



# conference on **ALTERNATIVE** state and local **PUBLIC POLICIES**

November 1977

Editor: Barbara Bick

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# What's Happening?

by Barbara Bick

Forecasts of a heightened struggle between advocates of conservative versus progressive programs at the state and local level, are borne out in a number of electoral campaigns this Fall. One of the most polarized is going on in the backyard of the nation's capital with the full weight of Carter Administration heavies on the side of populist Virginia gubernatorial candidate Henry E. Howell.

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### Virginia Gubernatorial Race

Howell, who has the full backing of labor and black organizations, won a bitterly contested Democratic primary this summer. He is now getting the full bag of dirty tricks from conservative supporters of Republican candidate Lt. Governor John N. Dalton.

An ad hoc group, the "Independent Virginians for Responsible Government," formed for the sole purpose of producing an anti-Howell media campaign, has sent out several fund-raising letters for Dalton that they admit inaccurately accuses Howell of having "urged that Virginia school children be bused into D.C." Sponsors of the mailings, the National Conservative Political Action Committee and Republican Rep. J. Kenneth Robinson, also acknowledge that Roger Stone, treasurer for the Independent Virginians, was cited by the Senate Watergate committee for having performed dirty tricks for Nixon's 1972 presidential re-election committee. Stone was given money in '72 to contribute to Rep. Pete McCloskey in the name of the Trotskyist Young Socialist Alliance, and then sent the contribution receipt to the Manchester *Union-Leader*.

The letters say that "hard-hitting TV ads (will) expose Howell's radical positions on issues like right-to-work, gun-control, unionization of policemen, firemen and teachers . . ." The National Rifle Assoc. has also sent 30,000 letters to its members in Virginia asking support for Dalton and another "independent" group called Sportsmen GO for Dalton.

The campaign has become so polarized that a Lynchburg, VA newspaper headlined a story that a vote for Howell was "a vote for socialism."

Howell has sought statewide office four times since 1969, as a consumer advocate running on a populist platform. This is his first race for governor as a Democrat and President Carter, Hamilton Jordan and others have campaigned throughout the state for him.

Dalton has far outdistanced Howell in campaign contributions, spending about \$1.2 million to date. Contributors include officers and directors of the large banks

and utilities that have been the object of Howell's populist political attacks for more than 10 years. Howell has collected and spent about \$750,000, more than half for the earlier primary campaign. Dalton was nominated at a convention.

One Howell supporter, Virginia novelist Garrett Epps, recently alluded to the many appearances which Elizabeth Taylor has made for Dalton, on behalf of her politically ambitious husband, John Warner, by saying, "Win or lose, Dalton is going to end up as nothing more than a footnote in the biographies of a Hollywood star." Epps said that Howell has been ostracized and vilified because "time after time he was willing to stand up for human rights, fought against the closing of schools to avoid desegregation, and against the poll tax when it was used to discourage black Virginians from voting."

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### New Orleans Mayoralty Race

The New Orleans, LA mayoralty race is a runoff, Nov. 12, between the top candidates in the open primary held Oct. 2. It poses Judge Ernest N. Morial, who was the first black graduate of Louisiana State University Law School, against City Councilmember Joseph V. DiRosa, who appeals to the older, conservative white and Italian voter.

John Hammond, an environmental issue advisor to Morial, was in Washington recently and stopped by to talk to us about the race. Morial has been a Life Line supporter and a strong advocate of conservation issues. He is committed to open study and analysis of the New Orleans private utilities. Morial was the first black elected to the state House of Representatives in the 20th Century. DiRosa beat him for a Councilmember-at-large spot in 1969 but in 1970 Morial was appointed an Orleans Parish Juvenile Court judge and two years later was elected to the state's Fourth Circuit Court of Appeal.

Approximately 42% of New Orleans' 219,328 registered voters are black. Morial has sought black and liberal white votes, while DiRosa has taken a strong conservative position on the issues.

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### Buffalo Mayoralty Race

A mayoralty campaign in which Conservative Party candidate James D. Griffin states the issues which separate him from Democratic Party candidate Arthur O. Eve as: Griffin for the death penalty, Eve against; Griffin against liberal abortion laws, Eve for; Griffin for more

*Continued on page 5*

## Utility vs. Consumer Ownership of On-Site Solar Systems

by Peter Barnes

The role of private utilities in the development of solar energy is a question which must be addressed promptly. But the question should first distinguish between those applications of solar energy that involve centralized generation of electricity, and those that involve the on-site transformation of solar radiation into useable heat or electricity. There can be little objection to utility involvement in centralized generation of electricity through use of solar technology. Centralized generation of electricity is what the utilities are chartered to do. To the extent that they can generate electricity using clean, renewable energy sources, so much the better.

The question is more sharply drawn, however, when it comes to on-site collection of solar energy. The utilities have no legal right to own energy-collecting devices in or on privately-owned structures. In considering whether or not to grant them that right, it might be instructive to place the issue in some historical perspective.

Back in the days of the New Deal, President Franklin Roosevelt committed his administration to doing something about the "one-third of a nation" that was then ill-housed. Had the Jet Propulsion Laboratory been in the business of advising the New Deal on housing policy, it would have submitted a data-filled report pointing out that the home construction industry was "too fragmented" to respond rapidly and effectively to the need for new housing, that the people who needed new housing lacked the capital to construct it, and that therefore the housing industry should be turned over to a consortium of state-regulated

monopolies which, if given the proper financial rewards, would build houses and rent them to millions of American families.

Fortunately, national housing policy did not go in this direction. Rather, the government decided to promote consumer-owned housing through long-term, low-interest loans (e.g., via agencies such as the FHA, VA, and Fannie Mae) and through tax incentives (the deductibility of home mortgage interest, the exemption of owner-occupied homes from capital gains taxation). The result has been an enormous expansion of consumer-owned housing and the liberation of millions of American families from housing tenancy. It is not inappropriate to note that somehow the "highly fragmented" housing industry was able to install in most of these consumer-owned homes a wide variety of modern appliances, including electric and gas water heaters and space heating devices of all shapes and kinds.

Public policy toward on-site solar energy development is today at an analogous crossroad.

What is the argument for utility or monopoly ownership, as opposed to consumer ownership? The chief argument is that large, well-capitalized corporations can innovate more rapidly than can smaller companies acting independently and competitively and could consequently install enough on-site systems to make a speedy impact on the nation's energy needs.

This assumption has not, however, been tested by much comparative analysis. For example, the Southern California Gas Co. recently asked for a rate increase totaling \$11 million to finance a solar energy demonstration program. Of that about \$6.3 million is budgeted for actual installation costs; the

remainder is for various in-house staff work. SoCal's budget shows a projected cost of \$2000 for an 80 square-foot domestic hot water system installed in a single-family residence. Assume for simplicity that the entire \$6.3 million were allocated for this. That would mean that for a total public subsidy of \$11 million, the public would receive 3,150 domestic hot water installations within five years.

In contrast, under a new \$4.6 million federal program that will be administered by 10 Eastern states, direct grants of \$400 will be given to consumers who purchase and install solar water heating systems in their homes. Of the \$4.6 million, \$600,000 is allocated for administrative costs. With the remaining \$4 million, the federal government expects to stimulate the installation of 10,000 solar water heating systems within one or two years.

There is also a social and political issue here—i.e., if subsidies are to be handed out, should they go to corporations or consumers? Assuming that the cost-effectiveness of subsidizing either consumers or corporations is the same, I believe the subsidies ought to go to consumers for reasons of economic equity. In this case, since consumer subsidies appear to be more cost-effective than corporate subsidies, there is a happy coincidence of cost-effectiveness and economic equity.

What are some things that can and should be done right now by state legislatures and/or Public Utility and Energy Commissions regarding solar policy? Specifically, they should:

(1) Prohibit private electric and gas utilities, or any subsidiary thereof, from owning on-site solar energy systems.

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## Utility Scenario

by John Geesman

Arguments against a utility-oriented solar policy are based on elementary economics. Horizontal integration of the energy sector of the economy stifles competition between different sources of energy. Decision-making on development is shifted from the marketplace to internal investment calculations of large energy conglomerates. In the case of solar, a utility could not justify to its stockholders more than a token investment unless the profit opportunity were commensurate with gas and electricity. A marketplace decision, made by consumers, would look to lowest life cycle costs of competing sources of energy. An investment decision, made by utilities, would look to best opportunity for profit.

But solar is a markedly different investment for a utility than electricity or gas. In the latter case, the utility is selling energy based on a continuous commercial relationship, not unlike the supplier/purchaser relationship in the addictive narcotics trade. In the case of solar, the utility would be selling consumers hardware to produce their own energy, with no potential for a continuous supply relationship.

However, it turns out that utility plans for solar energy do not center on the sale of hardware. Instead, they involve utility ownership of the hardware and the billing of consumers for "energy service." A BTU-meter would be attached to the solar collector on top of the consumer's roof, and (s)he would be billed according to the amount of energy produced—pegged to the price of natural gas. Of course, the price of natural gas is constantly inflating.

Any strategy for the development of solar energy

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# Notes to Note

## Conference On Rural America

For the third year, a conference on issues and problems facing rural America will be sponsored by Rural America, Inc. Focus will be on the social and economic needs of rural communities and special attention will be given to housing and health care. Throughout the conference there will be a strong emphasis on strategies for action.

Key speakers will be Barry Commoner, noted advocate of an alternative Energy Policy; Dr. Graciela Olivarez, Director of the Community Services Administration; and Alex Mercure, Assistant Secretary of Agriculture for Rural Development.

Workshops will include resource and land ownership, preservation of farmland, energy alternatives for small farms, low-income rural housing and health care delivery to rural communities.

The conference will be at the Shoreham Americana Hotel in Washington D.C., December 5-7, 1977. Contact: Rural America, Inc. 1346 Conn. Ave., N.W. Wash D.C. 20036 (202) 785-2936

## Guide To Nuclear Power

A list of the major sources of information about nuclear power—books, national organizations, periodicals, and the grass-roots coalitions who are on the front lines of the nuclear battle—appears in the October issue of THE ELEMENTS, a monthly journal about world resources. Three categories of books are listed: those which explain the nuclear energy situation, those which view the nuclear issue as part of a broader political and economic energy issue, and those which propose alternatives. Sixteen anti-nuclear groups are described, based on interviews with each

group by the editors of THE ELEMENTS. To obtain the above, write or subscribe to THE ELEMENTS, 1747 Conn. Ave., Wash. D.C. 20009, \$7 for one year, \$20 for institutions.

## Alaska Permanent Fund

A report has been recently released by an Alaskan Special Committee on that state's Permanent Fund.

The Fund, created by a 1976 voter approved constitutional amendment, provides that at least 25% of state oil royalties and other mineral taxes be placed in a Permanent Investment Fund. The Fund would be restricted to income-producing investments along guidelines which the legislature would establish to meet development goals of the state.

"The Role of the Permanent Fund in Alaska's Future" describes how the Fund evolved, its present management, future activity, and investment and management options for the Fund's principal and earnings. The report also includes references to several other innovative Alaskan investment opportunities.

A copy of the report can be obtained from the Special Committee on the Alaska Permanent Fund, 528 W. 5th, Suite 270, Anchorage, AK 99501.

## New School for Democratic Management

The New School held its first full session this summer in San Francisco. It focused on the needs of cooperatives and worker-owned or managed enterprises. The sessions included such topics as Starting a Business, Financial Decision-making for Self-managed Enterprises, Marketing and Promotion, Community Economic Development Strategies, etc. Mini or week-end sessions will be held

in cities around the country during the winter and a second full session will be held next summer. Future sessions will focus on democratic management in the public sector, and labor. For more information about the New School, write to David Olson, Director, 256 Sutter St., San Francisco, CA 94108. (415) 986-5690.

## Popular Economics Publication

*Why Do We Spend So Much Money?* is out in a new third edition. This unusual book that looks and reads like a magazine with amusing cartoons, direct language and everyday images, unfolds a sophisticated economic analysis. Bypassing professional jargon and abstract theory, the book has been used by students and adults of all ages. Since it first appeared four years ago, it has sold 50,000 copies to unions, high schools, community groups, churches and colleges.

The new edition is a thorough revision with all new illustrations and new chapters on income taxes, taxpayer revolts, and nuclear, solar and fission power as energy of the future.

*Why Do We Spend So Much Money?* sells for \$1.45. Write to Popular Economics Press, Box 221, Somerville, MA 02143. (617) 542-5351.

## S & L Contract with Community Group

A precedent-setting agreement negotiated between a savings-and-loan association and a protesting community group was recently accepted by the Federal Home Loan Bank Board as a condition of its approval of the branch application. For more than 15 months citizens' groups in the Adams-Morgan neighborhood of Washington, D.C. fought an attempt by the S & L to install a branch office, contending that the

association's lending policies had discriminated against poor residents of the area. Under the 10-page agreement, the \$783 million deposit association would liberalize its mortgage lending policies to make loans to residents of the urban area. It will provide loans for as much as 90% of the purchase price for moderately priced homes and for nonprofit housing cooperatives, and will create a branch advisory committee composed of neighborhood residents and association appointees that will assist community groups working on home finance, as well as monitor compliance with the agreement. Housing counseling services will be available at the branch, as will bilingual assistance for the Spanish-speaking community.

For more information on the contract and the negotiations that preceded it, write to Frank Smith, President of the Adams-Morgan community group, Public Resource Center, 1747 Connecticut Ave., N.W., Wash. D.C. 20009.

## Solar Age Catalog

A remarkable and extremely attractive new publication, *The Solar Age Catalog—A Guide to Solar Energy Knowledge and Materials*, is available from the editors of Solar Age. The catalog is the product of an intensive process of collecting information and arranging it in a form most likely to be useful both to the general public interested in solar, and to people already active in the field whose needs for information are specific and detailed. The 232 page, soft cover book has 250 product descriptions with feature by feature comparisons; state by state listings of solar professionals; and basic articles by solar experts. It has a glossary of some of the names and terms that crop up in solar energy, a directory of manufacturers, resource

# What's Happening?

Continued . . .

listings and an extensive reading list.

