulu, Oahu, Hawaii.

Information on the California program is available from: Office of the Director, State Department of Consumer Affairs, Sacramento, CA. 95814.

Workers Rising in South Bend

Last month, the Wall Street Journal informed its readers: "The workers take over a factory, and the government backs them to the hill.

Moscow, 1917. No, South Bend, 1975."

What happened is: on June 6, 1975, Wilmer D. (Vinegar Bend) Mizell, a former major league baseball pitcher then serving as assistant Secretary of Commerce for economic development, delivered $5 million in public funds to the city of South Bend, Indiana as part of a joint federal-city effort to help the employees of the South Bend Lathe Company purchase the plant in which they work.

The operation was conducted by the Economic Development Administration of the Department of Commerce, utilizing a device called the Employee Stock Ownership Plan (ESOP), first proposed by San Francisco lawyer Louis Kelso. EDA's activity in South Bend is a case example of the potential for a federal agency
least, it seems certain that economic issues and ques-
tions of public control over capital will be a major part
of an alternative politics agenda for some time to come.

While it is exciting to report on the enormous amount
of activity, and even more exciting to note the progress
of some major initiatives, one is quickly sobered by an
attempt to understand the extent of the economic break-
down which has forced us to explore these new arrange-
ments.

There is no need here to recount the shift in economic
and political power which has crippled many of our
older industrial cities. (Excellent papers from the Na-
tional Journal and Congressman Harrington's office
are available through the Conference office in Wash-
ington.) However, it is useful to remind ourselves that ef-
fective unemployment rates of well over 10% have been
the norm in center city communities since the begin-
ing of this decade. Buffalo, Detroit, Philadelphia,
and Boston (to pick only a few examples) are peri-
lously close to the no-win choice of bankruptcy or con-
fiscatory property tax rates. While the most exciting
alternatives are being generated at the state and local
levels, the legal and resource constraints facing those
governments severely limit their options. This again
highlights the centrality of federal expenditure and tax
policies. And while the economic and human conse-
quences of urban disinvestment and large scale re-
gional capital shifts are clear, it is not clear that we have
yet understood the requirements of a responsive al-
ternative politics.

At our first annual conference in Madison there
were no elected officials from major urban areas.
One year later in Austin a caucus of elected offi-
cials from little cities with big universities would
have overwhelmed one called by elected officials
from big cities with lots of poor people. If it comes as
no surprise that people of color and those who
represent constituencies of working class ethnic
have not found the Conference a comfortable
political environment; it should, nonetheless, be a
cause of substantial concern. Serious alternative
politics designed to respond to the economic prob-
lems of our major cities must be built upon the
specific realities of those cities, just as were the no
growth anti-development politics of Austin's and
Santa Barbara's insurgents. City people and others
in the Northern industrial tier must create their own
politics of redevelopment. Such a politics might
well mean a transfer of wealth from the Sun-belt to
the Northeast and North Central states, just as
successful community pressure on local banks or
savings and loans to end redlining can mean less
capital in Evanston or Newton's housing market.

It is still premature to assert that there is a clear
conflict between the re-birth of the Northeast and
the continued growth of the rest of the country.
Nonetheless, it is clear that for the Conference to
succeed, and for the initiatives described earlier to
have real impact we must turn our attention to the
hard questions of forging a coalition which reaches
from Madison to Milwaukee and Boston to
Williamstown.

Elsewhere in this newsletter John Alschuler
describes plans for a Conference sponsored
meeting focusing on the problems of older cities,
which can be a serious first step in this direction. A
substantial portion of time will be spent on nuts and
bolts issues related to program initiatives at the
local level while the final day will address questions
of federal policy. The recommendations and ini-	vatives which will emerge from these discussions
may well identify sharp regional and urban/sub-
urban conflicts. However, our challenge is to find
approaches and programs that can win support
from all sections of the country and that will lead to
more evenly filled caucus rooms at our third annual
conference next summer.

Professor David Smith teaches at the College of Pub-
lic and Community Service at the University of
Massachusetts in Boston, and is a consultant to the
Massachusetts Task Force on Capital Formation for
Economic Development.
Northeast Cities Conference

By John Alshuler

On December 10, 11, and 12, state and local public officials, public employees and political activists from large and small cities of the Northeast will gather in Hartford, Connecticut to discuss structural reasons for the decline of older urban centers and to review specific policy alternatives which attempt to address the problem. The program will be based upon three broad themes: 1) the role of state and local government in the public control of public wealth and development 2) the ability of cities to provide social services; and 3) the impact of the federal government on the economy of the region and its cities. Sponsored by the National Conference, and hosted by the Hartford City Institute, the agenda is designed to assist state and local public officials to develop and implement programs which transcend the welfare state's response to urban decay.

The pervasive collapse of the cities of the Northeast has become an accepted part of the political lexicon while the dismal statistics continue unabated:

- Between 1969-1973, Buffalo, Cleveland, Pittsburgh and St. Louis lost more than 20% of their population
- Between 1970-1973 national employment expanded 17% while Boston, Cleveland, Philadelphia lost 100,000 jobs; three quarters in manufacturing.

Different numbers with the same message describe cities from Detroit to Troy to New Bedford. At the same time, the Sunbelt cities continue their post-war development. Fueled by defense contracts, high technology industry, and oil and agribusiness, the growth of Houston, Phoenix, etc produce a very different statistical picture.

This disparity is imbedded in the structural characteristics of the Northeast economy: high energy costs, out-moded or decayed capital stock, capital shortages and misallocation, and labor costs among others. An alternative public policy agenda must develop programs which address these underlying causes without dividing city against suburb, or exacerbating racial and class conflicts.

In Buffalo, Boston, Hartford, Washington, and other large and small cities public officials are proposing and implementing alternative approaches to the provision of public services. Hartford's district and team police reorganization is divergent from Buffalo's neighborhood government initiatives: the Massachusetts Lifeline Bill differs from Connecticut's Public Utility Control Authority. But all these proposals share two premises. First, they are based on a common belief that State and local governments have an obligation to utilize the courts, the legislative

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Alternative Legislation Briefs Continued...

Model Health Legislation

The Conference Clearinghouse has published model legislation for a community-based, publicly-funded health service. This bill incorporates many of the best ideas developed by health activists over the last decade in the areas of expanded health rights, community and worker control of health facilities, health worker education, and health care financing. Prepared as part of a project at the Institute for Policy Studies which examined national systems of health care, the legislation can be adapted for use at the state and local level. The bill is available from the National Conference; see back page for order sheet.

Truth In Selling

Austin Mayor Jeff Friedman is sponsoring a proposal which would provide the City with the total net selling price of each piece of real property involved in any change of ownership. Such disclosure would enable the Tax Department to internally check its own estimates and guarantee all citizens the most current, accurate and fair evaluation of their property.

In addition to assuring that all real estate transactions are

"Public Control of Public Money" by Derek Shearer, discusses the question: Should states and cities have their own banks? This 30 page monograph has the information you need to keep abreast on this widely discussed issue. The first chapter "Little Bank on the Prairie" relates the history and present circumstances of the Bank of North Dakota, only bank in the U.S. completely owned by a state government. Other chapters recount the objectives of a public bank and review the structure, operation, financing and politics of a public bank. Also included are a bibliography, status of public bank legislation, and model state bank bills.

Published by the National Conference. $1.50.

reported to the Tax Department at the actual sales price. Mayor Friedman has asked that an ordinance be drawn up to require that sellers of real property provide land-use affidavits to the buyers of that property which would contain the current zoning status and classification of the property being sold as well as other important information.
The Revolution of Declining Expectations Continued . . .

grams, but for fewer cuts than the average overall reduction.

In the present crunch, municipal liberal politicians are paralyzed. The concessions cities make to retain industry and to attract investors constitute blatant windfalls to private interests. Their commitments require them to go along with cutbacks that can lead only to a further undermining of the city's future viability. Even such a self-evident step as redefining investment policies of banking institutions to force productive investment appears unthinkable. The campaign for austerity is still in its formative stages. New York City is a major testing ground for the new experiment: to persuade an entire population that it has no choice but to cooperate in its own destruction.

Austerity is a public admission of failure. The basic economic decisions made in a society concern what is produced. This question can be addressed by those with an alternative vision. They can dare people to hope for something better than cynicism and acquiescence. A new democratic politics is not built just around resistance to cutbacks and defenses of big spending. It is built by energizing people to collectively examine, reorganize, and rebuild their society, and to organize to use their labor power to meet human needs.

Felix Kramer is a writer on social and political issues. He lives in New York City.
Notes to Note

People’s Business School

“A decentralized and democratically controlled economy—participatory and responsive to individual and community needs: this is a vision more and more Americans are coming to share,” writes David Olson in his prospectus for a People’s Business School. However, such an economy will not run itself.

The prospectus outlines the content and structure of a training program for democratically organized enterprises involved in making this vision real: cooperatives, community development corporations, worker-owned companies, and public enterprises.

Olson, a fellow of the Foundation for National Progress, has been working with economist Richard Parker, and Derek Shearer and Lee Webb of the National Conference, to develop and cost out the concept of a People’s Business School. He has completed a 25-page feasibility study and would like critical comments from public officials, community activists and other people interested in the idea. For a copy of the prospectus, write: David Olson, Foundation for National Progress, 607 Market St., San Francisco, CA. 94105.

Madison CDC Conference

A conference on community-based economic development corporations was sponsored this past summer by Madison Mayor Paul Soglin. People from throughout Wisconsin traded ideas with representatives from the city’s social agencies and departments and with the business community. Madison is presently considering a proposal, submitted to the Common Council by Soglin, which calls for the city to form and operate an economic development corporation. The purpose of the conference was to generate broad community discussion. Speakers included Daniel Boyle, Director of the Milwaukee Housing Development Corporation and Dileep Rao, from the Impact 7 Turtle Lake CDC. Randy Barber, from the People’s Bicentennial Commission, took up issues of consumer and worker control through self-management of CDC-established business ventures. David Smith, from the College of Public and Community Service in Boston, discussed possible CDC alternatives, such as Development Finance Corporation—which would be concerned with supplying capital (both debt and equity); a Housing Development Corporation; and a third entity which would be a non-profit corporation, financed with block grant monies.

This third type of CDC would (1) provide technical assistance and money to community groups, coops, and others for planning of development projects, (2) act as a formal advisor to the Mayor and the Council with respect to economic impact analyses, and (3) conduct annual neighborhood hearings to gather input for budget analyses and other aspects of the city’s development strategy. The board of such a corporation should be broadly representative and include labor, community organizations, the business community and the city administration.

Smith suggested that it was often advisable to create a number of separate entities designed for specific functions. However, in such cases some sort of cabinet-like body should be set up to oversee the entire development strategy, insure program coordination, and plan for a comprehensive economic strategy.

Fourth ANG Conference

The theme of the fourth National Alliance for Neighborhood Government conference will be “Neighborhoods ’76: Problems, Policy and Power.” It will be sponsored by the Williamsburg-Greenpoint and Northside Neighborhoods of Brooklyn, N.Y., and is set for the weekend of October 15-17. The community groups hosting the conference are: The Ethnic Neighborhood Action Center, the National Congress of Neighborhood Women, and the Pratt Center for Community and Environmental Development.

Brooklyn neighborhood organizations will provide housing and meals. They need to know in advance how many people to plan for so call ANC today (202) 234-9382 in order to register.

Community Zoning Board Manual

Dick Simpson, the Independent Alderman from Chicago’s 44th Ward, has compiled a Community Zoning Board manual which is available to groups interested in issues of local control of municipal development. It includes the full text of Alderman Simpson’s proposed legislation to establish a Community Zoning Board in every ward, a description of the operation of the 44th ward CZB and five examples of citizen participation in zoning cases. The manual can be purchased for $3 from 44th Ward Services Offices, 1045 W. Belmont, Chicago 60657.

Spaghetti Socialism

For over two decades, the Communist Party has governed the Italian city of Bologna. The buses are free, old people get a two-week paid vacation, and the Communist administration polishes the cathedral. What are the lessons and meaning of Bologna? Journalist Andrew Kopkind enlightens American readers in his report on Bologna’s government titled “Model City,” in the summer issue of the journal Working Papers.

The issue, which also includes articles on the Lifeline movement and on counterculture agriculture, and reports on Sheriff Hongisto of San Francisco and on the new budget process in Congress, is available for $2.50 by writing: Working Papers, 123 Mt. Auburn St., Cambridge, Mass. 02138. A year’s subscription costs $10.

Revenue Strategies

A study of the current tax situation and potential tax revenues available to the District of Columbia has been compiled for Councilman Marion Barry, chairman of the District’s Committee on Finance and Revenue. Standard options such as property, sales, income, and inheritance taxes are discussed. A tax on alcohol, cigarettes and motor vehicles, and user charges for sewer and water are included.

Revenue policies to build the tax base are summarized, including gambling, residency requirements for District employees, and residency requirements for bidders on city contracts. Metropolitan area revenue strategies are analyzed as a way of reconciling the balance within the metropolitan area.

Titled “Revenue Strategies for the District of Columbia: Potential Initiative Action by the City Council’s Committee on Finance and Revenue,” the study was prepared by Ed Meyers, staff Director for Councilman Barry. Meyers devotes a section to social purpose taxes such as the capital gains tax on real estate speculation which has been proposed to the D.C. City Council, a tax on throw away bottles, and excess utility consumption.

The District of Columbia has the taxing powers of a state as well as the tax problems of an urban city in a large metropolitan area. Many of the proposals discussed in this study are applicable to state legislative action.

Copies are available from the National Conference (see publications list).
Capital Conference
A conference on the Public Use of Capital, co-sponsored by the National Conference and Colorado State Treasurer Sam Brown will be held the weekend of October 22-24 in Denver. There will be two major areas of concern: Reforming the System and Alternative Institutions. The last day will be a discussion of political strategies.

The conference will be a detailed, technical discussion of the projects in which people are involved at various levels in and out of government, the problems and successes they encounter, and the areas in which they could use more support.

The discussion revolving around the use of current financial institutions will include federal initiatives, state initiatives and community pressures. The sessions on alternative financial institutions will look at such federal devices as the National Consumer Co-op Bank, a National Bank for Community Development and a National Development Corporation. Special purpose banks will also be reviewed, such as state banks, community banks and corporations, women's banks, community development corporations, and so forth.

For further information on the conference contact John Maclay, c/o State Treasurer's Office, State Capitol, Denver 80203; (303) 892-2441.

New “Job Creation” Study
A study describing the successful development of special anti-recession work projects in various New England communities was recently prepared for the Congressional Joint Economic Committee. Entitled “Job Creation: The Project Approach in New England,” it describes the legislative history of public employment programs from the early 1960's through the enactment of the Comprehensive Employment and Training Act of 1973 (CETA), and subsequent amendments. The study discusses the difficulties of operating a CETA program during a period of national recession and severe local budget stringency. It also describes CETA programs in several communities where teams of CETA public service employees have been put to work on special community projects, including most importantly, housing rehabilitation.

Often CETA employment funds have been combined with Community Development Revenue Sharing funds to provide equipment and supplies. In each case the program has been judged a success both by the participants and by the local community.

Copies of the study prepared by William Sprung, are available on request from the Committee offices.

A.C.I.R.
The Advisory Commission on Intergovernmental Relations is a national commission composed of Federal, state and local officials, established by Congress to monitor the American federal system and make recommendations for improvement.

A revised and updated edition of the A.C.I.R. State Legislative Program is available to state officials and representatives of public interest groups. It is composed of 112 model bills designed to strengthen the intergovernmental system through such means as:

— restructuring and modernizing the executive, legislative and judicial branches of state government;
— encouraging an equitable state and local tax system;
— making cities fiscally sound;
— outlining a system of Federal grants-in-aid to state and local government.

For further information contact Lynn Ferrell, 726 Jackson Pl. N.W., Washington, D.C. 20575/ (202) 382-2114.

Send for Your Copy Now

Report of the Second Annual Conference on Alternative State and Local Public Policies, held in Austin, Texas, June 10-13, 1976. The Report contains highlights and summaries of some 30 wide-ranging workshops in which over 450 elected and appointed state and local public officials, labor and community organizers, political activists, and planners share programs, experiences, and strategies for change. Price: $2.50 each

Send for Your Copy Now
Terrorist Murder

On September 21 Ronni Karpen Moffitt and Orlando Letelier, associates of the Institute for Policy Study, were assassinated in Washington D.C. by a bomb which demolished the car in which they were driving to work. Letelier was the former Minister of Foreign Affairs of Chile in the government of Salvador Allende and was currently Director of the Trans National Institute, a project of IPS. Ronni Moffitt, a staff member of IPS, worked for a number of months following the Madison conference, for the National Conference on Alternative State and Local Public Policies. Michael, her husband of four months and a co-worker of Letelier's was also in the automobile but escaped serious injury.

Ronni, aged 25, was a beautiful and creative person. She was especially enthusiastic about the work and future of the Conference. Ever after she left the project she continued to provide ideas, resources and support to the rest of us.