*The Solar Age Catalog* sells for \$8.50. Write to Solar Age, P.O. Box 305, Dover, N.J. 07801

## Labor Roundtable

The Washington Labor Roundtable which brings together labor activists to address areas of concern to today's labor force, is now making available written reports of each Roundtable. The first series of reports include: (1) "The Future of Women in the Labor Force: Will Government Be Part of the Problem" which featured Alexis Herman, Director, Women's Bureau, U.S. Department of Labor; (2) "The Bakke Decision: Showdown on Discrimination" featured members of the National Committee to Overturn the Bakke Decision; and, (3) "Alternatives for Union Pension and Health Funds" featured Randy Barber of the Peoples Business Commission along with experienced critics of particular union pension and health funds, including the United Mine Workers and the Teamsters.

Individual Reports are \$1.50; a subscription for the current series of Roundtable notices and Reports is \$5. Write to Robb Burlage,

Public Resource Center, 1747 Connecticut Ave. NW, Wash. DC 20009 (202) 483-3327.

Future scheduled sessions (Wednesdays 7 p.m. at the Public Resource Center) are: "Public employees and full employment;" "Current union action for occupational safety and health," and "The Labor Reform Act and the state of labor's lobby."

## Public Citizen Publications

"10 Ways to Take on Your Local Bar Association" a glossy, fold-out leaflet, and "Bringing the Bar to Justice: A Comparative Study of Six Bar Associations," a heavy 200-page report have been published by Public Citizen. The publications are part of an effort to inspire local and state efforts to take on unresponsive bar associations. The leaflet quotes Ralph Nader's statement, "Justice under law is too important to be left entirely to lawyers and their bar associations. The bar needs vision and values—that is what active consumers can provide through accountability."

The leaflet is free; the report sells for \$15. Write to Mark Green, director, Public Citizen, P.O. Box 19404, Wash. D.C. 20036.

severe prison sentences, Eve for increasing prisoners' rights; Griffin against increasing business taxes, Eve for —looks like a classic progressive vs conservative contest.

Militant civil rights leader Arthur Eve is the only black New York state legislator elected outside of New York City and the first black politician ever to run in a mayoral election in heavily Italian and Slavic blue-collar Buffalo. He is widely known for his unsuccessful attempt to seek a peaceful solution to the bloody events in 1971 at Attica State Prison, and for later introducing a bill to impeach then-Gov. Nelson A. Rockefeller for his role in ending the uprising.

Eve sees the issue more in terms of jobs, industrial development, better schools, better city management and better police protection. Buffalo has steel mills, chemical plants and automobile factories—and plant closings and layoffs are common. "I've sat up there in Albany just watching the city continually die," Eve says and he believes he can turn Buffalo around into an urban showcase.

Most polls put state Assemblyman Eve even with state Senator Griffin, who lost the Democratic primary to Eve in September and is running on the Conservative Party line. The entrenched Democratic machine is watching from the sidelines since Eve campaigned, in the primary, against the corruption and "bossism" of powerful Erie County Democratic chairman Joseph F. Crangle.

Eve says he is attempting to build a coalition of labor, business and ethnic groups. The steel, auto and communications workers unions have endorsed him, as have some major business and religious leaders. But Eve's upset victory in the primary was based on his spectacular organizing of the black community which comprises 35% of Buffalo. Almost 10,000 new black voters were registered. Eve also won about 10% of the white vote, including the liberal university district.

## Buffalo Politics

More Buffalo news from City Councilmember Bill Price who has been an early and frequent National Conference participant. A supporter of Eve, Price says the code question in the city today goes, "Is Buffalo ready for a black mayor?" Price also commented that Eve's support is massive among voters under 35.

The biggest news, however, is the remarkable rejection of the Democratic Party machine which has controlled Buffalo politics for 20 years. Eight of the nine Party endorsed candidates for City Council lost. If Eve wins the Nov. 8 election, and with a new City Council, government in Buffalo should become very exciting. Price had decided not to run for a third term and instead endorsed

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## Utility Scenario Continued . . .

which extracts from the consumer more than the installation cost of his/her own collector results in the twin evils of text book monopoly: over-pricing and under-production.

Consequently, the utility scenario completely ignores the major economic benefit that solar energy offers society: an opportunity to be sheltered from the ravages of inflation in the price of energy, and a long-run reduction of the spiraling capital requirements of the

energy sector of our economy.

For those to whom the obvious is not yet clear, the utility plan is to become the focus of solar commercialization projects in order to gain a pre-emptive foothold in the industry. Negative pronouncements of failure can then be made in order to assure that solar is not brought on stream until the utilities desire it to be.

John Geesman is attorney for the California Citizens Action Group

# What's Happening? Continued . . .

Eugene Fahey for his district. Fahey's politics had made him unacceptable to the Party machine, but he won handily with 80% of the vote in Price's old district.

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## New Jersey Activists Form New Group

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A statewide organization in New Jersey was recently created to bring together community leaders and public officials to form an effective urban policy for urban New Jersey. The organization, called the New Jersey Urban Conference, held its first meeting in mid-October in Jersey City. More than 250 persons attended to discuss formulation of new and effective, neighborhood-oriented urban policies and strategies for rebuilding cities.

The October meeting was co-sponsored by the National Conference and was an outgrowth of discussions at the Northeast Cities conference held last fall, co-sponsored by the City of Hartford and the National Conference. Other sponsors of the New Jersey conference included Newark Mayor Kenneth Gibson, Jersey City Mayor Thomas F. X. Smith, the NJ Department of Public Advocacy, St. Peter's College, Stevens Institute of Technology and the State University at Rutgers.

According to Peter

Buchsbaum, one of the conference organizers, conference participants wanted a more progressive and stronger urban policy voice. "Progressive officials and committed persons across the state realize they've got to work together and become more vocal if they're going to improve the situation. New Jersey has never had a strong urban voice and this organization will give it one," he said.

The day-long conference featured a keynote speech by Yvonne Perry, Deputy Assistant Secretary of H.U.D., and included 12 workshops covering a range of urban ills and some possible alternative solutions.

For more information about future activities of the New Jersey Urban Conference, write or call Richard Roper, Office of Newark Studies, 909 Broad St., 10th Floor, Newark, NJ 07102, (210) 622-6563; or, Peter Buchsbaum, Department of the Public Advocate, Box 141, Trenton, NJ, 08601, (609) 292-1692.

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## Agricultural Program for Conference

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Cynthia Guyer has joined the staff of the National Conference to direct a two year project on progressive agricultural, land, and food policies for state and local governments. Awareness is picking up on how these issues effect the quality of both individual and community life. Public interest groups, farmer and consumer organizations are pushing city councils and state legislatures to consider new proposals. Even people active on urban issues agree that many of the problems the cities face are rooted in the lack of an enlightened rural policy. More than five million acres of farmland are lost each year to suburban sprawl and commercial development. For low income people who pay over 55% of their income for

food, the availability of a healthy diet at an affordable cost is crucial.

Among the activities planned for 1978 is a national conference that will focus on innovative proposals, legislation and existing models. It will interface public interest groups, community based organizations and political activists working on agriculture issues, with state and locally elected officials. A public policy reader will be prepared for the conference.

Guyer graduated from the University of California with a B.A. in Rural Development. She has most recently spent a year and a half working in the South with the National Sharecroppers/Rural Advancement Fund.

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## Texas Meeting Set

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A Texas Regional Conference on Alternative Public Policies (RECAP) is planned for late January in the Dallas-Fort Worth area. The conference, hosted by Fuerza de los Barrios and a state-wide committee of public officials and activists, will focus on such issues as energy, banking, tax reform and planning. For more information, contact: Shari Barnes or John Lewis at (817) 335-2149.

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## More Tax Programs

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A series of conferences on taxes and revenue strategies are planned for the upcoming months. There will be expanded workshops on municipal tax reform and state taxation of natural resources, as well as sessions on mechanics and the politics of taxes. Also in the planning stage is a second "New Directions in State & Local Tax Reform." The conferences, along with expanded tax news and information to be published in the *Newsletter*, are partially funded by the Shalan Foundation as part of its interest in tax reform questions.

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## Who Will Own The Sun? Continued . . .

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(2) Prohibit utilities from levying a special "solar standby charge," or any other charge which would discriminate against solar users as opposed to rate-payers generally.

The tax burden of solar producers should be on a par with producers of non-renewable energy. To bring this parity, states should:

(1) Eliminate the sales tax on purchases of solar energy

collecting equipment. Other energy producers are not subject to sales tax on equipment purchases.

(2) Exempt consumer-owner solar systems from property taxes.

(3) Set 50% solar income tax credits and allow any portion of the credit not used in the year of purchase to be carried forward to future years.

Lowering the cost of money

# Hartford Up-Beat

*Editor's Note: The city of Hartford has recently received a good deal of attention in the media and in circles concerned with alternative public policies. The following background article is based on conversations with Professor David Smith from the University of Massachusetts, College of Public & Community Service, who is a consultant with the city, John Alschuler, Assistant City Manager of Hartford, and others.*

There are several interesting aspects to the "Hartford Experiment." One is the political character of the city administration which is best exemplified by their extraordinary commitment to service. Their affirmative action program is a good example—using municipal funds to sue suburban employers and suburban jurisdictions on behalf of non-white and unemployed center city residents. That's in contrast to most decaying center cities changing the population mix. "We've got to attract more middle class people," is the standard slogan for the battered-city mayor. Nick Carbone, the Hartford Democratic Party leader, and his people see the constituency of the city as an appropriate political constituent and do not spend a lot

of time worrying about having another one.

The city is also willing to be risk-taking and innovative. The best examples are two undertakings that have to do with energy—a major publicly capitalized, winterization retrofit corporation which combines elements of traditional market place risk, the explicit use of public capital to start a new venture, and the risk of offending segments of the political community on grounds of unfair competition. Similarly, money was put into a community/city joint venture to explore the manufacture of a sophisticated, potentially very good solar water heater. That venture hasn't turned out as well from the city's point of view. But both ventures were characterized by the willingness to undertake, with public funds and with all of the attendant political exposure, relatively risky deals in the hope of finding creative new solutions.

Hartford is one of the few places in the country today where there is a larger, more expansive, more intervening public sector. The private sector has proved inadequate, if not downright mischievous and malevolent and therefore the public sector has got to step in where there are gaps in the economy. The Hartford city government really be-

lieves that good government in these times means a lot of government. That's shared not only by the elected leadership, but goes down pretty deeply into the administrative ranks.

Another general characteristic of Hartford is the self-conscious melding of alternative politics rhetoric with traditional political craft. Nick Carbone calls up our most romantic memories of people like James Michael Curley. He does use the city to do favors. He does use the city to help people out. He is perfectly capable of striking a tough bargain. But Carbone never does those things for motives that cannot be fully exposed and are not wholly appropriate.

An interesting piece of the maneuvering over the state budget in Connecticut last year was Nick's deal with the municipal employees union. The city had a position that required spending more money, and he sought the help of the municipal unions in lobbying the state legislature; not an unusual tactic. But the number one item on that program was an increase in the amount of assistance that would go to welfare recipients. Nick was able to get two extremely unlikely political constituencies—welfare recipients and public em-

ployees—rallied around the same issue. He raised the consciousness in the public employee unions about what it was that caused crime, deterioration, and attendant economic problems in the city of Hartford—that in some overwhelming way it was the existence of poverty, and that the state was making people live on inadequate amounts of money, and that cops and sanitation workers and school teachers in Hartford would be better off if welfare recipients were treated more fairly.

In return for the support of the unions there were doubtless commitments made by the city administration to the unions. The point is that Nick, in making that bargain, was willing to use the muscle of the municipal political leader to change the terms and the tone and the nature of the political debate.

There is also a broad commitment to building political capacity. It shows up in the willingness of the city government to make resources, both human and capital resources, available to groups like the National Conference. It is a very unusual commitment for a city of Hartford's rather small size. Nick's work on the energy task force and the public assistance task force of the League of Cities has dramatically changed the nature of the recommendations and positions and the quality of the work coming out of that organization. It is part of Hartford's municipal policy to deliver the technical and intellectual resources of the city to the effort of better public policy on a broad scale, and to forge the political coalitions necessary to pull it off.

Carbone has put together a coalition of city leaders from small Northeastern cities and they are lobbying for good urban positions. It is a con-

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is critical to lowering the cost of solar energy. It can be done in a number of ways:

(1) The state itself could make low-interest loans. Funds for the loans could come from a bond issue or from taxes e.g., a sales tax on natural gas. Cities and other local jurisdictions e.g., water departments, municipal utility districts, new solar districts, could also make financing available.

Numerous precedents exist for extremely low interest

public loans to achieve important social objective—40 year no-interest loans to irrigation districts, 2% REA loans to rural electric cooperatives.

(2) Private lending institutions could be encouraged to make low-interest, long-term loans—similar to home mortgages—for energy conservation and solar energy installations, by using a variety of tactics—jawboning, shifting deposits of state funds, providing a

one or two point interest rate subsidy, or guaranteeing loans to low-income borrowers.

*Peter Barnes is an organizer of The Solar Center, a new solar design, installation business in San Francisco. Barnes was formerly West Coast editor of the New Republic. The above is an edited portion of his testimony before joint hearings of the California Public Utilities and Energy Commissions.*



# Economic Alternatives—Funda

*Editor's Note: The New School for Democratic Management, which opened this summer in San Francisco, CA under the direction of David Olson, has received the warm support of the National Conference since the project was first conceived by David. The following article is edited from a speech given at that first session. For more information on the school, see Notes to Note in this issue.*

by Derek Shearer

The idea of an Alternative Business School grew out of political experiences from the 60's, examples from earlier American history, and surveys of Left movements in other times and places. It is clear that our society is presently dominated by the values of a business culture which is almost impossible to escape. But beginning in the 60's and carrying on into the 70's, a great many people have been in revolt against that business culture and have tried to build a new ethic with institutions that reflect that ethic. It has been difficult and often not too successful. Let me give some personal experiences and examples that point this up.