Members of the D.C. City Council immediately responded to the assassination. Councilmembers Nadine Winter, John Wilson, Dave Clarke and Marion Barry, among others, introduced a resolution to condemn terrorist activities. It said, in part:

WHEREAS, On September 21 at 9:35 a.m., Orlando Letelier Ex-Chilean Ambassador, and Ronni Karpen Moffitt of the Institute for Policy Studies were killed by a bomb placed in Mr. Letelier’s car.

WHEREAS, the bombing has the earmarks of a terrorist attack. The highly directional bomb used, the specific target both make the conclusion inescapable that this was a terrorist attack, similar to those which have become the tragic pattern of events in other nations.

WHEREAS, there is an important need for a strong public statement to repudiate that their methods will not be tolerated in the District of Columbia.

NOW, THEREFORE, BE IT RESOLVED, that the Council hereby directs law enforcement officials in the District of Columbia to extend the utmost effort to bring to justice the person or persons responsible for this act as a top priority to insure that terrorism will not be condoned in this city.

Alternative Legislation Clearinghouse

New addition to the National Conference staff

Ann Wise, who was hired in August as the National Clearinghouse Coordinator, has been assembling files of the best alternative bills and ordinances in over 20 program areas and responding to requests for information and technical help.

The publications in the Alternative Legislation Series have been expanded to include: a study of potential tax revenue sources for cities; a compendium of municipal and state power authority bills; the South Dakota Homestead bill; a citizen bill of rights relating to law enforcement intelligence information; a model bill to establish centers for Displaced Homemakers; legislation providing for financial disclosure by banks; analysis of the Vermont and the District of Columbia bill on land and real estate speculation; and a compendium of nuclear safeguards bills. These can be ordered using the form on the last page of this newsletter.

Your input would be a very valuable resource to expand the scope and depth of the materials in the national clearinghouse. Please send information on innovative legislation, ordinances and programs or requests for information to Ann Wise, National Conference, 1901 Que St., NW, Washington, D.C. 20009.

Alternative Legislation Briefs Continued...

Co-Op Housing Bill

The Alaska State Legislature has recently enacted legislation which authorizes the State's Commissioner of Revenue to invest State funds into tenant controlled housing co-ops, making direct mortgages for up to 95% of the value of the property. The legislation, lobbied for by the Alaska Public Interest Research Group, will result in the financing of demonstration projects by next winter. Should the co-ops prove to be a marketable way to provide reasonably priced housing to Alaska's low income persons, the State will continue much broader commitments in the co-op housing field, which would be authorized by the present legislation.

For more information, contact the Alaska PIRG Lobby, Box 1093, Anchorage, Alaska, 99510, or write the State's Legislative Affairs Agency.

Neighborhood Census

Congresswoman Pat Schroeder has introduced federal legislation to enable neighborhood organizations whose boundaries are legally recognized by municipal governments to receive, free of charge from the U.S. Census Bureau, population census statistics which relate to their neighborhood boundaries. Currently, there are 43 municipalities which legally recognize neighborhood boundaries. These will all benefit from the Schroeder legislation. The bill can be used as a model by neighborhood organizations and city-wide coalitions interested in developing neighborhood information legislation.

Notes to Note Continued...

Tax Reform Meeting Planned

A Local Tax Reform conference is currently being planned for early January 1977, to be co-sponsored by the National Conference and various tax reform groups. The initial title of the conference is "Where the Money Is: New Directions in State and Local Tax Reform." Suggested panels and workshops include Property Tax Assessment Research, State Taxation of Land Speculation, Cash Management for Cities and Counties, Sharing the Urban Property Tax Base and Multi-State Auditing of Large Corporations. Participants interested in local property taxes, income taxes, tax administration, cash flow management, and non-tax sources of revenues will find workshops geared to their special needs.

For information about the conference, write to Jon Rowe, c/o National Conference Center, 1901 Q St. NW, D.C. 20009.
Progressive Politicians and Public Employees

By Paul Booth

The fiscal crisis affecting local Government — most acutely in the Northeast but tangibly throughout the country — creates an inhospitable environment for the kind of progressive experimentation that the Conference on Alternative Public Policies has made its hallmark. Public employees are on the front lines of the battle to save public services. They are looking around to see which of their reputed allies are responding in the crisis.

A nation which “can’t afford” garbage removal in Cleveland, hospitals in New York, police protection in Detroit — may be able to “afford” noble experiments with utilities and housing finance in Colorado or California. But the same forces which have mobilized so effectively to do great harm to the school and hospital systems, the basic municipal services, the parks and the university of New York are also gearing up against progressive economic experiments elsewhere. In Massachusetts, a great war chest has been assembled by business to defeat the rate structure and graduated income tax referendums. Elsewhere the Business Community is using the same scare tactics about job loss that were turned against New York’s taxes and applying them to nuclear plant safety, to extension of workmen’s comp coverage, to anti-redlining measures and to land-use planning.

It is tempting for progressive politicians to try to avoid head-on confrontation on the issue of the urban crisis and it is often easy to find some radical logic to change the subject. Several were suggested by Councilwoman Loni Hancock in an earlier issue of this newsletter — e.g. she always votes against higher property taxes because they would drive away the poor. This sounds so like the Chamber of Commerce position on local taxes — except that they feel victimized — that one wonders what the real facts are. To the extent that it is just a tax on housing, as Ms. Hancock alleges, she is right. But of course it isn’t. It is also a tax on a class of capital assets. Furthermore — and this is the key point — it is the means of support for schools and basic municipal services in which cutbacks decidedly impact most severely on the most needy.

The most significant arena for cooperation between progressive politicians and public employees is the struggle to achieve adequate funding for basic public services. To this end the politicians who have politics have to show that they are willing to go for higher taxes when necessary. They can continue to advocate, as the public employees have, that greater reliance be placed on progressive taxes and that the defense budget be cut. But they must be prepared to go at least a little farther than the strictly opportunist politicians who have misappropriated the name “New Politics” for their fiscal conservatism.

There are other concerns that ought to be mutual — the contracting out of public works, intergovernmental relations in the federal system, formulas by which federal grant programs redistribute federal taxes, the Hatch Act, personnel administration, etc. But the immediate issue crisis is the war against public services and public employees in the older cities of the northeast.

Paul Booth is International Representative for the American Federation of State, County, and Municipal Employees Union in Illinois
Alternative Legislation Series ($1 each)

- Nuclear Safeguards Packet. A compendium of nuclear safeguards/moratorium initiative measures from seven states.


- Displaced Homemakers. Bill to establish multipurpose centers to provide counseling, training, skills and referral services to displaced homemakers.

- Citizen Bill of Rights relating to law enforcement intelligence information.

- South Dakota Homestead bill. Model legislation for establishment of a homestead lands commission designed to strengthen family farm system of agriculture.

- A compendium of public power authority bills. Summary and analysis by Lee Webb.


- Senate bill S2631, the National Consumer Cooperative Bank bill. Proposes a bank that will make loans directly to consumer coops.

- Model State Public Utility Commission Act. Includes recommendations in all areas of electric utility regulation: commission structure, procedure, jurisdiction, enforcement, etc. By Lee Webb & Jack Chesson.


- National Community Health Service bill. Model legislation for a community-based, nationally funded health service. By the IPS Community Health Alternatives Project.

- Lifeline Packet. The most innovative “lifeline” electric utility rate structure proposals introduced in various state legislatures.

- Louisiana Automobile Insurance Corporation Act. Model legislation establishing a universal, compulsory auto insurance plan, with the state corporation the exclusive underwriter.

Public Policy Pamphlet Series


- Legislative Handbook on Women’s Issues, by Kathy Rhodes. A collection of legislation on economic issues affecting women, including the best, most innovative proposals, and a detailed bibliography. Price: $2.50; $5 to institutions.

- The Cities’ Wealth: Programs for Community Economic Control in Berkeley, California, compiled by the Community Ownership Organizing Project. This report outlines in detail the programs and organizing strategies of the Berkeley Coalition over the seven years of its political work with the Berkeley City Council. Price: $2.50; $5 to institutions.

- The Austin Conference Report. Proceedings of the Second Annual Conference on Alternative State and Public Policies. Contains summaries and highlights of the conference which was attended by elected and appointive progressive public officials from around the country. Price: $2.50; $5 to institutions.

- Public Control of Public Money: Should States and Cities Have Their Own Banks?, by Derek Shearer. Analyzes the advantages and disadvantages of state and city-owned banks. Includes descriptions of the state-owned Bank of North Dakota, and recently proposed state banks in New York, Washington, Oregon, and California. Price: $5.00 - $3 to institutions.


- “Revenue Strategies for D.C.: Potential Initiative Actions.” A study of potential tax revenue sources for cities. $1.50, $3 to institutions.

Enclosed $________ for publications checked above.

Enclosed $5.00 subscription (4 issues) to Conference newsletter.

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Alternative Legislation

Anti-Tax Abatement Campaign

Community opposition to the Cleveland City Council’s plan to give large tax abatements to inner city developers, was given an important boost by one of the National Conference’s chief “organizers”, Professor David Smith from the College of Public and Community Service in Boston. Smith was called upon by the Ohio Public Interest Campaign, to present testimony on alternatives to the proposed abatements, before the Cleveland City Finance Committee.

After nearly an hour of detailed testimony by Professor Smith, City Council President George Forbes (who is a co-sponsor of the abatement ordnance) stated that he was moved by the testimony and wanted additional information about such alternatives. Vote on the ordinance was then delayed for two weeks so that the opposing groups would be able to present amendments.

Family Farm Act

The Minnesota Family Farm Security Act (H.F. 1984-Chapter 210) will provide financial assistance for eligible young farmers to purchase land. Under provisions of the act, the State will guarantee 90% of the loan for the purchase of the land.

Beginning farmers accepted into the program may receive 4% interest payments from the State for 10 to 20 years. The participant must repay the interest payments in the 11th or 21st years. If the land purchased under the program is sold early, a special capital gains tax will be levied on the profits. To provide against abuses, participants must actively farm the property and submit an annual net worth statement to the Commissioner of Agriculture.

West Virginia Trip

The Transportation Remuneration Incentive Program (TRIP) is an innovative transit development system proposed for the state of West Virginia. It has the two-fold purpose of subsidizing the cost of transportation for the low-income elderly and handicapped, while providing incentives to the transit industry for resurgence and growth of public transportation, particularly in small urban and rural areas. Subsidies take the form of discounted coupons similar to those sold by the Federal Food Stamp Program. Full-fare tickets are sold at a discount, on the basis of income, to increase the ability of participants to purchase needed transportation.

Candidates and Campaigns

Fear and Money on the Campaign Trail (p. 4)

by Bob Schaeffer

What happened to the ballot initiatives in Massachusetts . . .

Election Day in California (p. 3)

by Dick Flacks

Non-voters are seen as crucial for success of the programatic left . . .

This Elected Clerk Speaks to the Issues (p. 6)

by Kandra Hahn

What’s in the Courthouse for alternative politics? A Nebraska District Court Clerk urges candidates to seek administrative office.

Stirring Things Up as an Elected Official (p. 5)

by Judy Stevens

Chicago Alderman Dick Simpson creates local democratic structures in Daley’s kingdom.

Women in the November Elections (p. 9)

by Jose Anderson

Continued on page 2
Incentive measures to encourage the private sector to develop permanent public transit routes in those areas of greatest need, include capital grants for a fleet of mini-buses. Once the fiscal feasibility of carrying passengers in transit-starved areas is documented, TRIP funded projects will move on to other areas of need. Presumably, common carriers will then expand their own routes into the project territory. Project funds will also be available on a matching basis to test the effect of equipment modification, such as slower steps and wider doors, to accommodate the aged and handicapped.

This project is funded by several sources, including federal agencies and state and local governments.

(For more information contact: TRIP, West Virginia Dept. of Welfare, Charleston, W. VA.)

State Insurance Company

In response to the medical malpractice insurance crisis, the 1976 Alaska legislature has created a state insurance company, the Medical Indemnity Corporation of Alaska. Proposed insurance premium rates will average $5,000 a year for the state's more than 350 doctors. Information available from State Insurance Director Richard Block.

State Energy Conservation Program

The Governor's Energy Council in Pennsylvania has published a pamphlet containing its policy recommendations for a comprehensive energy conservation program. The recommendations go far beyond the mandatory requirements of the federal government's state grants program and are premised on the belief that conservation is a key ingredient in state energy policy. Copies are available from the Council, 905 Payne-Shoemaker Building, Harrisburg, PA. 17120.

Local Energy Alternatives

LEAP—Local Energy Action Program—is a project designed by the Center for Science in the Public Interest to encourage communities to develop greater capability to solve energy problems, primarily through indigenous resources and their own ingenuity.

Many communities are already experimenting with locally-initiated solutions to the energy crisis. In Pratt, KS feedlot wastes, crop residues, and solid wastes are converted into methane which fuels an electric power plant. The town of Bridgeport, TX is raising money to build a solar electricity plant that will supply all of the community's power by the end of 1978.

A Survey of Local Energy Development Programs (45c) lists over 100 towns that have undertaken community energy plans. They include conservation strategies as well as development of solar, wind, solid waste, geothermal, methane and other renewable resources. LEAP has also published summaries of the Energy Policy & Conservation Act of 1975 and the Energy Conservation & Production Act of 1976 [EPJCA/EC/CPA Summaries, 50c]. This legislation provides regulatory guides and funds for local and state development plans over the next several years.

For further information on LEAP or to order resource materials contact: LEAP, c/o Alan Okagaki or Ken Bossong, CSPI Energy Project, 1757 St., N.W., Wash. D.C. 20009.

Intelligence Gathering Curbs

Recent disclosures about the CIA and the FBI demonstrate the need for curbs and guidelines on the nation's law enforcement agencies. This is especially true in relation to their efforts to collect information on U.S. citizens. Many states have passed laws which regulate the use of com-

Election Day
In California

By Dick Flacks

Election returns in California offered a mixed bag to progressives. In local races, left oriented candidates and coalitions generally held their own, and several new progressives were elected to the state legislature. The most depressing defeat was suffered by the campaign for Proposition 14—the measure that would have guaranteed funding to the newly created Farm Labor Relations Board.

A conservative trend was notable in other statewide results as well. Several major bond issues—including those for low income housing and low-cost loans for home solar energy installations—were defeated. S.I. Hayakawa defeated incumbent Senator John Tunney while Carter defeated Ford. Hayakawa's victory was something of a surprise: during the campaign he appeared ludicrous and plausibly senile—for instance, claiming on more than one occasion that wartime internment did Japanese Americans more good than harm; advocating an end to the minimum wage for young people; favoring U.S. military occupation of Africa.

Some reports in the Eastern press have attributed Tunney's defeat to the alleged fact that Tom Hayden failed to support him after the June primary and that much of the Hayden vote went to Hayakawa. In fact, Hayden strongly opposed Hayakawa and repeatedly stated his intention of voting for Tunney. The most important factor in Tunney's loss was that some 400,000 people who voted in the presidential contest abstained from voting in the senate race; it seems correct to say that the results of the California senate race reflected the cynicism about politicians in this state—a cynicism that both Tunney and Hayakawa helped to further.

Indeed, perhaps the main fact about the California election results was that they dramatized the dilemmas involved in attempting to use the ballot box as an instrument of social reform.

The results showed a conservative trend because hundreds of thousands of Californians who both need and favor social reform failed to vote. The non-voters are heavily concentrated in the 18-35 age group, and in minority communities. Majorities in California are won most readily for candidates and policies that promise not to interfere with the pursuit of private happiness. In concrete terms, this means above all that majorities quickly form against measures that threaten to raise taxes. From this perspective, Hayakawa's appeal—such as it was—lay in his loud boasts of ignorance concerning most major issues; many voters seemed reassured that he would be an ineffectual senator, thereby increasing their chances of being left alone.

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Fear and Money
On the Campaign Trail

By Bob Schaeffer

More than two and a half million Massachusetts voters went to the polls on November 2nd. This was the highest number in the Commonwealth's history. The record turnout did not stem from any great interest in the lackluster Presidential campaign, nor in any particularly exciting state or local candidates. What fired up the Massachusetts electorate were nine ballot questions which offered voters an opportunity to play a major role in setting the direction of state policy.

Three questions:
- a state equal rights proposal
- graduated income tax
- absentee voting rights on religious holidays

were constitutional amendments, up for adoption by the public after being approved by the General Court (legislature) in two consecutive sessions.

Four more proposals:
- establishing a state power authority
- mandating "flat" electric rates
- requiring returnable beverage containers
- banning private possession of handguns

reached the ballot through the initiative petition route. In each of these cases citizen groups had collected more than 55,000 signatures of registered voters after the proposition had been rejected by the legislature.