I worked for a couple of years as an editor of an "alternative" newspaper in Boston. We called it a "sea level" newspaper, as opposed to an underground newspaper, because we had big ads. It was, in fact, a profit-making, capitalist enterprise. We had an owner—a very aggressive, hip capitalist—who had started this little rag to tell students what movies were playing. Lo and behold, a market was discovered out there and he kept getting ads. So he had to hire people to fill the pages. We came in on the expansion and he gave us total editorial control. We filled the pages with anything we wanted: lists of upcoming marches, what were campus targets, where war work was done. We had investigative reporting. Julia Child was attacked for going to a butcher in Cambridge who shortweighted poor people. We took on the Mafia. A special assistant to the Mayor came to tell us to watch out when we started our cars in the morning, because we had questioned the tax assessor's motives.

It was a great deal of fun. The highlight of the period came when Nixon bombed Hanoi and Haiphong over Christmas. We ran a screaming, *Daily News* style headline which said, "ENEMY BOMBS HANOI." Agnew attacked us in a series of speeches for not knowing who the true enemy was.

But, at the same time that we were turning this ideal paper out, the mainly women and minority non-editorial staff were working in very cramped, hot, dirty conditions for basically exploitative wages. We really didn't notice it. Finally, they came to us and said, you guys are the big heavies here, would you argue our case. And most of the people on the editorial staff weren't too interested in getting into this.

No one quite knew how to deal with it. There was the owner who let us do what we wanted, but here were the workers who were complaining about the way they were

treated and what kind of institution it was. This was never resolved. The lower level employees started a union and went to the NLRB. Three years later when I left Boston hearings were still going on and the matter was still not resolved.

It seemed like we didn't have much expertise on how to handle this kind of situation. We knew how to put out a good newspaper. But we didn't have a clue about how to run a business enterprise in some humane way. We didn't even know what questions to ask.

After I moved back to Los Angeles, I decided to see if there were any models in other countries that were having better luck. I heard about the New Democratic Party, which calls itself socialist, that had come to power in British Columbia for the first time in 20 years. They were actually governing a very rich, not underdeveloped, country right over the border.

I went up as a correspondent for *Ramparts*. The Prime Minister read *Ramparts* and he wanted to talk with me. That was very nice. I ate in the Ministers' dining room. I got a grand tour. I interviewed a key political ideologue in the government, the Minister of Natural Resources, who told me how they had purchased a number of firms owned by American multinationals and made them Canadian crown corporations, i.e. government-owned, public enterprises. He said that wasn't enough; they were not going to run these firms like old capitalist firms; these would be new, humane socialist ventures. He was vague about this, but sounded sincere.

Then I went and talked with the union which represented the workers. They said you've got to be kidding. These guys are worse than our old capitalist managers. When you had a capitalist manager you knew who the enemy was. You would strike and you would scream, and those politicians who were out of power would help. Now they are in the government and they say, don't strike, cool it, we're on your side, just give us a little more time, you don't know everything we know.

In my article I quoted the Minister about how he was going to run the businesses. Some of the union rank-and-file people read the article and when the Minister toured the firm, they waved it at him and said you promised. Out of that little struggle they managed to get worker representatives on the board of directors, and at least start a debate about the nature of the enterprise management.

The point for me, from that experience, is that it's possible to have a Left, or seemingly Left, government that just governs and doesn't build alternative economic institutions, or try to change existing ones. But it is also possible, if you bring these questions out into the open, to force some change.



# mental To Political Alternatives

Our Alternative Business School is not just about learning better skills. It is an ideological challenge to the rest of society. It is not just the models we are building, but the questions we are asking about why there are no workers and consumers on corporate boards of directors, or why workers do not run their own firms.

My premise is that it is impossible for a Left political movement with ostensible humane values, to accomplish its goals without a parallel alternative economic movement. Similarly, it's impossible for that alternative economic movement to achieve its goals without a political movement. They have to go hand-in-hand. There's a dynamic. There's an interaction. You can see it if you look back at any number of historical movements. Let me give you some examples from our own country.

The rural Populist revolt that went on at the end of the last century was against the emerging corporate business ethic. They adopted the cooperative model and quite consciously fought against the growing concentration of economic power. They combined the building of cooperatives with their political movement. They didn't win, but they did make considerable impact. A new book, *Democratic Promise*, by Lawrence Goodwyn, goes into great detail about the consciousness with which the Populists tried to build an alternative economic movement and link it to a political movement.

Right after the turn of the century, after the Populist revolt failed in the rural areas, there was an urban revolt. The Socialist Party came to power in a number of cities and were faced with running the likes of Bridgeport, Schenectady, Milwaukee, and others. In most cases, they didn't do such a hot job. A young man just out of Harvard, named Walter Lippman, went to work as the secretary for the Socialist mayor of Schenectady, N.Y. He wrote a scathing report about the socialist experiment, in a spirit of constructive criticism. Lippman said that when the Socialist Party came to power they said that now we are the government we have to be responsible. We represent all the people. We can't tinker with too much. We'll clean up some corruption. Maybe we'll have public ownership of the subways. But we are not going to put forward our values, because who are we to impose our values on all those who voted for us but clearly are not members of the Socialist Party.

Lippman raised a number of questions like: why win? why get into power if you are not going to make any difference? He pointed out that one of their problems was that they had no administrators, so most of the time they had to rely on existing administrators who disagreed with them politically. Secondly, they had very few models. They had no real experience running large-scale economic enterprises to provide goods and services

to people. Lippman suggested very strongly that the Socialist Party build a strong cooperative movement, to go hand-in-hand with their political effort. For a number of reasons, they never took his advice.

This interesting political analysis is in a new book, *Socialism and the Cities*, edited by Bruce Stave, published by Kennikat Press, Port Washington, N.Y. The book also contains a number of detailed studies about what happened when the Socialist Party took power in other cities.

The EPIC movement which almost elected a socialist governor in California in 1936 is another important example. Upton Sinclair ran on a program called End Poverty In California—EPIC. He wrote a little book called, *I, Governor of California*, a description of the first year of his being governor, which sold a million copies. Sinclair won the Democratic nomination although he attacked the church, the press, the military, everyone. He was a vegetarian, for free love. How could such a character be almost elected governor? It turns out that the basis of his political movement were co-ops, begun by desperate people in the 30's. Wherever there was a co-operative in the state, it was quickly turned into an EPIC club to support Sinclair. Where there weren't co-operatives but where EPIC clubs were set up, co-ops were begun as one of the first social enterprises to fit into the Sinclair campaign. The co-ops also created the kind of alternative political culture which nurtured the EPIC clubs in their incredible campaign.

Current examples from other advanced industrial countries are important to look at also. One of the biggest disappointments is the so-called Left government in Great Britain, which in its founding party constitution claims to be socialist. The Labor Party fell into the same trap that the Socialist Party did in this country, of thinking that they had to govern for all the people; they didn't want to push their values, and they had no alternative economic models or people in alternative economic institutions pushing them. So, all they did was nationalize bankrupt companies which private enterprise didn't want.

At the same time, the cooperative movement in Britain stayed apolitical and didn't get involved in Labor Party politics. They didn't, until very recently, raise questions about workers control and workers management.

However, in other countries such as Italy and France, there are dynamic alternative economic movements coupled to a political movement. The Italian Communist Party is very rooted in communities and it runs cities all over Italy. The city of Bologna has been run by the CP

*Continued on page 10*



*"This survey indicates you can fool 17% of the people 100% of the time, 34% of the people 51% of the time, and 100% of the people 12% of the time."*

for over 20 years and is a model of city management and the provision of services. They also have a very strong cooperative movement and a number of successful enterprises and newspapers. Of course, their travel agencies have the market on trips to the Soviet Union, China and Cuba. But they have developed the skills necessary to run Italian society. If they come to power they will have people who, in their terms, have both good politics and technical skills. They have cities that are showcases for their values and they have economic enterprises that are examples of their values.

France is more complicated, because there the Socialists and the Communists are in a funny dance in which the Communists are opposed to workers control, while the Socialists push workers participation and control. The young Socialist politicians went out of their way to support the workers who seized the Lip watch plant a few years ago. The Left Coalition talks about and ap-

pears to be committed to some form of workplace democracy in the enterprises which are already publicly owned. Right now public enterprises in France are run like capitalist enterprises. Clerks in the nationalized banks went on strike last year and that has now become a political issue in France. Because of this dynamic, this interaction between workers and people involved in worker co-ops taking political action, politicians on the Left have to respond and incorporate the economic issues into their political program.

For me, that is the strategy which this Business School could be a part of. We have to project our values, which we talk about in this school, and skills, which we learn in this school, out to the whole society as a very definite political challenge.

*Derek Shearer is a political activist and journalist on the West Coast. He is a founder of the National Conference and on its Steering Committee.*

# Hartford Up-Beat Continued...

scious, systematic attempt to change the terms and the nature of the political debate, which the Hartford City government sees as part of its legitimate role.

The last point is the city governments belief that economic questions are central; that questions of jobs, of economic self-determination, the control and allocation of capital, are the primary questions which ought to occupy the public sector in the 70's. The Hartford city government is very explicit about that and the following examples grow out of the belief that many of the traditional concerns of reformers don't mean very much until we've (1) insured a healthy economy and (2) insured some substantial democratic control over the way that economy operates.

Specific program examples include the public enterprise strategies of Hartford. In their block grant spending plan for this year money is allocated to establish a publicly owned Development Finance Institution. It is modeled on the Community Development Finance Corporation in Massachusetts, which is a public venture capital corporation designed to put money into public ventures or into community-owned ventures. Going in the same direction are the investments in the two energy related public enterprises.

There is also a study undertaken by the City Council about the possibility of a city bank, and the kinds of regulations, targeting provisions, and constraints that might be put on investment portfolio policies of Hartford's insurance industry.

Hartford has a good redlining ordinance. They may be the only city in the country that is going beyond the redlining anti-discrimination pro-

grams and looking toward a more aggressive and extensive public role in questions of capital and credit allocation.

A second example is the work-places program operated by the school department. It has city-wide political support and much of the financing comes from the Council's use, again, of block grant money. The work-places program is an attempt to do two things: (1) to integrate in a very careful way the vocational and career education training that the Hartford high school provides, with job needs and employee needs of local public and private sector employers. At a minimum it ought to have a substantial affirmative action impact. The other part of work-places is the attempt to incubate within the school system some new ventures which can be community-owned or owned by the municipality. The vocational training program of the school can be used to help start and underwrite the cost of new enterprises that are based on public purchasing. For instance the food service business will be one of the work-places' undertakings. It is crucial to stress that it is not just a curricular reform but an attempt to create a new publicly responsive, employment-generating, economic institution that has got some independent market place viability.

Hartford recently applied for and received a planning grant from the Economic Development Administration in order to do large scale and long term development planning. That application is unique in a couple of respects. Hartford has stressed its attempt to use public capital as an investment resource. The EDA workplan has a very sophisticated analysis of the po-

tential impact of public capital and what's wrong with programs which favor patterns of expenditure over patterns of investment.

A fourth initiative worth paying some attention to is the use of legal capacity. A suit was filed against the suburban communities in the metropolitan area attempting to stop HUD's distribution of community development revenue sharing funds to them on grounds that those cities did not have adequate affirmative action programs. In the short run the result has been more job opportunities for non-white Hartford residents; in the long run, it will lead to an affirmative requirement that metropolitan planning that doesn't isolate or exclude center city communities become a criteria for the award of federal monies.

There has also been allocation of money within the city budget to fight affirmative action suits on behalf of individual Hartford residents seeking jobs in either suburban communities or with large suburban employers.

The city's joint venture, in effect, with the Maverick Corporation is also interesting. Maverick is a non-profit supported work program with some Department of Labor money. It is aimed at providing jobs in transitional employment for ex-offenders, addicts and welfare mothers. The Hartford program is limited to addicts, alcoholics and ex-offenders. The Maverick Corp. wanted to do some housing rehabilitation in a devastated section of the black community. One of the problems with housing development strategies is that rehabing a house in an area where the infrastructure is deteriorated doesn't produce much value or any real possibility that the better housing unit would be around for

very long. The Maverick Corp. undertook the gutting and rehabilitation of homes with the intent, which it is now doing, of selling them at very low prices to families in Hartford. The city was also prepared to make the necessary public investment in order to make that investment of community group effort pay off. That public investment took the form of street improvement, lighting, and increased public safety commitments.

The above is a pretty rosy picture. There are some risks and some problems. The Carbone coalition is Black-Latin-Italian. Nick has also been able to generate significant support from sectors of the traditional business community. But the coalition has its fragile aspects and one can't talk about Hartford without saying that it's an extraordinarily poor place at the moment. It has an unemployment rate well above the state average. It's a city that has lost a significant amount of its economic and job base. Its sector of largest employment is the insurance industry and that draws heavily on suburban residents. It's a terribly small city without much developable land so that some of the economic initiatives that one might want are very hard to undertake within the city limits. But those problems are generic and not unique and specific to Hartford.

However, there is enormous talent among the city officials. And with the personal energy and imagination of Nick Carbone's leadership, there is much cause to be optimistic about the Hartford experiment. For more information on any of the programs described above, write to City Hall, 550 Main St., Hartford, CT 06103.

# Conservation In One City

by Bettina Conner

For many people, solutions to the energy crisis still seem remote—part of an alienating issue to be decided by oil companies and Washington bureaucrats. But not people in Davis, CA. Their energy conservation experiment shows what ordinary citizens can do, through their local government, to tackle energy problems.