As late as mid-October, activists believed that most of the substantive proposals stood good chance of passage. Public opinion polls showed all but public power ahead. Thousands of grassroots volunteers were taking the "Vote Yes" message into local communities. Citizens for Participation in Political Action (CPPAX), the 2500 member Massachusetts "new politics" organization, alone distributed upwards of a quarter million leaflets urging a "yes" vote on the first six questions. ("Flat" electric rates had failed to get a two-thirds endorsement vote from the group's membership). Other groups were working with equal diligence.

But in the final weeks of the campaign, all these efforts paled in the face of a saturation advertising campaign which whipped up public fears of inept government action and further damage to an already ailing state economy. When the polls closed, only the ERA and the relatively minor absentee voting provision had survived a tide of "No" votes. The Bottle Bill came closest to passage, losing by only half of one percent (while winning in Maine and Michigan). The grad tax and flat rate (both of which would have lowered direct costs to more than 75% of voters) as well as handgun control and public power, all lost by more than two-to-one margins.

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Alternative Legislation Briefs Continued...

The Council also requested specific programs to save 230 mw of power by 1990 as an alternative to constructing thermal power plants.

The proposed program would establish a City Energy Office to; develop information for residents about energy-conserving appliances; certify energy-efficient homes; adopt new heating and cooling standards for commercial buildings and performance standards for industry and business; study ways to improve the efficiency of power generation and transmission, and the effect of rates on energy consumption.

Reverse Dillon Rule

Local governments in Montana are in the midst of a promising experiment in local self-determination. It revolves around the reversal of the "Dillon rule," a judicial interpretation that essentially says that all powers not specifically granted to local governments are the province of the state. In Montana, the 1972 Constitution provides that all powers not specifically delegated to the state belonged to the local government.

For further details contact Jim Parker, Dept. of Community Affairs, Capitol Station, Helena MT 59601.

Municipal Energy Conservation Program

A 19-point energy conservation program for the city of Seattle would substantially reduce electric consumption by 1990. It would, for instance, require complete insulation of homes and other buildings before owners would be permitted to convert gas or oil furnaces to electric heat.

Seattle City Light, a municipal utility, drew up the program after the City Council reviewed its Energy 1990 study—a six month examination of the municipality's future energy needs. The Council then voted against city participation in two nuclear power plants planned by the Washington State Public Power Supply System.

Public Power

Environmental Action Foundation has published an informative resource book which documents the accomplishments of the nation's 3000 municipally-owned utilities and rural electric cooperatives. Taking Charge: A New Look at Public Power analyzes the tactics and strategies used by public power advocates. Taking Charge is available for $2.50 from EAF. For more information contact: Michael Troutman, EAF, Dupont Circle Bldg., 1724, Washington, D.C. 20036. (202) 659-1130.
A number of factors worked against the questions. The broken promise of Governor Mike Dukakis for no new taxes, and the imposition of the largest and most regressive tax package in the state’s history less than a year later, coupled with the inefficiency and corruption of many state agencies had made the public deeply cynical about state government action. At the same time the state’s economy had improved little from its recession trough and the statements of corporate leaders that a “bad business climate” was responsible were widely reported as truth rather than self-serving threats.

Into this receptive climate, referenda opponents poured more than $4 million of sophisticated advertising (nearly 10 times the combined budget of all six presidential campaigns in the state) linking the ballot questions with bad government/job loss fears. Most of this money was corporate funds, funnelled through a loophole in state law that exempts corporations from the $1000 ceiling limit on personal contributions. The container manufacturing industry, for example, spent over $1.5 million for ads, literature, and salaries. Much of that was raised from firms such as Coors Beer, which do no business in Massachusetts. In contrast, proponents of the bottle bill ran their entire campaign on less than $40,000. Similarly, electric companies fielded 3000 to 4000 “volunteer” employees to defeat the public power proposal.

Referenda supporters were hampered by a division of funds and volunteers among the different campaigns competing for the same pool of resources. But efforts to build working coalitions among supporters of all “progressive” questions were repeatedly rebuffed by those who thought their issue would be hampered by association with others. Most importantly, no campaign was able to find an effective way to counter the corporate image-makers and reassure voters that “Yes” votes would really serve their self-interest.

One bright note: at the same time Massachusetts voters were rejecting most ballot questions by wide margins, they were re-electing the most issue-oriented Congressional delegation in the country and significantly improving the composition of the state legislature. In fact, many of the newly elected legislators supported the very questions which their constituencies soundly defeated. Certainly some candidates were able to avoid the connection between the ballot questions and their own campaigns. Others persuaded voters that personal characteristics were more important than issue stances. No matter what the reason, however, the marked contrast between the results for candidates and ballot questions have forced Massachusetts activists to reassess their future strategies.

Bob Schaeffer is a staff member for CPPAX. He has been involved with all aspects of state legislation, and has also done considerable political organizing.

By John Maclay

A mid-October conference on Public Use of Capital, sponsored by the National Conference and Colorado State Treasurer Sam Brown, brought together 55 participants from all over the country to Estes Park, CO. They represented groups, in and out of government, involved in financial reforms at the federal, state, and local level.

Reform of the current system of financial institutions was the opening thrust of the meeting. Robert Kuttner and Michael Flaherty, from the staffs of the Senate and the House Banking Committees, reported on congressional actions foreseen for the next session. Kuttner stressed Senate efforts to define, through charter provisions, the obligations which banks have to their service areas.

On the state level, the recently funded $10 million Massachusetts Development Finance Corporation, which will provide equity loans for development and job creation industries in low income areas of the state, was described by Belden Daniels, Director of the Governor’s Task Force on Capital Formation for Economic Development.

New anti-redlining regulations for savings and loans institutions in California, are the most stringent in the country. They were described by Jim Lowery, from the Center for New Corporate Priorities, who also illustrated how community groups can impact on bank applications for new branches in their communities, in order to secure greater allocation of funds to neighborhood loans.

A different effort was described by Ron Grywinski, chairman of the South Shore National Bank, which does almost all its lending in the old Chicago neighborhood where it is located. Grywinski said his aim in buying the bank three years ago had been to prove that investing in community development is compatible with higher earnings. His bank has $522 million in assets and $48 million in deposits, and earnings for this year were about average for all banks of similar size. He presented several proposals for federal reform, after detailing problems the bank has had with federal guaranteed loans.

James Smith, Comptroller of the Currency under Nixon and Ford, was sharply challenged when he called for increased competition as the key to unlock investment for community development from private institutions. Studies which show that competition does little to solve the constraints which discourage banks from loaning funds in deteriorating neighborhoods, were used to buttress the claim that more competition is not the long term solution. A Colorado study, undertaken by Sam Brown, shows that boards of the major banks are drawn from a limited socio-economic group that effectively exclude women and minorities. Brown stressed that increased competition among the same group would not increase their ability to identify with neighborhood problems and needs.

Other sessions of the conference focussed on alternative financial institutions.

Sam Brown, in summation, said of the conference, which was the first this group has held that was confined to a single public policy issue.

"Rather than come up with any one specific program for all of us to work on, we came up with a series of ideas which people will now be working to implement in their area. We brought different people with different notions of what to do, together and established a communication that will give us all information on how to follow through with these ideas."

John Maclay is a law student. He also works closely with Colorado State Treasurer Sam Brown and acted as coordinator for the Public Use of Capital Conference.
Electoral Politics as Route to Social Change

The development of a new politics that is programmatic and issue-oriented is the basic goal of the new alternatives movement. Crucial to the spread of this politics is the candidate who runs a clear and forceful campaign on issues. The National Conference is committed to the policy of encouraging and supporting women and men who have been involved in community groups, unions, issue-organizing, and who are proponents of alternative programs, to run for elective office. We are especially pleased when we can report on the kind of rapid response and success story as the following:

Dennis Koehler came “out of the blue” to the Austin national conference in June, 1976. He wrote us that he had been Environmental Control Officer for Palm Beach County, Florida, for the past two years. Koehler discovered that through his office he could offer the public a relatively low-cost and highly effective means of dealing with public health and pollution issues. His concern was for people-impact issues, such as waste disposal of construction companies, patient neglect in nursing homes, and sanitary problems in migrant labor camps.

The Austin Conference was Koehler’s first contact with the alternatives movement and it really stirred him up. Last week another letter came from Dennis with a clipping from The Palm Beach Post: “Koehler Ousts Johnson.” He had unseated an incumbent Republican to become the youngest Commissioner in the county’s history. Koehler wrote, “The Austin conference was a major motivational factor in my decision to enter elective politics. I can hardly wait to get started. But let me know about the southern regional conference planned for Atlanta. I am anxious to participate and contribute.”

Below, are other candidate stories.