Davis is a small city, located in the lush farmlands of the northern Central Valley. It is part university town, part bedroom community for nearby Sacramento. Like many other American cities, it has been threatened by unchecked growth, swarming automobiles and, in recent times, by steeply rising costs of energy.

But unlike the towns and cities which leave energy policy to the federal government or energy corporations, the citizens of Davis decided to act on their own.

After lengthy debate, the City Council moved to curb growth. It turned against the automobile and embraced the bicycle as a means of transport. It sponsored an inquiry into energy uses and endorsed a series of measures aimed at reducing energy consumption by as much as one half. It cut back the use of pesticides on the thousands of trees and shrubs that shade the city's streets, adopting instead a policy of biological control for insects. The city's own cars and trucks have been transformed into a fleet of compact vehicles. When a Davis employee has to get around town, he borrows a bike from the city rack. Davis even passed a law formally and solemnly sanctioning the clothesline.

The citizens of Davis have been involved in progressive city planning and energy conservation since 1968, when they persuaded the City Council to facilitate bicycle transportation by developing a system of bikeways. Today, Davis' bikeways and bicycle safety programs provide

unique incentives to bicycle transportation unequalled anywhere else in the U.S. In a city of 33,000 people, Davis has some 25,000 bikes registered.

In 1972, the city drew up a general plan for future development based on questionnaires distributed to residents. The plan's goals are to limit growth and to conserve land, water, energy, and other natural resources. An important part of the general plan was to determine how energy was being used by residents. A survey of residents showed that automobiles represented 50% of energy consumption, and space heating and cooling accounted for 25%. So transportation and building construction became important focal points in the Davis plan.

The survey revealed that a building's placement on a lot—its east-west orientation—greatly influenced its space heating and cooling needs. Insulation, amount of window area, exterior roof and wall colors, overhang shading, and other factors are also important. Armed with this information, the City Council drew up a building construction code which greatly reduces the cost of heating in the winter and actually eliminates the need for air conditioning—even on Davis' hottest (114° or more) summer days.

To demonstrate to local builders and developers methods for complying with the new construction code, Davis is building two model solar homes—one single-family dwelling which takes advantage of natural southern exposure sunlight, and a duplex building which creates a basic plan that can be adapted to difficult siting situations, where direct sunlight is blocked.

Many of Davis' measures simply facilitate natural solar heating or sun-shading. For example, most communities have regulations requiring that fences be constructed relatively close to houses—leaving a large amount of

yard space between the fence and the street. Davis had similar regulations until the city realized that fencing close to a house blocks winter sunlight, but does not block the higher summer sun. Now, new fences must be placed closer to the street—giving residents larger yard spaces as well as natural solar heat in the winter.

To reduce public transportation costs, the city expanded its bicycle program and bought a fleet of second hand, diesel-fueled, double-decker buses from England. And Davis developed a city ordinance encouraging cottage industry, to cut down on home-to-office transportation and to reduce some of the need for new office building construction.

The resource-conscious city reduced the required width of new streets to provide more shade and to save space and asphalt; it plants a large number of evergreen trees on city streets to cut down on leaf pickup in the Fall; and Davis banned any new

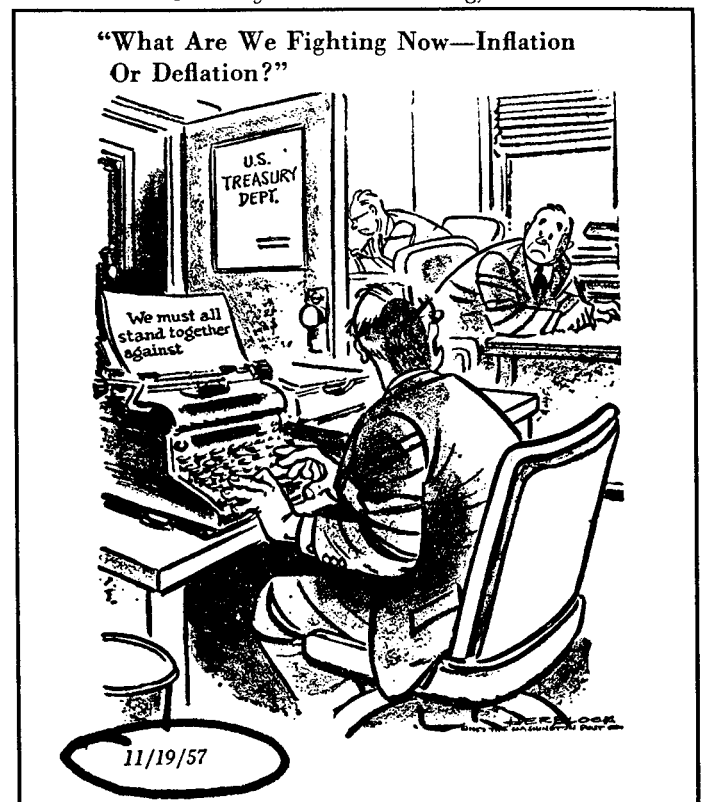
swimming pool heaters except solar systems, after learning that its existing gas-heated pools cost \$40 to \$60 a month to heat.

For five years, Davis has operated a recycling center that handles newspapers, cans, glass, garbage, even waste oil. By selling \$3,000 worth of recyclables every month, the operation is fully self-supporting.

In the hope that other cities might gain encouragement and ideas from Davis' conservation measures, *The Elements* has published details of the measures, how they were accomplished, city codes, and planning drawings in *The Davis Experiment: One City's Plan to Save Energy*. It is available from the National Conference for \$2.50, \$5 for institutions. See Publications Page to order.

*Bettina Conner is the managing editor of The Elements, co-author of New Energy, and a colleague of the Public Resource Center in Wash. D.C.*

Or—20 years later—is it Stagflation?



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# Industrial Exodus

For many years America's industrial states, mainly located in the Northeast and Midwest, have been among the most prosperous in the nation because of the dynamic manufacturing sector of their economies. Many of the largest corporations in the U.S. began in those states and developed into the national and multinational firms they are today.

Now increasing numbers of these corporations are moving production to the South and overseas in search of low-cost labor. The traditional industrial states are in trouble as not only jobs are lost but their entire tax and financial structures are in jeopardy. New York City is the most visible example of the consequences of loss of industry but as the large corporations continue to leave, other state and cities are experiencing similar problems.

Even Southern states, the new home for many corporations, are not invulnerable. As they develop industrial economies, they become subject to the same disadvantages of corporate mobility which originally benefitted them. In the future these states may find they have been merely way stations between New York, Ohio and Michigan, and Brazil, Taiwan and Spain.

Since the shift of industry from traditional locations is a national and international problem, many of the most significant possible remedies involve federal action. *Industrial Exodus*, a new National Conference publication, outlines numerous federal solutions including regulating corporate relocation as many European countries do. Full employment legislation is also vital to solving problems created by corporate relocation. Tax and tariff codes should be changed to discourage overseas production. Small locally-owned businesses should be given federal aid, and im-

# Alternative Legislation Continued . . .

## Toughest Anti-Redlining Law

Enforcement of the toughest anti-redlining law in the nation was begun in California last month. The law gives officials the power to order a bank or savings and loan association to make a mortgage loan in cases where the state finds that the borrower was turned down because of redlining or other discrimination. Lenders are required to make public their criteria for granting mortgages, to set up affirmative action programs for lending in inner-city neighborhoods, and to tell the state where new loans are being made.

The state law can not require federally chartered savings institutions or national banks to comply, which leaves a sizable portion of the California mortgage market exempt from the rules. However, state-charted savings and loans dominate the single family

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proved federal banking regulation is needed to target capital to areas of high unemployment.

On the state level, many actions can be taken which will raise the pressure for federal actions. The most promising of those alternatives include: protective business closing legislation; strong and fully enforced takeover legislation; new public financial institutions to provide capital to small locally-owned businesses; and bank regulations focused on community needs.

Ed Kelley, author of *Industrial Exodus*, also advocates inter- and intra-state non-raiding agreements, as well as states joining the Multistate Tax Commission. He also suggests that employees could purchase plants that are being shutdown and that public industrial parks could be created in cities.

See Publications Page to order *Industrial Exodus*.

home mortgage market and have two-thirds of all the S&L assets in the state.

## Federal Loan Assistance

The U.S. Dept. of Agriculture, through the Rural Development Service, has developed the Federal Assistance Programs Retrieval System to facilitate federal loan assistance.

FAPRS is a computer bank with access to over 600 federal programs.

Money through FAPRS is available for development in community facilities, business and industry, housing and technical assistance. Within a year, programs for employment, health and social services, will be added to the computer.

Anyone wishing to run a program should contact their nearest Agriculture Extension Service, most of which have data bank terminals. If not, they will refer you to a computer. The fee ranges from free to \$10. For further information, write Administrator, Rural Development Service, U.S. Dept. of Agriculture, Wash. D.C. 20250.

## Senior Citizen Tax Break

A bill that would permit many senior citizens to stop paying property taxes on their homes has been approved by the California legislature. The taxes would become a lien against the property and could be paid anytime, but presumably would not be paid until the home is sold. The legislation carries out the intent of a ballot measure approved by voters in June, 1976. The bill would permit owners 62 years and older to defer all or part of their tax payments, provided their annual household incomes were \$20,000 or less. The state would reimburse local government for the lost revenues, collecting its money, plus 7% interest, when the home is sold.

## Lawyer Stranglehold Challenged

Legislation that would repeal a Maryland state law which forbids court clerks from helping the public fill out certain legal forms, is in the docket. In Maryland, one out of every three legislators is an attorney. Until Wisconsin's legislature became more time consuming, many of its delegates were attorneys. Now there are fewer lawyer-delegates and the state legislature has begun enacting laws making it easier for non-lawyers to conduct their own court business.

This is part of a growing national movement called "delawyerizing" which attempts to simplify legal procedures so that lawyers are not essential. It has the support of consumer groups, some lawyers around the country, and the Justice Dept., which has said that lawyers' monopoly on legal services may constitute an anti-trust violation. The lawyers' monopoly is the result of "friendly interaction" between legislation drafted and passed by lawyers in state legislatures coupled with restrictive bar association rules and codes.

## Socialist Municipal Program

A complete municipal socialist program has been prepared for the city of Edmonton, Canada, by the Edmonton Voters Association in coalition with the Alberta New Democratic Party. The program includes policy positions on such items as education, planning, city government reform, taxation, monopoly and consumer protection, labor, and utilities. The statement was written in preparation for elections which were held in mid-October. Copies of the policy statement, entitled "Toward a Human and Prosperous Edmonton," is available from the Alberta NDP, 5339 112th Ave., Edmonton, Alberta, Canada.



# Alternative Legislation

## Protecting Threatened Farmland

In response to the growing interest at state and local levels about ways to halt loss of farmland, both the House and Senate have introduced bills that would assist state and local governments in their efforts. The proposed legislation establishes a federal commission to conduct a national inventory of agricultural land. It would also provide federal funding for pilot programs in farmland preservation such as the purchase of development rights, changes in the property tax structure, and establishing agricultural districts.

The author and key sponsor of the National Agricultural Land Policy Act (HR 4569) is Rep. Jim Jeffords.

## Co-Op Bank Bill

The National Consumer Cooperative Bank Bill passed the House of Representatives this summer by a one vote margin (199 to 198). The bill, which would make loans to consumer cooperatives, is now being considered by the Senate. Consumer and labor groups monitoring the bill note that it must gain full support in the Senate Banking Committee and be reported to the floor by Senators Proxmire and McIntyre. For details on the bill, contact Mitch Rofsky at Congress Watch, 133 C St., S.E., Wash. D.C., 20003. (202) 546-4996.

## U.K. Tax Treaty Delayed

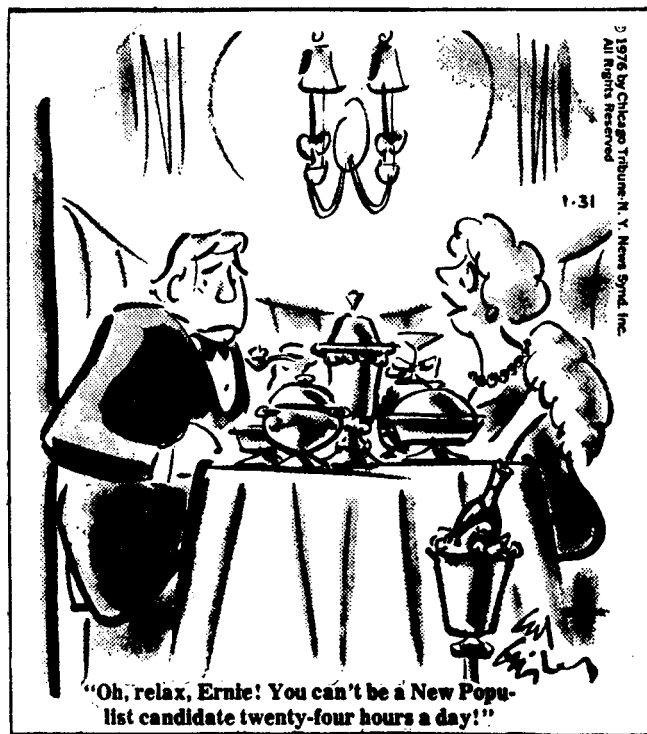
In closed executive session the Senate Foreign Relations Committee decided to delay consideration of the U.K. Tax Treaty indefinitely. (See Conference Newsletter No. 8) However, two other developments have put a damper on the cheer of

opponents of the proposed treaty that would prohibit states from using the "unitary" method of accounting which they contend is the only way states can assure that foreign corporations pay their fair share of taxes. First, it is reported that the administration's upcoming tax package will propose a legislative

prohibition of the use of the unitary method. Secondly, officials of the state leading the fight against abolition of the unitary method—California—did a surprise turnabout. Gov. Jerry Brown and Sen. Alan Cranston telegraphed Pres. Carter offering support for the U.K. Treaty after a visit to Japan by Brown where he says Japanese businessmen told him they would leave California unless the state abandoned the unitary approach.

Peace Peace Peace Peace Peace Peace Peace

## TOPPIX



## SEASON'S GREETINGS

Peace Peace Peace Peace Peace Peace Peace

## Art Resale Act

A bill recently passed in California, The Resale Royalties Act, will give the artist a cut of the profit if the artist's work is subsequently resold. Under the new law, an artist will receive 5% of the resale price on a work of fine art if it is sold for more than \$1000.

## Recycling Used Oil

A model bill for establishing programs to recycle used oil has been published by the Federal Energy Administration as part of its energy conservation program.

Copies of the pamphlet which contains text and commentary on the bill, may be obtained from FTT, Conservation & Environment: Used Oil Recycling Program, Wash. D.C. 20461.

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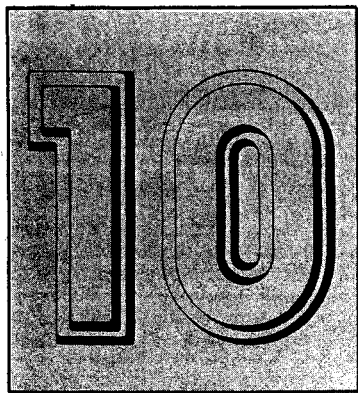
## National Conference Newsletter

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# 10 CONT ALTERNATIVE STAT PUBLIC POLICIES

January 1978

Editor: Barbara Bick

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# Solarcal: Blazing the Solar Frontier

by Fred Branfman

A major statewide campaign has begun in Los Angeles for Solarcal, a proposal for a public Authority to help create a new solar industry in California. The campaign has major national implications, testing both possibilities for structural economic change and political coalition-building among labor, minorities, small business, and progressives.

The Solarcal campaign, largely organized to date at the grass-roots by the Campaign for Economic Democracy, has two strategic phases. First, an "endorsement strategy," begun in October, 1977, which produced in its first month of operation dozens of endorsements ranging from San Francisco Mayor George Moscone to Rep. Ron Dellums to the Governor's Energy Advisor, Wilson Clark, and organizations like both the Santa Clara Central Labor Council and the Santa Clara Sierra Club. Second, a "public education" campaign planned for 1978, including speeches, press conferences, slide shows and, possibly, paid media.

Solarcal representatives have recently begun meeting with the relevant staff from the State Legislature, to figure out a joint approach between the Solarcal "model bill" and the half-dozen major solar bills which the Legislature is considering.

The legislative outcome will serve as a test-case of the possibility of uniting a large number of people around structural economic change. Solar is vastly popular in this state. It offers real economic benefits—to labor and minorities as a jobs program and to small business as an economic development program. It has particularly symbolic importance for those with an environmental/consumer consciousness.

Among the major economic issues at stake are:

(1) **Economic goal-setting**—Solarcal is based on the belief that there is both an economic and energy crisis, and that we must move boldly on solar to

even begin a solution to this crisis. It is not enough merely to accelerate a still-fledgling solar industry. We need to set a goal, e.g. "solarizing" every feasible roof and building in California by 1990, and establish a program to do so. Solarcal legislation would see a specific group, with a budget, charged with producing such a plan.

(2) **Financing**—It's easy to be for solar these days, alot harder to support the major sort of re-direction of capital necessary to finance a full-scale "solarization" plan. One possibility under consideration is floating general obligation "solar bonds," though many fear that this would fail the obligatory ballot test. Other suggested schemes include revenue bonds for consumer loans, revenue bonds only for warranty guarantees, 7% utility homeowner loans under strict Public Utilities Commission control, SBA money to help small solar business, a special utility account based on the marginal price of gas from which the consumer could draw to shift to solar.

Whatever proposal is worked out, it is clear that Solarcal poses a major test of whether it is possible to finance the restructuring dreams of progressives over the next decade.

(3) **Monopoly control**—Solarcal helps only small business, cities, and co-ops developing solar, and has been put forward specifically as an alternative to utility control over the sun. California utilities have clearly signaled their intention to move into solar, and Solarcal is realistically the only possibility for avoiding monopoly control over the next decade.

Solarcal will also provide a political litmus test for both the progressive movement and Jerry Brown.

As the major job-creation initiative presently being proposed in California, and one particularly well-suited for the unskilled, Solarcal should have broad appeal for labor and minority groups, while its emphasis on small business and local economic develop-

ment should have broad middle-class appeal. Solarcal's success in winning support from these groups, as well as traditional consumer, environmental and progressive constituencies, will teach much about the possibilities of building such coalitions in the future.

The next major step in the Solarcal campaign will be publication of a detailed jobs study, entitled "Jobs in a New California Solar Industry." As organizers take it to labor unions, small business groups and minority organizations around the state, such basic questions as the ability of unions and small business to transcend traditional tensions will be tested.

Observers say that the Solarcal campaign has already played a role in encouraging Jerry Brown to support solar verbally, though he has yet to advance substantive programs.

Prospects seem bright as 1978 begins. Just a year ago the debate was still whether solar was commercially feasible; now, Solarcal has helped make the question *how*, not whether, solar will be implemented in the years to come.

California will be laying the basis for a new solar industry in 1978. Solarcal will have a major role in helping to shape the nature of this industry—and, by extension, the direction of progressive politics as well.

*Fred Branfman is an associate of the California Public Policy Center. For more information on Solarcal, contact him at CPPC, 304 So. Broadway, Room 224, Los Angeles, CA 90013. (213) 628-8888.*

## Correction

The Conference Newsletter regrets the factual inaccuracies contained in the recent article on Hartford, CT. The Conference Newsletter also incorrectly stated that Assistant Mayor John Alschuler had participated in any way in the preparation or review of the article.

# Municipal Conservation

by Hal Conklin

We in Santa Barbara were happy to read Bettina Conner's article, "Conservation in One City", in the November issue of the Newsletter.

The City of Davis has done a fine job in initiating an energy conservation project. In our City, we have also had such a project and we reduced the consumption of energy in all utility use by 5%. The difference in our emphasis is worth the close attention of any City contemplating such an undertaking.

In Davis, the primary emphasis is on the future; they changed construction codes and zoning regulations. In Santa Barbara, our primary efforts were directed toward reducing the consumption of energy sources presently in widespread use; gas, electricity, etc. We held a Light-Out campaign to focus attention on energy consumption in the commercial sector of the community. We prepared educational materials on energy conservation for distribution in elementary and secondary schools. We held an energy conservation week. Overall, the results obtained by the general populace were minimal. Our major success was in the municipal program. Through implementation of a series of simple procedures, we found that a 25% reduction could be obtained.

The myriad of problems we encountered were essentially psychological in nature. Pleas for social approval are not as effective as a prescribed usage program.

With a precise limit on the energy allowed each consumer and the concomitant burden of responsibility that this system provides, participation becomes mandatory.

Our entire project is well documented in a booklet entitled, *Santa Barbara Energy Conservation Project*. Copies may be obtained for \$6 from the Environmental Council, 109 E. De La Guerra St., Santa Barbara, CA 93101.

*Hal Conklin is a member of the City Council of Santa Barbara, CA.*

# What's Happening?

by Barbara Bick

The Newsletter, which is two years old with this issue, will soon be undergoing a transformation. Plans for an expanded publication, approved by the Administrative Committee meeting in December, include a new name, expanded coverage of policy and political developments, a major promotion effort, and an increase in the subscription price. Another major change, occasioned by higher printing and postage costs, will regrettably be the end of free subscriptions. So beware.

## And A Fond Adieu

Another change is that this will be my last issue as editor. Now seems the appropriate moment for me to resign in order to get on with work which has increasingly engrossed me since my separation from the Institute for Policy Studies. I want to spend more of my time and energy on writing, especially on feminist subjects. I also want to work more closely with my colleagues at the Public Resource Center who have begun an ambitious program in a number of policy areas. We have initiated program development and organizing toward a new full employment policy based on soft energy and grounded in stable and diversified communities. During the last few years, several of us wrote the model legislation for a nationally-funded, community-based health service, which was introduced by Rep. Ronald Dellums as the Health Service Act. We plan to utilize the concepts and the process developed in that legislation: delivery of public services through community-based organization; democratic decision-making through locally controlled institutions, regionally and nationally coordinated; and worker self-management. Key to the design will be full employment linked with community development, and the interconnection between a resolution of unemployment and the energy problem. I hope to work with many of you in developing and promoting these ideas over the coming years.

Favorable responses to the Newsletter, and the encouragement that many of you have given me in the last three years, have been gratifying. I am pleased with the ground the Conference has covered since we initially got together in 1975. From the first issue of the Newsletter, in January 1976, over 50 people have written articles covering many of the policy and political issues which confront state and local activists. These included the fiscal crisis of cities, public employee questions, tax and energy policies, criminal justice programs, candidate profiles, problematics of social change through electoral politics, and economic alternatives.

Most feedback has come from the Alternative Legislation and the Notes To Note sections. These short items have elicited the kind of response that indicates the Newsletter

and the National Conference are doing their job. In short, I am happy with what we have done with the Newsletter and I have enjoyed being part of the network of officials and the programmatic politics that it reflects.

I expect that we will meet frequently at future national and regional conferences, as well as at meetings of the National Steering Committee. I also hope that you will all keep in touch so that we can continue to work together in other projects as well. My address is: Public Resource Center, 1747 Connecticut Ave., N.W., Wash., D.C. 20009. (202) 483-7014.

## Public Interest Advocates in Government

An agonizing question which plagues many progressives going into government—*Will I be able to make a difference?*—was held up to scrutiny at a meeting held recently by the Nader Public Citizen Forum. There were two panels. The first was of high-level public interest appointees now in government: Sam Brown, Director, ACTION; Joan Claybrook, Administrator, National Highway Transportation Safety Administration; Carol Tucker Foreman, Asst. Secretary for Food & Consumer Services, U.S. Department of Agriculture; Michael Pertschuk, Chairman, Federal Trade Commission; Gus Speth, Council on Environmental Quality; and Harrison Wellford, Exec. Assoc. Director, Office of Management & Budget.

They reported enthusiastically on their progressive accomplishments to date and were uniformly glowing about the amount of support Carter has given them. Foreman, indeed, reported on a meeting high-level women appointees had with Carter at which he assured them there would not be "retribution" for any public criticism of Administration policy. The major complaint, often bitter, concerned the bureaucracy, and the inflexibility and restraints of the Civil Service. They all reported having "great fun" on the job.

The second panel was made up of former high-level officials: Ramsey Clark, former U.S. Attorney General; Herbert Denenberg, former Pennsylvania Insurance Commissioner; Morton Halperin, former Dep. Asst. Secretary of Defense, Intern'l. Security Affairs; and Nicholas Johnson, former Commissioner, Federal Communications Commission.

It was clear that the second group, with more space and perspective to consider if they had *really made a difference*, viewed it somewhat differently. Indeed, Clark blasted the entire notion of public interest advocates in government, since the concept of government itself should be in the public interest. Essentially though, Clark insisted the first group was not speaking to the issue. Despite the good things they were doing, *in fact* nothing was really changing. These panelists generally felt that both they, as pro-

*Continued on page 4*

# What's Happening?

Continued . . .

gressives in government, and their successors, shared a fundamental failure of vision and a tragic underestimate of the possible. Denenberg spoke about careerism; he noted he had worked in 4-hour time frames since he always assumed he would be fired in four hours. He stressed the importance of plunging in and going after the big goals, thereby developing a strong constituency. The point was made that traditions of resignations, and even of civil disobedience, should be built by public officials. Particularly important was the fact that none of the latter group considered "the problem" to have been the Civil Service. They stressed, instead, that the bureaucracy could be mobilized and made to work if they were motivated.

Interestingly, I noticed few from the first panel staying to listen to their predecessors.

## King Mayoralty Bid

We have just heard that Massachusetts State Rep. Melvin King agreed to run for Mayor of Boston when his supporters, in turn, agreed to work for the kind of political process which King wants to develop in that city. King, who is serving his third term as representative of Boston's South End, Roxbury and Fenway neighborhoods, received a commitment to an extended electoral process based on developing neighborhood participation. An important aspect of the agreement was that King would be supported in both the '79 and the '82 mayoralty races. This means that the neighborhood movement-building around the programs of his candidacy would continue—win or lose—for a 5-year period. As a long time activist, King wants neighborhood people to identify his campaign as their own. Mel told us that he wants "everybody to be running for Mayor. The people in the neighborhoods have to play a major role if we are going to win."

Mel is on the Administrative Committee of the National Conference. He has played a major role at national conferences and was an initiator of the Northeast Cities Conference held last winter in Hartford, Ct. Although his prime areas of work in the Legislature are community economic development and education, he is particularly enthusiastic about several urban agriculture projects which he has fostered in Boston's neighborhoods. We will soon hear more about Mel's candidacy and its impact on Boston politics.

## Shearer for Assessor

Derek Shearer, a founder of the National Conference and member of the Administrative Committee, is one of 20 candidates for the office of Los Angeles County Assessor. Since the 4-term former assessor retired (under threat of criminal indictment) with more than a year left on his term of office, the Board of Supervisors has to appoint a successor. Derek, who ran wife Ruth Yannatta's recent campaign

*Continued on page 6*

# Spotlight On Taxes

## Taxless Revenue

Try this for some new revenue: abandoned property. Not real estate, but other things: bank accounts, insurance policies, security deposits, stock dividends, unused airline tickets. The possibilities are endless.

About \$1 billion worth of such property is abandoned each year, unclaimed and forgotten by the owners. What happens to it? After a certain period, it is supposed to go to the state. The state has to keep reserve funds in case the owners ever show up. But most of the money can go into the general fund. New York put \$12 million in abandoned property into its general fund last year.