Stirring Things Up,
As an Elected Official

By Judy Stevens

In 1969, when 29-year-old Political Science Professor Dick Simpson decided to run for the Chicago City Council, a number of his friends and associates gently suggested that he might be able to find a better use for his time. An Alderman in Chicago, they reminded him, is something slightly more than a glorified dog catcher but definitely something less than a legislator.

Although manners and customs have changed somewhat, Chicago Aldermen today are not far removed in the public’s mind or in fact, from their colorful, turn-of-the-century predecessors.

So what does a newly elected, local public official like Dick Simpson do in this milieu? Of course he can vote the “right” way, he can speak out against bad policies, he can try to live up to the public’s expectations regarding the delivery of services to the ward. But there are also a surprising number of other possibilities, not legally required of an officeholder.

Alderman Simpson in Chicago is a good example of what can be done to tackle the problems of many local governments: remote decision-making, exclusion of citizen input, influence peddling, entrenched political leadership, centralized executive power, unaccountable bureaucrats, non-performing workers. As Alderman, Simpson proposes model legislation, educates the public and brings community groups together on common problems. He also creates institutions, using his public position as a vehicle for achieving community goals.

Institution Building:
The Ward Assembly

When local government becomes too remote and loses its direct link with citizens, the creation of a local, informal institution can begin to restore that direct relationship between citizens and their elected representatives. It can teach people new forms of citizenship and it can force government to be more accountable. This has been done in the 44th Ward.

Dick Simpson created a 44th Ward Assembly to advise him on his votes in City Council, his new legislative proposals and on local programs which don’t require city approval. One major difference between the 44th Ward Assembly and the multitudes of advisory councils is that the Assembly can, by a ¾ vote, bind the Alderman’s vote in City Council.

The Ward Assembly also is more directly representative than many local citizen advisory committees. Its delegates are elected, two from each of the 61 precincts in the ward, and one from each community organization. Elections are held at meetings to which each household in the precinct is invited and which the Alderman attends. Once elected, the Assembly meets once a month with Alderman Simpson. The Ward Assembly has opened up the process of city government to several thousand 44th Ward residents who have attended precinct election meetings and the hundreds who have served as Ward Assembly delegates in its four years of existence. It has given its members a sense of their own ability to understand government and to get things done. They do many of the things that formal governments do: draft legislation, take surveys, testify at hearings, and debate controversial ideas.

The Ward Assembly has evolved continually as an institution of local grassroots decision making. It has developed its own procedures for electing delegates, discussion of issues, training leadership, originating legislative proposals, and continuing to perpetuate itself despite lack of official recognition by city government except for Alderman Simpson. The City has refused to pass legislation that would enable formally-recognized Ward Assemblies throughout the city.

The Community
Zoning Board

Since one of the most basic decisions affecting any neighborhood is how its land will be used it makes sense to decentralize local land use decisions.

Continued on page 8
This Elected Clerk S
By Kandra Hahn

What’s in the Courthouse for alternate politics? I have found the following:
- Assessment powers over real and personal property.
- Discretionary investment of idle public funds.
- Law enforcement powers.
- Prosecutorial discretion in the courts.
- Coalition with public employees and neighborhood groups.
- Public purchasing and contracting powers.

In short, as an elected district court clerk I have discovered that I have many tools for public policy change on the local level. A few of the obvious ones are listed above; many others are waiting rediscovery.

Despite the unmistakable example of Colorado State Treasurer Sam Brown, the lesson of seeking elective administrative office is too often lost in the stampede of new politicians to more glamorous legislative posts. This is unfortunate. Those of us who have gone after elective administrative office see that policies which may take an unmeasurable amount of energy to accomplish legislatively, can frequently be done instantly by the administrative directive of a single public official. In addition, creative legislators often learn all too quickly that the most shining of legislative feats can be reduced to a murky impossibility by an unwilling executive.

These being the possibilities, the structure of much of America’s county government cannot be shrugged off by those interested in change in public policy. County government ought not to be swept to oblivion by intended good-governmentism. Rather, it should be examined for its innate governmental responsiveness.

Who’s in the Courthouse today? Frequently, aging white males of conservative leanings. Occasionally, old strongmen of local party works; no matter which party.

But the stereotypes are being broken. The inadequate pool of rewarding jobs available to the college-educated offspring of the middle class is pushing a new class of candidate onto the county ballot.

In my own case, faced with the option of selling my skills to business, bureaucracy or the voters, I chose the voters. They gave me a break into court management and local government.

Consequently, the District Court Clerk’s office in Lancaster County, Nebraska, is no longer a bureaucracy reclusive and defensive of the judiciary. It has become an enthusiastic source of information to the public. Users of the office have been invited to meet the staff. They have learned that the staff works for them. It has been made clear that the records are maintained for the benefit of the public, not exclusively for the judiciary or the bar.

Because of my elected independence I have been able to take a position in favor of jury reform—albeit without results to date. I am never in the position of defending the Courts, although my statutory obligation is to serve them.

I believe strongly in openness and accessibility of public court records. As the Legislature considers closing some records this session, I will be able to lobby independently and from this office for maintaining the integrity of the open records.

In Nebraska, District Court Clerks are elected on a partisan ballot to a four-year term. In our county the office

If You’re Elected County Clerk
By Art Buchwald

Not everyone was running for President of the United States this year. I have a friend named Jerry Altsaher who ran for county clerk in Oklahoma City. A county clerk, as I understand it, is in charge of recording deeds, births, deaths, court records and legal papers that must be filed in the county courthouse. It is not a very glamorous job, nor does it pay very well. But Jerry, as a good citizen, decided to run for it anyway. If for nothing else than to prove to himself he could get elected to something.

He formed a committee consisting mostly of relatives, raised a few thousand dollars through friends and started his campaign.

What Jerry wasn’t prepared for was the citizenry of Oklahoma City, who were not too concerned with how good he was at county clerking but wanted to know where he stood on the issues.

“How do you feel about abortion?”

He was loudly booed.

“What do you plan to do about unemployment?” a union man asked him at a rally.

“As county clerk I will keep accurate records of all unemployment in the area.”

He was booed again.

Jerry found himself in front of an ethnic group and a man in the audience stood up and said, “What will you do if the Soviet Union invades Yugoslavia?”

It was a question that his campaign manager had not prepared him for.

He said off the top of his head, “I would immediately notify someone at the Pentagon.”

This did not satisfy his audience.

Capitol Punishment
was one of the first questions Jerry was asked at a church meeting.

He responded, “The county clerk’s office will not be concerned with abortion. I believe abortion is a matter between a woman and her congresswoman, her senator, her doctor, her church and the Supreme Court of the United States.”

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peaks to the Issues

had often been filled unopposed. In fact, I later learned that for nearly a century each Clerk had been the preceding Clerk’s deputy. Although publicly elected, something like an ascension had been the pattern.

I believed that the ascension ought to be put to a political test. I also believed that the election process ought to be viewed as a promise of and not a threat to good, responsive government. And I believed that there were issues at stake, issues the voters would understand and make a decision about.

In Nebraska, District Court Clerks were by law members of the Board of Mental Health, participating in involuntary commitment to mental institutions. I told this to the voters — a big surprise to most. In speeches, in the press, wherever possible, I suggested that the duty ought to be taken seriously. I also said I would work for change in the state’s commitment law, to instill due process. That change has been effected.

I spoke to the voters about the Clerk’s obligation to account for the collection of child support, and generally informed them about what an elected Clerk does. They seemed to be grateful for the information.

My opponent, a 62-year-old Republican man, was lost, flabbergasted, overwhelmed. A Clerk by training and inclination, he was unprepared to face a political challenge, and he lost.

Opportunities like mine, and better than mine, exist throughout the country and are waiting for the right alternate politician to pick up on them.

The cost? The risk of a political gamble. Not all will win. There are also the several months of organized political effort, fund-raising, and analysis. And there is the glad-handing in bars, the ball games, the front doors, the church basements, small businesses, the county fair, and the monthly realtors banquet.

But the possibilities for change are remarkable. A county treasurer may have sole and absolute discretion over investment of funds, subject only to state law. In conjunction with community red-lining groups for instance, pressure could be applied to local financial institutions.

As a long-term investment, a daily demonstration of competence in office should go a long way toward selling more thorough changes in government, when opportunities arrive or are made. A public official who has shown a single parent compassion and respect in handling child support may have gained respect and trust in matters of public investment as well. A Board of County Commissioners will be more inclined to cooperation in a new plan for managing employees’ retirement funds if the employees, and an officer who has shown responsibility in managing a departmental budget, suggest it.