Many states, however, don't have modern abandoned property laws. In these states the property just sits in the banks and corporations building up interest for those companies. In the District of Columbia, for example, millions of dollars in abandoned property is sitting in local banks because the District has never enacted laws requiring the banks to report the property or to hand it over.

Even tax refunds can be abandoned. According to an AP report, Utah State Auditor Richard Jensen is suing the IRS for over \$100 million in tax refunds which Utah citizens never collected.

The Commissioners on Uniform State Laws, in Chicago, have drafted a model state Abandoned Property Act. For more information, contact them. *New Directions in State Local Tax Reform*, available from the Conference, has a special chapter on abandoned property as a revenue source.

## Multinational Charity

Multinational corporations will gain major state tax loopholes if several recent federal proposals are passed.

First the banks. Sen. Thomas McIntyre has introduced S.1900, which would limit the ability of states to tax out-of-state banks. One example: suppose the Chase-Manhattan Bank sent agents into New Hampshire to solicit loans, in competition with New

Hampshire banks. As long as Chase processed the loans in New York, New Hampshire could not tax it.

The Bill was drafted by bank lobbyists, who are worried because the previous federal law limiting state bank taxes has expired. No state has taken advantage of the new taxing authority resulting from this expiration. However Sen. McIntyre introduced the bill at the request of the banks and does not appear to support it personally.

Regarding other multinationals, Sen. Charles Mathias has introduced S.2173, which would curb state sales and income taxes on out-of-state corporations. One section would give multinationals virtually free reign to hide their profits in overseas subsidiaries. This would happen as well under article 9(4) of the United Kingdom Tax Treaty (see *Newsletter*, Sept. '77) which will come before the Senate Foreign Relations Committee in early '78.

On top of this, the Treasury Department is still urging the President to include a big state tax loophole for multinationals in his tax reform package.

## Double Bookkeeping

Public utility commissions (PUC's) in California and Maine are cracking down on multimillion dollar tax finagling by utilities.

Typical utilities — gas, electric, telephone companies, and the like — keep at least two sets of books, one for the IRS, the other for the PUC. Their IRS returns show special tax breaks that save them millions in taxes each year. Accelerated depreciation and the investment credit are the big ones. But their reports to the PUC's tell a different story. To simplify a bit, the utilities cancel out the tax breaks, and treat the taxes as though they were actually paid. These phoney taxes reduce the utility's apparent profits, and thus justify large rate increases. In effect, consumers have to pay for taxes the utilities never paid.

The PUC's in California and Maine are ordering utilities to

# Spotlight On Taxes

Cut out this nonsense, and pass their tax savings along to their customers. This process is called "flow-through". The California PUC is requiring Pacific Telephone to refund to its customers \$206 million in past phoney tax charges, and to reduce its current rates by \$60 million.

The Alaska Public Interest Research Group is raising the same issue in a telephone rate hearing. AkPIRG is charging

that RCA, which runs the state's long distance phone system, has built into its rates almost ten million in federal taxes that the company never paid.

## Dorgan Nails Cargill

North Dakota State Tax Commissioner Byron Dorgan has forced Cargill, the international grain company, to turn over its tax returns for all the states in which it operates.

Dorgan suspects that Cargill, which had over \$7 billion in sales in 1974, is avoiding taxes by giving inconsistent figures to different states. The company apportioned only one-tenth of one percent of its sales to North Dakota, even though it does substantial business in the state.

Dorgan had to take Cargill to court to make the company comply with his order.

The court concluded that

"the Tax Commissioner has shown a definite use for the tax returns and is not merely on a fishing expedition to extract information."

To Dorgan's knowledge, this is the first time a state tax commissioner has been able to put a major corporation's state tax returns side-by-side to see if it has been telling the truth.

## Short Stuff

New York City has extended  
*Continued on page 11*

# Solar Energy: Is There a Public Option?

by Leonard Rodberg

It is commonplace now for advocates of solar energy to point out the decentralizing possibilities inherent in this alternative source of energy. What is not often spelled out is how such possibilities would actually be worked out in practice. Too often old formulas are invoked and some potentially important progressive steps neglected.

In the last issue of the Conference Newsletter, Peter Barnes and John Geesman laid out clearly the substantial cost to all of us if the control of solar energy is turned over to the utilities. Barnes contrasts this with control by consumers, using the experience with federally-subsidized home ownership to make his point that subsidies to consumers are cost effective and equitable.

Barnes follows a common path of considering only *private* control alternatives, ignoring completely the possibility that solar energy might be developed under *public* auspices. This might derive from many peoples' well-founded distrust of the cost-effectiveness and equity of governmental actions, or from his belief that there is little popular support for public control of solar energy development. However, until a clear public alternative is articulated and discussed, it is hard to know what the popular response would be, much less to build a movement that would support such an alternative.

Using Barnes' criteria of cost-effectiveness and economic

equity, one can easily argue that publicly-funded solar energy development under public auspices is preferable to depending on either private utilities or individual consumers:

1. A public subsidy of consumers (e.g., through a partial tax credit) is inefficient, since many (perhaps, I would argue, most) of those who will buy solar energy units would do so even without this tax subsidy. The subsidy is thus little more than a giveaway from the public treasury.

2. Even with a subsidy, most consumers are unlikely to make the large investment that solar energy requires for an uncertain future saving. As we saw in the energy crisis of 1973-4, fuel suppliers will raise their rates to compensate for any decline in consumption, so the consumers who install solar energy may end up paying as much as they now do in order to consume less oil, gas, or electricity. Thus, if a shift to solar energy is in the general public interest, to save declining petroleum reserves, public policy should be designed to ensure that this shift takes place and does not depend on the whims of consumer "preference".

3. The consumers who would purchase solar energy units are presumably those who own their own homes and, in fact, mainly the higher-income members of this part of the population. The 35% of the American people who rent their housing, and the 60% of the remainder who own their

homes but earn less than \$15,000, are unlikely to benefit from any consumer-oriented program or to make the shift to solar energy that the public interest requires.

4. Cost analyses suggest that solar heating and electricity units are most efficient on a community scale where they can serve hundreds or thousands of people, *not* on the scale of the individual home. Scale economies in solar collection systems that can track the sun, and in energy storage units, are among the clear benefits of such community-level scaling.

5. The emerging debate over "sun rights" — to have the sun fall on your property and not be blocked by a neighbor's building or trees — is showing that access to the source of solar energy, the sun's rays, is a *community* question, not an individual one. Many individual homeowners would, even today, have no access to the sun and would have to draw on solar generation taking place some place other than on their own property.

These and other issues show clearly that another plan, based on *public* development and control, is needed. What might be its characteristics?

1. It would provide full federal funding for the installation of solar energy, perhaps setting as a target full conversion of home heating and electricity by the year 2000. One might compare solar heating to water supply, where the basic installation cost is viewed as part of the public sector budget.

2. The actual installation of solar energy units, though funded federally, would be planned and controlled within each community. This would ensure that the solar installation would conform to the particular characteristics of each community and would optimize cost and the use of community space. Here, in its essence, is where the decentralizing potential of solar energy would reach fruition.

3. Funds would be allocated to cities, and then to community-based organizations, on the basis of population and estimated installation cost. Units would be installed in accordance with a long-term plan aiming at complete conversion by some set target date.

Such a publicly-funded, community based program could provide a new source of employment desperately needed in our stagnating economy. In fact, one can imagine a "solar full-employment" program, since (i) the cost to the federal government of a solar energy program targeted on the year 2000, and (ii) the additional federal expenditures needed to provide full employment, have both been estimated at about \$30 billion per year.

The case is clear, and the possibilities immense. Now we need to detail such a program so it can be publicly debated.

*Leonard Rodberg is a colleague of the Public Resource Center in Washington, DC and is working on employment and energy policy alternatives.*

# What's Happening?

Continued . . .

for the state assembly, has proposed some startling (to the largely conservative board) and innovative tax proposals, generating a lot of support for his bid. His appointment would be a tremendous boost to tax reformers not only in Los Angeles County, but throughout the country.

## Soglin to Write a Book

Madison, WI Mayor Paul Soglin, another Conference initiator and host to our first national conference, has announced he will not run for a fourth term in 1979. Paul told us that he wants to write a book about what will be (at the end of this term) his 11 years of experience in municipal government—five years on the Madison city council, and six years as mayor. A number of people have shared their experiences on how to run and win campaigns, but not many have written about what you can do when you are in office. We share Paul's feeling that what he has to say will make important reading.



Soglin's early announcement of his intention not to run again was so the progressive coalition that voted him into office would have enough time to select another candidate. "People closely allied to my political thinking would not have bothered to build candidacies if they believed I would be running for another term," he said. On the other hand, the conservative opposition would have surfaced and been prepared.

Continued on page 10

# Grass Roots Electoral Organizing

by Bob Schaeffer

The 1978 State Legislative election races got underway in Massachusetts this past November 19, nearly a year in advance of the general elections, when Citizens for Participation in Political Action (CPPAX) sponsored a day-long campaign kickoff workshop.

As in the group's 1976 workshop which launched a successful campaign that captured nearly two dozen legislative seats in the last biannual elections, the session focussed on blending progressive issues with winning strategies. On hand as resource people were half a dozen experienced campaigners who had proven that upfront progressive politics was not a hindrance to electoral success. Workshop leaders included State Senator Chester Atkins (author of the excellent handbook *Getting Elected: A guide to winning state and local office*, Boston, MA, Houghton-Mifflin, 1973, orders to CPPAX Education Fund, 75¢) Gerard D'Amico and Jack Backman and State Representatives John Businger, Sandra Graham, Rick Roche and Phil Johnston. Most had run victorious campaigns in the past with CPPAX support.

The workshop is the second stage in CPPAX's comprehensive electoral plan for 1978 coordinated by the organization's "Campaign for An Open Legislature". For the last three months CPPAX staffers, assisted by interns and local coordinators, have been analyzing each of the state's election districts in terms of the incumbent's legislative performance, the status of progressive organization, local issues and potential challengers. The electoral scene in Massachusetts is especially complicated for 1978 since that will be the election in which the legislature's lower house is cut from 240 to 160 members. In addition many of the state Senate's 40 seats are also being redistricted. CPPAX believes the shake-up will present many new opportunities for progressive challengers.

Following the workshop,

CPPAX will target key districts for membership action. Endorsements will be made well in advance of the September primary if a candidate can win a two-thirds vote of the organization's members living in the district. CPPAX endorsees will receive consulting services through a grassroots network of experienced campaigners, low-cost campaign services like printing, graphics and mailing and coordinated state-wide fundraising.

Since electoral action is simply one strategy to advance issues, CPPAX will continue a broad program of education, organizing and lobbying in parallel with campaign activities.

Massachusetts is not the only state where progressives plan to mount a major effort targeted on legislative election. Across the continent, a coalition of activists from consumer, civil rights, poverty, conservation, labor and women's organizations has formed Alaska '78 to raise money to back issue-oriented candidates for that state's legislature. Organizers of the effort hope to raise at least \$10,000 to support contenders running on a platform of economic reforms, environmental protection, and human rights. According to the group's initial statement, "One of the biggest issues will center on the state's oil and gas taxation policy, with Alaska '78 demanding the public get a bigger bite of the billions from Alaska oil production."

Jamie Love, one of the Alaska '78 organizers, outlined three goals for their campaign: making a difference at the polls by raising money and organizing volunteer help; shifting the spotlight of the campaign onto progressive bread and butter issues like tax reform; and earning "chits" that can be translated into legislation at a later date by gaining electoral clout.

In California, The Campaign For Economic Democracy is also making plans for 1978. According to an interview with CED founder Tom Hayden in a



# Women's Legislative Plan

by Barbara Bick

The first comprehensive legislative program directed solely to the concerns of women was a major accomplishment of the Houston National Women's Conference. There have been other national women's legislative agendas but none have been arrived at with such an enormous amount of participation by women representing such a broad spectrum and reaching, literally, every corner of the nation. Some 130,000 women attended the state and territorial conferences. They were not the usual activist and/or elite conference goers or program developers. To the contrary, many of the women participants had never before attended a women's meeting, or had ventured out of their locality, or been on a plane. Among the nearly 2,000 delegates elected or appointed from these meetings or by the commissioners to go to Houston, 17.4% were black, 8.3% hispanic and almost 10% members of other minority groups. Again, uncharacteristically, a far larger number of the delegates were middle and low income women than usually attend conferences.

While most of the legislative program referred to Federal initiatives, there was considerable attention to the need for state and local legislative action. Among the resolutions calling

specifically for state and local action were the following:

- State and local governments should develop training programs for the employment and promotion of women in policy-level positions. Special attention should be given to the employment needs of minority women.

- State governments should assume a role in focusing on welfare and poverty as major women's issues. All welfare reform proposals should be examined specifically for their impact on women.

- State legislatures and State insurance commissioners should adopt the Model Regulation to Eliminate Unfair Sex Discrimination of the National Assoc. of Insurance Commissioners. The Regulation should be amended to include prohibition of practices such as:

- denial of group disability coverage for normal pregnancy and complications of pregnancy.
- requiring dependents who convert from spouses' contracts to their own to pay increased premiums for the same coverage or be forced to insure for lower coverage.
- denial of coverage to women with children born out of wedlock and denying eligibility of benefits to such children.

- A farm wife should have the same ownership rights as her spouse under State inheritance laws.

Tax law should recognize that the labor of a farm wife gives her an equitable interest in the property. All programs developed on behalf of rural women should include Black, migrant, Native American, Alaskan, Asian, and Hispanic, and all isolated minorities, and affirmative action programs should be extended to include all disenfranchised groups.

- State governments should support efforts to provide social and health services that will enable the older woman to live with dignity and security.

- States should review and reform their sentencing laws and practices to eliminate discrimination that affects the treatment of women in penal facilities. Particular attention should be paid to the needs of poor and minority women.