For me, not the least of the rewards is a comfortable living. While county officers’ salaries have traditionally been low — in Nebraska the county courthouse has often been the domain of married women and disabled veterans because of low rural salaries — many localities are improving rapidly. It may offer women, especially, salaries and benefits unavailable elsewhere, despite the good efforts of the Equal Opportunity Commission.

I count the experience in government as another reward. At the end of four years in administration in the county courthouse, I will have much more than I would at the end of a post-graduate program in public administration.

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erk, What About Yugoslavia?

"Why should you tip your hand to the Soviets as to what you would do?"
"There isn’t much the county clerk of Oklahoma City can do if the Soviets invade Yugoslavia," Jerry protested.

He was booed again.

Jerry had a meeting with his staff members who were worried that he had put himself on the defensive. They concluded that he had to put forward an affirmative program which would win the hearts and minds of the people of Oklahoma City. They suggested that he promise, if elected, that he would institute a new computerized system in the county recorder’s office and microfilm all outdated files to save space and the taxpayers’ money.

He presented his plan at a press conference covered by one reporter from a weekly paper. Then Jerry opened the conference to questions.

The reporter asked, "How do you feel about nuclear energy?"
"That’s not my department," Jerry responded tersely.

"Then you refuse to take a stand on all environmental issues?" the reporter said.
"My staff is now working on a position paper on that," Jerry replied, "and it will be released next week."

"What about the Panama Canal?"
"I promise that as long as I am county clerk of Oklahoma City the Panama Canal will remain a part of the United States."

The headline in the next edition of the weekly paper read: "Altshuler refuses to discuss Soviet wheat embargo."

I wish I could tell you that Jerry won his election for county clerk. But he lost, as did so many other people in this election. He wrote me, "I don’t know if it was the abortion issue or my stand on Yugoslavia or the Panama Canal. But when you’re running for county clerk I guess the electorate expects you to be all things to all people. The people have spoken. I shall now retire to private life and only pray that the legal papers of this great county for the next four years will be filed in alphabetical order."

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District Court Clerk continued...

The alternative spotlight ought to be turned on local courthouses. The same skills that have elected city council members, mayors and state legislators can be transferred to county elections.

Simpson continued...

In the 44th Ward, a Community Zoning Board was created to open up and make more accountable and accessible the decision making process in local zoning. The Board holds an open community hearing whenever there is an application for a zoning change. Not one of the Board’s 25 zoning decisions has been reversed by either the City Council or the Zoning Board of Appeals.

A Chicago Alderman has virtual authority over zoning decisions in his ward. Therefore, a local alderman can delegate this authority (without the necessity of pasting enabling laws) with the same effect as if the body had been created by law. Alderman Simpson has done this for the Community Zoning Board.

Once again the Chicago City Council has refused to pass legislation allowing Community Zoning Boards to be set up wherever they are requested by local residents.

Educating the Public

A public official can speak out on the broadest range of issues with credibility. In addition to informing his constituents about city programs (like tax reassessments or pollution ordinances that may affect them) and communicating to them as a community leader (via newsletters, community newspapers or almanacs) Alderman Simpson speaks to community groups in different parts of the city and seeks city-wide press coverage for his proposals.

Public office can be used as a vehicle for focusing thought and discussion on proposals that may be adopted sometime in the future: model legislation creating new housing programs, creating a Fair Rent Commission, a better personnel code, cable television regulations, public access to public records legislation, control over bank and insurance redlining and an alternative city budget are a few of the ordinances Simpson has proposed in six years on the Chicago City Council.

In short, being an Alderman isn’t just a flunky’s job. When approached creatively it is a way to fight local corruption like that of the Daley machine, to create local democracy in a neighborhood, and to forge legislation which can be used in future years to come.

Judy Stevens is Legislative Aide to Alderman Simpson, and a former community organizer.

NOTE: Alderman Dick Simpson has written a number of books which the National Conference recommends highly. They can be ordered directly by writing to: 44th Ward Service Office, 1045 W. Belmont, Chicago, IL 60657. Several are listed below.

- STRATEGIES FOR CHANGE, How to Make The American Political Dream Work by Dick Simpson & George Beam. (Chicago: Swallow Press, 1976.) $10
California continued...

The programmatic left is thus faced—if these elections are any guide—with a very difficult task. This task is to build a majority that must, of necessity, include hundreds of thousands of young people who support far-reaching social change but who see little connection between the hope for social reform and the practical realities of politics, while also including vast numbers of working people who see voting as useful primarily as a means of vetoing change that threatens the precarious security of their daily lives. In California, environmental issues have been the key to the creation of such a majority and the programmatic left continues to increase its strength in areas where such issues are highly salient.

In the coming year, the energies generated by the Hayden campaign, the Proposition 14 effort, and other reform movements will be attempting to build an electoral base at a statewide level. Although the November elections statewide don't provide encouragement, they did show rather clearly what the priorities—organizational and programmatic—need to be.

Professor Richard Flacks is Chairman of the Department of Sociology at the University of California at Santa Barbara. He was an active organizer in the Hayden campaign for U.S. Senate and is one of the convenors of the second annual California Conference on Alternative State and Local Public Policies.

Women in the November Elections

By Jose Anderson

A number of women's groups, including the National Women's Political Caucus, National Women's Education Fund, Women's Campaign Fund, and ERA-America, were asked their opinion on what impact the November elections had on women's issues and the role of women in politics...

There was disappointment that the only woman, Gloria Schaffer (D-CT) nominated for the U.S. Senate was defeated, and that although all 16 incumbent women were returned to the U.S. House along with two new congresswomen—there was actually a loss of one seat.

The biggest problem women faced was the lack of major party nominees for seats where an incumbent was not running. Only five women contested for 55 open House seats this year. So while the major parties nominated 52 women for the House, eight more than in 1974, with 31 of them facing incumbents, very few stood a realistic chance.

On the state level the picture was more encouraging, the number of women state legislators increased by 10.7%, with the major parties nominating 1,260 women.

Audrey Colom, chairwoman of the National Women's Political Caucus, pointed out that, "The legislatures are undoubtedly the most important level of government for women right now because of the pending ratification of ERA (Equal Rights Amendment)." The Caucus joined the Women's Campaign Fund in contributing nearly $100,000 to assist women incumbents who were under attack for their support of ERA, and to help both men and women advocates of ERA get elected.

Most of the support was directed towards the 7 or 8 key states that have not ratified the amendment. Of the candidates who received contributions from the Caucus about 55% were elected (52 out of 95). Two successful candidates, both Democrats, who were targeted for defeat by anti-ERA forces were Kathy Sebo, incumbent in the State Senate of North Carolina, and Harriet Woods, former City Council member of University City, MO, who was elected to the Missouri Senate.

Altogether, the above-mentioned organizations share a large amount of the credit for defeating 16 anti-ERA candidates. The women's groups were also cheered by the passage of a state-level ERA in Massachusetts, and the defeat of a move in Colorado to repeal the state's earlier ratification of the Federal amendment.

Jose Anderson is Administrative Assistant to the National Conference. She has been active in the women's health movement and formerly worked for the Center for National Security Studies.

Notes to Note

Alternative Work Schedules Conference Planned

A spring conference on alternative work schedules will provide an in-depth examination of implementing flexible working hours, compressed workweeks, part-time and job sharing programs. It will also look at their implications on public policy, education, management, labor unions, the family, environment, women's and senior citizen's economic needs, transportation and energy use.

The conference is sponsored by the Committee for Alternative Work Patterns and George Washington University. It will be held concurrently with the American Association for Higher Education national conference on "Higher Education and the World of Work," March 20-22 at the Conrad Hilton, Chicago. A single registration fee of $50 covers attendance at all sessions.

Prominent European experts will share their experience with alternative work schedules, and a workshop is planned on the European trade union approach.

The Committee for Alternative Work Patterns is a broadly based coalition representing labor unions, management, government, personnel, senior citizen, women's and other professional groups.

For information about registration, contact Conference Coordinator, American Association for Higher Education, 1 Dupont Circle, Washington, D.C. 20036, (202) 293-6440.

Disclosure Information

How To Use the Home Mortgage Disclosure Act of 1975, published by the National Training & Information Center, is a valuable resource for community leaders, organizers and elected officials interested in developing neighborhood reinvestment programs. NTIC also conducts one-day workshops on how to interpret, analyze and use the disclosure data. For more information, contact Gale Cincotta or Shel Trapp, NTIC, 121 W. Superior, Chicago, IL 60610.

Pension Funds

Public Pension Funds as a Source of Capital for Job Creation, by Ed Kirshner, is a new study published by the Community Ownership Organizing Project. Available from COOP, 349 62nd St., Oakland, CA. 94618.