- State and local governments should rigorously enforce all current legislation that affects the lives of disabled women. Disabled women should have access to education, training and employment based on their needs and interests rather than on the preconceived notions of others.

- Institutionalized bias based on race, language, culture and/or ethnic origin have led to additional oppression and exclusion of minority women. They disproportionately suffer from conditions of poverty. Therefore every level of government should recognize and

remedy this double-discrimination.

- State and local governments should give the highest priority to making available all methods of family planning to women. The exclusion of abortion or childbirth and pregnancy-related care from State or local funding is opposed. Particular attention should be paid at all levels of government to providing confidential family-planning services for teenagers. Programs in sex education should be provided in all schools, including elementary schools.

- State school systems should move against sex and race stereotyping through appropriate action, including:

- Review of books and curriculum.
- the integration into the curriculum of programs of study that restore to women their history and their achievements.
- Pre-service and in-service training of teachers and administrators.
- States should license and recognize qualified midwives and nurse practitioners as independent health specialists and State laws should require health insurance providers to directly reimburse these health specialists. States should enact a patient's bill of rights.

- Local and State governments should provide training programs on the problem of wife battering, crisis intervention techniques, and effective enforcement of laws that protect the rights of battered women. State legislatures should enact laws to expand legal protection and provide funds for shelters for battered women and their children; remove interspousal tort immunity in order to permit assaulted spouses to sue their assailants for civil damages; and provide full legal services for victims of abuse.

- States should set up child abuse prevention, counseling and intervention programs. Child abuse is defined, for this purpose, as pornographic exploitation of children, sexual abuse, battering, and neglect.

- State and local govern-

*Continued on page 10*

recent issue of the bi-weekly "Politicks", "our primary interest in candidates would be where we could make a genuine difference, not where we could just go along and endorse somebody. You have city council, supervisors; those kinds of races would be more important to our local groups, where 20 people working very hard for a month, and spending \$1,000 would be much more meaningful . . ."

Back on the east coast, the Caucus of Concerned Democrats, the Connecticut affiliate of the New Democratic Coalition, is expected to repeat their "Committee for an Effective

Legislature" fund-raising drive which supported over two dozen candidates in 1974 and 76. More than 2/3rds of CCD's endorsees have been winners. Other state groups are in the early stages of planning electoral drives. We'll report on them as campaigns get under way.

*Former CPPAX staffer Bob Schaeffer is available to help other friends of the National Conference set up similar campaign training workshops in their area. Contact him at 35 Kingston St., Boston, MA 02111 (617) 426-3040.*

*Shaefter also wants to note*

*the following:*

The quote attributed to me in Newsletter #8 distorts my position by reversing two sentences. I do believe that "most state and local politics stinks" around the country, but that is because there has until recently been "a real vacuum . . . little citizen pressure on city and state issues from a progressive direction." I am fully aware of the positive changes that have taken place in the last few years. As this article should make clear, CPPAX is part of that movement and encourages its spread through the Conference on Alternative State and Local Public Policies.

# Garbage—the Neigh

by Neil N. Seldman and Virginia Drewry

Garbage is a primary problem of this country's cities, with municipalities spending about \$4.5 billion this year for solid waste management services—the second largest outlay from local budgets.

Part of the problem is that we are coming to the end of an era in the solid waste collection and disposal field. Land-fill space is being exhausted rapidly. Many cities have no more space, and more than half our cities are expected to run out of available dumping sites by 1979.

Two years ago, a consulting report recommended that Montgomery County, Md. haul its waste by rail to Ohio for dumping. But as soon as the townspeople in Ohio discovered the arrangements, they, too, resisted. Several localities in the United States have recently passed laws prohibiting the dumping of imported garbage.

Incinerating would seem to be a solution. However, the use of this alternative also has been restricted. A study at the University of Maryland found that incinerated waste is a major source of dangerous pollutants.

Proponents of the much-heralded large resource recovery plants that were supposed to separate out recyclable materials mechanically and burn the remaining fractions as a fuel supplement have yet to prove that the facilities are technologically or financially sound or amenable to complicated institutional arrangements.

Another part of the problem is that we are coming to the end of an era of cheap energy and materials. The prospect of severe economic dislocations due to dwindling resources and environmental quality is bringing about the rethinking and rewriting of state and federal tax and pollution control laws, which are rapidly increasing the costs of raw materials. As a result of this economic reality, industry is making a major effort to expand into the recycling field.

These natural resource, economic and solid waste management developments are crucial for cities like Washington where a strong neighborhood movement can intercede in this critical transition period and prove that residents can provide needed services by forming new recycling enterprises.

From 150 to 200 jurisdictions in this country already have collection and recycling services. These range from a remote rural area in northern California served by a mobile recycling unit, to an inner-city community development corporation in Bridgeport, Conn., to a citywide system serving 100,000 people in Fresno, Calif.

Block grant money is funding a program in Cambridge, Mass., started by tenants of several housing authority projects; about 50 per cent of the waste generated in par-

ticipating buildings is recycled by 27 youths and three adults.

A community development corporation in the South Bronx soon will be composting 100 cubic yards of organic waste a day; half the compost will be given to community groups for use on recreation areas and gardens and the other half will be sold.

Handicapped workers are employed in Project Arrowhead, a recycling program which serves 17,000 square miles in rural Minnesota; a Portland, Ore., group recycles more than 1,000 tons of waste a month; a system which serves 150,000, needs no subsidies and grosses more than \$150,000 annually is operating in Santa Barbara, Calif.

In addition, municipal departments, private haulers and recyclers are cooperating to build citywide collection-recycling systems in such jurisdictions as Seattle, Marblehead, Mass., Waterbury, Conn., San Luis Obispo, Calif., and Northglenn, Colo.

And the first comprehensive system to operate in a large, older Eastern city could be that in the nation's capital, which generates about 2,200 tons of garbage a day.

The Washington, D.C. Department of Environmental Services (DES) staff is completing a feasibility report for a municipally-run pilot recycling project. The National Black Veterans Organization (NBVO) is using a grant from the Office of Minority Business Enterprise (OMBE) to make a major investment in a local recycling effort that will link neighborhood-based recycling/waste utilization programs from various parts of the metropolitan area into a citywide program.

The resources are available for building a citywide system. Millions of dollars of youth and adult employment monies soon will be coming into the area. These funds could be used to capitalize viable community enterprises. And most importantly, the District of Columbia has neighborhood planning councils, advisory neighborhood commissions and an array of civic associations and neighborhood organizations.

The OMBE has had the prescience to invest locally in the emerging recycling industry. When \$350,000 was provided in support of the NBVO recycling program, NBVO parlayed this with 25 workers funded under the Comprehensive Employment Training Act and a community recycling business already in existence to take the initial steps toward building a citywide system.

The disarmingly simple plan is based on two similar operations serving suburban and small-town communities in and around New Oxford, Mass., and Branford, Conn. NBVO will build a processing facility within the District. Workers will crush, store and transport recyclables to markets.

# Neighborhood Connection

The Dupont Circle Neighborhood Ecology Corporation is the first link in the planned NBVO chain. DCNEC is collecting newsprint and aluminum. Newsprint is sold either to a local cellulose insulation manufacturer or a local paper broker, aluminum to large commercial corporations. DCNEC, started as a community service corporation, is run by a board of 15 local residents. About \$4,000 in start-up capital was contributed. An unemployed D.C. resident was hired as DCNEC's coordinator. During the summer, she and two youth workers provided by Neighborhood Planning Council 13 handled pickups from area homes and apartment houses. Later, five CETA workers volunteered to work with DCNEC, gaining on-the-job training. Pickups were expanded to five apartment buildings and 15 more apartment builds were lined up for service.

The DCNEC-NBVO relationship is a model for future neighborhood recycling enterprises. The entire city could be served by a network of these neighborhood-based programs.

Once they are in operation, these enterprises will employ local residents and make a major contribution to a sound local economy. Yet they represent only the first of many steps that Washington could make in the recycling field.

Through its research and demonstration projects, the Institute for Local Self-Reliance is proving that urban residents can use their garbage to produce considerable amounts of the energy, food, goods, and services that they require.

One example is the use of newsprint as a raw material to support three kinds of interdependent local enterprises. A recycling firm can collect newsprint and market it to a cellulose insulation firm where the paper is pulverized and treated with fire-retardant chemicals. The finished product can then be installed by a local company. Community development corporations in several cities, such as the South Bronx, are establishing cellulose fabrication plants.

Similarly, organic wastes can be turned into finished compost and sold for urban gardens, greenhouses and public roads and recreation departments. The demand for finished compost is increasing because the price of chemically-based fertilizers has risen threefold in two years and will go higher as natural gas shortages develop.

There are other solid waste materials that lend themselves to recycling. Plastic can be ground and extruded to make new products, using equipment that requires a relatively low capital investment. Metals can be detinned and smelted for use in local factories or for sale to copper precipitators and iron and tin users. In Branford, Conn., a small hand-ladled smelter costing \$5,000 is used to smelt

aluminum cans into secondary ingots that are worth \$450 a ton (as opposed to \$300 a ton for unsmelted scrap).

Tires are another material that can be recycled and sold to local processors. All these processes have vital economic multiplier effects. Not only are jobs created in the recycling-waste utilization enterprises, but also in trucking, warehousing and marketing.

In the case of local investments in waste utilization enterprises and technologies, the supply of new materials becomes the primary limiting factor. A city must be certain that it has a steady and sufficient flow of raw materials.

The value of paper flowing through Washington is staggering. Unbaled office paper, mixed waste paper and newsprint are worth \$45, \$6, and \$25 a ton, respectively. If that paper is baled, it is worth \$96, \$18 and \$75 a ton. Two years ago, studies indicated that paper recycling was economically feasible and that a combination of cities in this region could support paper-making and paper-converting mills.

Our society is facing a grave challenge. The economy needs resources which are becoming more scarce at the time that pollution and solid waste management costs are soaring. We must first reduce our waste; the next logical step is to recycle as much as we can. Resource recovery plants can be appropriate if they are planned in connection with reduction and recycling programs.

Yet despite the economic and social appeals of municipal recycling systems, considerable pressure is being brought to bear against them. In May, high-technology proponents forced a Bridgeport, Conn., recycling program to close down.

Recyclers in Portland, Ore., must fight new franchise laws that preserve the territorial claims of older private haulers.

Traditional private haulers new to recycling in Florida and California, not the established recyclers, are getting government contracts and grants for recycling. Landfill operators, haulers, salvage businesses, equipment manufacturers, private consultants, virgin materials corporations and packaging and manufacturing companies are a permanent part of our solid waste management system. Recyclers, too, must be rewarded for their foresight, innovation and hard work.

*The above was excerpted from an article in the Washington Post. Seldman and Drewry are members of the Institute for Local Self-Reliance staff. For more information or to receive the Institute's newsletter, Self-Reliance (annual subscription: \$6 for individuals, \$12 for institutions) contact: Institute for Local Self-Reliance, 1717 18th St., N.W., Wash., D.C. 20009. (202) 233-4108.*

# What's Happening?

Continued . . .

Soglin has become something of a national institution as one of the first anti-war student leaders not only to be elected as a peace candidate to a city council but to go on into the 70s as the mayor of that same city. His support came from a solid inner-city backing of minorities, labor, students and liberals.

## What November Wrought

Dennis Kucinich, who calls himself a populist, was elected mayor of Cleveland in November. In December he appointed Richard Hongisto, whom one San Francisco Supervisor calls a "revolutionary," to be Cleveland's new police chief. Hongisto, who has a master's degree in criminology and is working on his doctorate, served 10 years on the San Francisco police force and six years as San Francisco County Sheriff. He is a tremendous favorite with National Conference participants. At the 1976 national conference in Austin, TX, Hongisto and Detroit Judge Justin Ravitz drew the largest number of people to their workshop on Criminal Justice. Everyone was spellbound by the two brilliant and irreverent speakers.

Kucinich, youngest big-city mayor, is a native of Cleveland's ethnic neighborhood. A maverick Democrat, his victory was largely credited to citizen anger over last spring's sale of the municipal light plant to a private utility. Kucinich has promised that the sale will never be concluded under his administration. Voters also purged seven incumbent city council members who had supported property tax relief for several large firms while the city's school deficit rose to \$20 million.

Hongisto is "especially sensitive and responsive to minorities," according to Kucinich, who pointed out that Cleveland is 40% black but has a 1,800-member police force with only about 200 minority officers. Kucinich had also campaigned on a promise to fire Cleveland's traditional hardliner police chief.

Among Sheriff Hongisto's reforms in San Francisco were increased medical care, drug counseling, better deputy training, and a drop of white male employees from 68.2% to 55.8%. He is widely known for his support of gays and minorities and for his decision, last year, to spend five days in the San Mateo County jail rather than evict some 70 elderly Chinese and Filipino residents from the International Hotel.

## And In Detroit

While much of the November election news was grim—the defeats of Henry Howell for governor in Virginia, and Arthur Eve for mayor in Buffalo—one significant victory was that of Kenneth Cockrel to the city council in Detroit. With his almost legendary record of struggle in support of workers and blacks, Cockrel should make waves since he will be the swing vote on a Council with an even split for and against Mayor Coleman Young.

# Land Confab

by Bill Schaefer

A conference on "Who Should Own the Land?", recently held in Bismarck, ND, explored the history, problems, and alternatives of North Dakota farmland ownership patterns. Conference sponsors, joining together for the first time in an infant coalition, included the National Catholic Rural Life Conference of the Fargo, ND Diocese, the ND Conference of Churches, and the ND Farmers Union.

Conference planners agreed that many people interested in land ownership reform lack a basic knowledge of the cultural, legal, and historic factors in land ownership patterns. The conference set up three sections to meet this need. The first day two historians reviewed the history of land ownership, ranging from the Old Testament through Rome and Western Europe to North Dakota's own history. Noted by both was the gap between our historic values and our present use of agricultural land. "Productivity" and "profit" are the two key words to explain the strongest tendencies in U.S. land ownership.