Banking Consumers Guide

A consumer's guide to banking services in the Denver metropolitan area was prepared by the Colorado Department of the Treasury. The Guide compares the actual costs of savings and checking accounts and highlights the range of services available to consumers. It was financed by foundation grants. For further information contact Sam Brown, State Treasurer, 140 State Capitol, Denver, CO 80203.
Programs and Proposals

By Harriet Kerwin

State and local governments may be missing out on opportunities to acquire millions of dollars of federal government land and facilities at little or no cost to themselves.

One-third of U.S. land is owned by the U.S. government, much of it by the Department of Defense (DOD). These holdings are far from fixed. Approximately 1,400 military bases have closed since 1968, becoming in effect surplus property, subject to disposal by the General Services Administration (GSA). State and local governments can legally claim these surplus lands and facilities under certain conditions.

GSA is required to determine whether any other federal agencies want the surplus property. If none do, the state or local governments are next in line. To get the property free, it must be used for historic monuments, airports or wildlife conservation. If the property is used for public parks, recreation, public health or public education, it can be obtained at a discount of up to 100%.

It is up to the communities, however, to plan creative and pragmatic uses of these federal surplus properties. The federal government will not do it for them. The key is long range planning. The problem is to find out about a proposed closing early enough to plan.

While regulations require that GSA give notice to public agencies, prior to any public advertising, negotiation or other disposal actions, such notices often do not allow sufficient planning time. In fact, the laws requiring public announcements of closings are sometimes bypassed. Government-owned plants operated by private companies (GOCOs) are sometimes closed and sold to the operating company without giving the community a chance to exercise its legal claim to the property.

Lockheed, Rockwell, Rohr and other companies often operate plants as tenants in public property. When a GOCO closes, local leaders should be prepared to act quickly, before the operator buys the property.

The Inter-Agency Economic Adjustment Committee (EAC) was set up in 1970 to "help communities help themselves" in the conversion process. The permanent staff of the committee is in the Office of Economic Adjustment (OEA), under the Secretary of Defense. The EAC can, if requested, provide technical, financial and planning assistance.

In Harrisburg, PA., the closing of Olmsted Air Force Base in 1968 had a severe impact on the area. In response, the Harrisburg Area Industrial Development Corporation (HAIDC), was formed to redevelop and attract new industries to the Olmsted facilities. HAIDC converted Olmsted's airfields into a new local airport. Penn State University established a branch campus in the former administration complex. The large manufacturing warehouse facilities were purchased by HAIDC from GSA and leased for a new van trailer manufacturing facility. Other acreage was purchased, sold to the state, and is now leased to a variety of industrial users.

While this successful conversion was coordinated by business groups, it serves as a model for community or public efforts.

 Legislation introduced by Rep. O'Neill, H.R. 11830, seeks to amend the Federal Property Act of 1949. This legislation would include 'economic development' as another purpose for which state and local governments could obtain property free or with a discount from GSA. Under current law, most state and local bodies, handicapped by lack of capital, cannot compete with private bidders for surplus government property.

Senate Bill 1745, introduced by Sen. McGovern, seeks to facilitate the economic adjustment of communities and workers affected by the reduction in DOD contracts and facilities. Both bills were written many years ago; annually they have been introduced and shelved. The time is right for local and state governments to make their concerns known to the executive branch and to press for passage in Congress.

Local and state governments can utilize the public's wealth for the public's economic benefit, by the acquisition and conversion of federal surplus property into the civilian economy. Military installations closures can be productive to the public, if the public asserts itself and takes the lead.

Harriet Kerwin is a staff member of the Military Audit Project (MAP). She was a former intern for the National Conference, and was one of the editors of The Austin Conference Report.
Northeast Cities Conference Held

A hugely successful Northeast Cities Conference held in Hartford, CT, December 10-12 brought together over 450 elected or appointed officials, policy planners and representatives of unions and community organizations, who are looking for alternative solutions to the urban crisis.

Three documents — including a strong statement to the Governors of the Northeastern Coalition — were prepared, debated and approved by the participants. The challenging statement to the Governors declared that the Governors Coalition, formed to cooperate on regional concerns and an agenda for federal action, has not yet focused on the real cause of the Northeast’s difficulties. The cities are struggling for their social and economic survival because of the way the present economic system works and in the misplaced priorities of the federal government. While the Governors argue for more equitable regional distribution of federal economic and social measures, the policies they call for will not automatically assist the cities. The same economic logic that transfers resources from the Northeast to the Sun Belt will continue to move resources from the central cities to the suburbs.

While the Conference insisted that federal bailouts was not the issue, there was a demand for NO TAX CUTS, federalized welfare, federal assumption of health expenditures, and general revenue sharing. However, the emphasis, in all of the statements, plenary sessions, and workshops was on specific, programmatic changes in the way wealth is produced, distributed, and controlled.

A limited number of copies of the 280-page Northeast Cities Reader, which was prepared for the Conference, is available for $6.50. For information write to: Robin Pearson, Hartford City Institute, 7th Floor, 100 Constitution Plaza, Hartford CT. 06103

Second California Conference Planned

The second California Conference on Alternative Public Policy will be held in Santa Barbara, February 18-19, 1977. It will focus on the following three concerns:

1) A state legislative agenda for 1977 of bills which provide resources to local communities, and
2) the political experience of local groups which work around issues, and
3) A statewide organization or network.

An organizer for the conference described the politics of the conference as, “grounded in a belief in participatory democracy in all institutions of American society. This especially means the economy. A truly democratic society would be one in which democracy did not cease when a person went off to work or to shop. Workers and consumers would participate in and, as much as possible, have control over economic decision-making. Citizens would have more control over the government, which for many services would be decentralized to the neighborhood level.”

For more information on the California conference, write to Marc Beyeler, 35 Arlington Ave., Santa Barbara, CA 93101.
Public Policy Series

☐ Legislative Handbook on Women's Issues by Kathy Rhodes and Ann Beaudry. A collection of legislation on economic issues affecting women, including the best, most innovative proposals, and a detailed bibliography. Price: $2.50, $5 to institutions.

☐ The Cities' Wealth: Programs for Community Economic Control in Berkeley, California, compiled by the Community Ownership Organizing Project. This report outlines in detail the programs and organizing strategies of the Berkeley Coalition over the seven years of its political work with the Berkeley City Council. Price: $2.50, $5 to institutions.

☐ The Austin Conference Report. Proceedings of the Second Annual Conference on Alternative State and Local Policies. Contains summaries and highlights of the conference which was attended by elective and appointive progressive public officials from around the country. Price: $2.50, $5 to institutions.

☐ Public Control of Public Money: Should States and Cities Have Their Own Banks? by Derek Shearer. Analyzes the advantages and disadvantages of state and city-owned banks. Includes descriptions of the state-owned Bank of North Dakota, and recently proposed state banks in New York, Washington, Oregon, and California. Price: $1.50 - $3 to institutions.

☐ The Manitoba Auto Insurance Plan, by Sherman Bernard. A report on the operation, costs, and social and economic considerations of providing auto insurance through a public corporation. Price: $1, $2 to institutions.

☐ LABOR-PAC #1. From Conference Labor Task Force. Toward a "Public Employees Bill of Rights and Model Contract": Background materials on legal framework; data; resources; reports and letters on alternative local developments. Price: $2.50, $5 to institutions.

☐ The Political and Economic Crisis of the Northeast Cities, edited by Leonard Rodberg. Proceedings of a Seminar on alternative urban policies held April 23-27, 1976. Includes discussion by Hartford, CT. City Councilman Nick Carbone, Washington DC City Councilman Marion Barry, and others. $1.50, $3 to institutions.

☐ State Bank for Co-Ops, by Lee Webb. A proposal to establish a state bank for cooperatives and a state cooperative development agency. The bill was prepared for the Department of Employment Development, State of California. $2.50, $5 to institutions.

☐ National Conference NEWSLETTER. The newsletter reports on the activities and plans of the new movement/network of state and local activist elected officials, and on the work of the organizers and planners who are part of the National Conference on Alternative State and Local Public Policies. Six issues per year. $5, $10 to institutions.

1977 PRICE — $5

☐ Public Policy Reader, Second Edition. Prepared for the Austin Conference. The Reader is a unique collection of model legislation and ordinance, articles, analyses, and proposals on such issues as energy, tax reform, controlling corporations, and long range program development. Over 650 pages. NEW 1977 PRICE: $5: $10 to institutions.

I have enclosed $ __________________ for the publications checked above and on page 11. (Please inquire about bulk rates for 10 or more copies.)

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