Former senator Fred Harris detailed land ownership problems during part two of the conference. Harris called for a state-by-state, nation-wide effort to tackle concentration of farmland ownership, and to protect the small and family farm.

During the third, alternatives, section of the conference, a number of Canadian officials of agriculture from Saskatchewan and Manitoba detailed their presently operating land banks and resident ownership laws that restrict outside ownership of farmland.

ND State Sen. Kent Jones, the last conference speaker during the alternatives section, predicted that a Minnesota-type loan bill for beginning farmers could pass the next ND legislature if a bipartisan coalition was started.

*Bill Schaefer is with the National Farmers Union, based in Lincoln, NE.*

# Women's Legislative Plan

Continued . . .

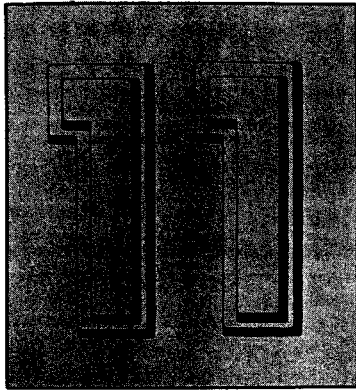
ments should revise their criminal codes and case law dealing with rape and related offenses to provide for graduated degrees of the crime with graduated penalties, to apply to assault by or upon both sexes, including spouses as victims. State funds should be appropriated for educational programs in the public school system and the community, including rape prevention and self-defense programs. State legislatures should expand existing victim compensation, counseling; emergency funds for housing; etc., and compensation for pregnancy, pain, and suffering.

- State, and local legislatures should enact legislation to eliminate discrimination on the basis of sexual and affectional preference in areas including, but not limited to, employment, housing, public accommodations, credit, public facilities, government funding, and the military. State legislatures should reform their penal codes or repeal State laws that restrict private sexual behavior between consenting adults. State legislatures should enact legislation that would prohibit consideration of sexual or affectional orientation as a factor in any judicial determination of child custody or visitation rights.

It is clear that states and localities have a long way to go. For a detailed list of legislative proposals, including Federal, write to the National Commission on the Observance of International Women's Year, U.S. Dept. of State, Wash. D.C. 20520.

The National Conference is planning a special conference on state and local strategies on the economic issues that affect women. The Women's Issues Project will bring together labor, minority women, representatives of feminist organizations, and progressive state and local public officials to discuss policies and strategies for the state and local level.

For more information contact Ann Beaudry, Assoc. Director, National Conference, 1901 "Que" St. NW, Wash., D.C. 20008.



# conference on ALTERNATIVE state and local PUBLIC POLICIES

March 1978

Editor: Jeanne Schinto

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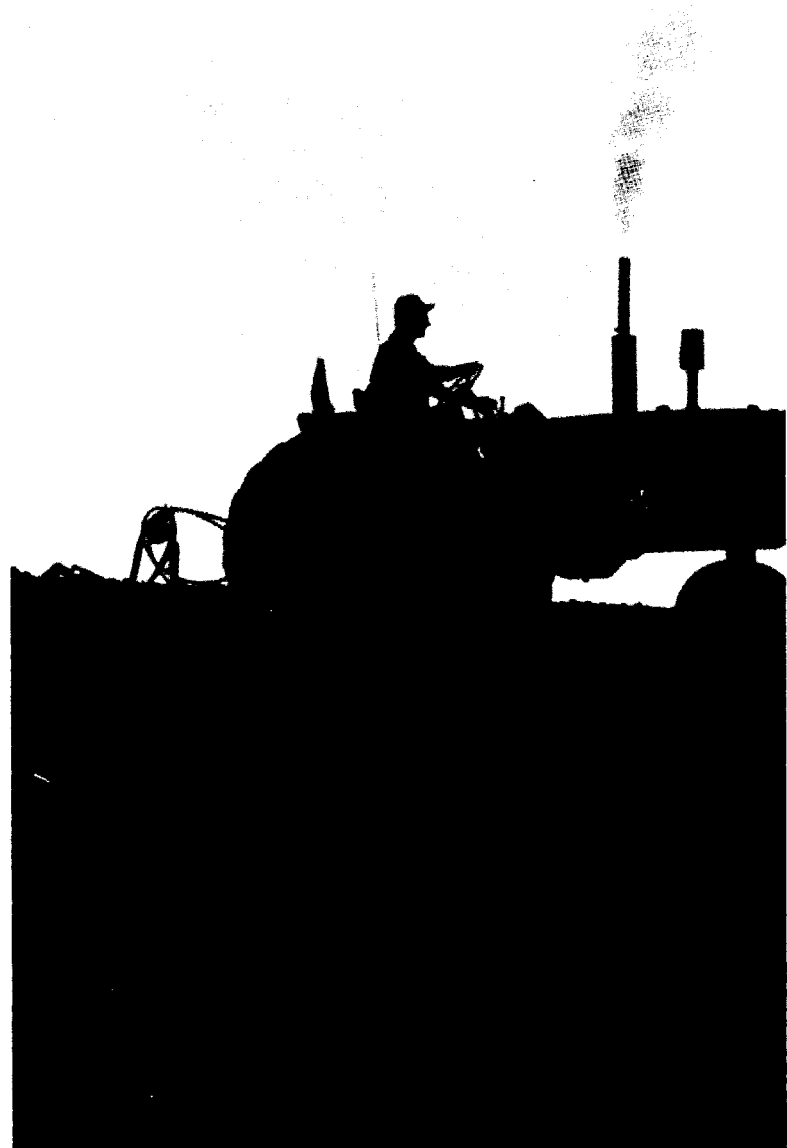
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What is the future of the family farm? See story, p. 8.

# WOMEN IN THE ECONOMY:

## Policies and Strategies For Change

Cleveland, Ohio

12/13 May

We invite you to participate in a conference on "WOMEN IN THE ECONOMY: POLICIES AND STRATEGIES FOR CHANGE." Sponsored by the National Conference on Alternative State and Local Public Policies and Cleveland Women Working, it will be held in Cleveland, Ohio, on May 12 and 13.

The conference will bring together elected officials, union and minority women, working women's organizing groups, feminist organizations, and political activists, to develop a progressive agenda of economic equality for women which can be implemented at the state and local level.

The focus of the conference will be workshops on the nuts and bolts of specific programs and innovative legislative proposals at the state and local level that address the economic problems of women. The workshops will also provide a forum for the discussion of strategies

and sharing of information on organizing efforts and programs which have been successful around the country. Issues to be covered include:

Economic Equality—the need for full employment • Upward Mobility • Alternative Work Patterns • Training and Non-Traditional Work • Organizing and Worker Rights • Affirmative Action—state and municipal strategies • Economic Protection for Homemakers • Insurance, Pensions, Retirement • Dual Roles of Women Workers • Child Care • Impact of Tax Policies on Women • Double Discrimination—minority women • Displaced Homemakers • Family Law, Marital Property • Women in the Welfare System • Education.

The Planning Committee welcomes your input in shaping the agenda for this conference. Please contact Ann Beaudry, Associate Director of the National Conference.

## Conference Registration

PRE-REGISTRATION (for participants  
pre-registered by April 30) \$12  
REGISTRATION FEE (at the Conference) \$15

(Registration fee includes a copy of *Women In The Economy: A Legislative Agenda* and participation in all conference sessions and workshops.)

Return to:  
Ann Beaudry  
National Conference  
1901 Que St., NW  
Washington, DC 20009

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

PHONE: HOME \_\_\_\_\_ WORK \_\_\_\_\_

ORGANIZATION/POSITION \_\_\_\_\_

Enclosed is a check for \_\_\_\_\_. Payable to: National Conference.

I will need child care arrangements for Friday night ☐ Saturday ☐

Please send me information about housing accommodations ☐

If you know other persons or organizations who would be interested in receiving a Conference announcement, please send us their names and addresses.

# Public Pension Funds: Alternative Investments

by Lee Webb

State and local public-employee pension funds could be an important source of capital for investments in meeting social needs.

In 1976, these funds had a membership of approximately 9.1 million government employees with over \$112.7 billion in assets. At the same time, there are great credit needs in the areas of low-income housing, inner-city housing, college scholarships, small-business loans, worker-owned businesses, and community development.

Traditional sources of long-term debt—life insurance companies and commercial banks, for example—either ignore or are overtly hostile to such credit needs. They prefer to bankroll office construction, land speculation, and other private enterprises.

Presently, public-employee pension funds are largely unresponsive to social needs as well. Of their \$112.7 billion, \$78.9 billion is invested in corporate bonds and stocks and \$14.7 is tied up in federal, state, and local government securities. Only \$8.9 is committed to mortgages on real property, and most of that is in mortgages on industrial and commercial property and luxury housing developments.

There are two major obstacles to more responsive investment policies of these public retirement systems. The first is the practices of the public officials who are trustees of the funds. Most are long-term civil servants in either the state treasurer's office or in the civil service commission. They have shown little interest in responding to social problems. They also lack the entrepreneurial skills required to invest state monies innovatively. As a result, they surrender the investment

of their funds to a local bank trust department, local stockbroker, or, in the case of the larger funds, a national commercial bank trust department, life insurance company, or investment broker. Traditionally, these agents have focused on corporate bonds, stocks, and government bonds. They neither know how nor are interested in investing in needy sectors of the economy.

Second, there is the obstacle of the employees themselves. Public workers are extremely anxious about the assets and rate-of-return on their pension funds. They worry that financial losses in the pension fund will result in lower pension benefits when they retire. They traditionally oppose efforts to open up funds to investments in socially needy areas, fearing either loss of capital directly or through acceptance of lower rates of interest than are available elsewhere. (The recent financial crisis in New York City has heightened public employee fear of "politically motivated" investments by the public pension

funds. Two of New York's principal unions—the United Federation of Teachers, and District 37 of the American Federation of State Government and Municipal Employees—were forced to buy extremely risky municipal and Municipal Assistance Corporation bonds as their protection against massive layoffs.)

Consequently, proposals aimed at utilizing public employee pension fund investments for meeting social needs will have to address employee fear of loss or lower returns on the funds. A guarantee or loss-

protection program should be the basis of any such program.

There is a third problem that should be addressed as well. Almost no serious work has been done by activist public officials, policy analysts, or community development groups on the actual investment vehicles and instruments. The National Conference is undertaking such an exploratory program. To exchange information, contact Lee Webb, Executive Director, National Conference, 1901 Que St., NW, Washington, DC 20009.

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## Mark Your Calendar

## 1978 NATIONAL CONFERENCE 13/14/15/16/ JULY Minneapolis/St. Paul

Our Fourth Annual National Conference will be the largest and most informative ever. More than 600 state and local public officials, trade unionists, and political activists will participate.

The four-day conference will feature nationally known speakers and scores of workshops on the most innovative proposals and legislation being considered by state and local governments.

Workshops will cover many issues including community economic development, energy, public employees, women's economic issues, tax reform, agricultural policy and evaluation of political organizing strategies and tactics.

A detailed agenda and registration information will be available April 1 from the National Conference, 1901 Que St., NW, Washington, DC 20009; (202) 234-9382.

Although the majority of public-employee pension funds have ignored their social responsibilities, a few have used their funds for the public good. For example, North Dakota requires that the state public pension fund invest a certain amount in home and farm mortgages. South Dakota has a similar provision.

Both Hawaii and Puerto Rico have also used their pension funds responsibly to address the housing needs of state employees. Both systems invest for their members in home mortgages at low-interest rates with liberal down-payment provisions.



# —Alternative Legislation—

## Speculation Tax Clears

A controversial proposal to tax profits made by land speculators on residential property in the District of Columbia was approved on January 18 by DC City Council's Finance and Revenue Committee after three years of consideration.

The measure would tax profits made by dealers who buy residential properties, hold them for relatively short periods and then resell them, often at inflated prices.

The tax rates would vary from three to 97 percent—the latter in extreme cases where the dealer would make a profit of 300 percent from property that is bought and sold within six months.

The bill includes exemption from the tax for renovated properties if the ultimate seller grants the buyer a one-year warranty on materials and the house meets the building code.

Vermont has had a similar land speculation tax since 1973.

For more information, contact the Finance and Revenue Committee, DC City Council, City Hall, Washington, DC 20014.

## Women and Employment

The work of the Hawaii Women's Legislative Coalition has resulted in the introduction of a comprehensive legislative package of 48 bills and resolutions on women's issues in the 1978 legislation session. Much of the package relates to employment issues for women. For example:

*Senate Resolution 84* requires the Department of Labor and Industrial Relations to ensure equality on the basis of sex in the apprenticeship programs for the various trades. It also states that the participation of women in such apprenticeship training should be affirmatively sought. *Senate Bill 1681* requires employers and

the civil service to recognize and credit the uncompensated or volunteer work experience of job applicants. *Senate Bill 1712* extends the definition of discriminatory employment practices to include discrimination related to retirement, pensions, insurance plans, and employee benefits. *Senate Bill 1717* establishes a two-year job sharing pilot project for state and county public employees.

For more information, contact Senator Anson Chong, Senate Minority Leader, State Capitol, Honolulu, HI 96813.

## Help for Community Organizations

The Community Economic Development Assistance Corporation (CEDAC) would be created if a bill introduced in the Massachusetts House were to pass. It is designed to provide community groups with technical and organizational assistance in business-plan development, financial packaging, management training, and accounting or legal services. CEDAC was originally part of a package of bills that included the Massachusetts Community Development Finance Corporation.

Copies of the bill, #6617, are available from William Aikman, General Counsel, Executive Office of Economic Affairs, Rm. 212, State House, Boston, MA 02133; (617) 727-8380.

## Assessment Value Break

To encourage rehabilitation of dilapidated housing occupied by low-income families, Wilmington, DE, exempts 150 percent of the increase in assessed value attributable to renovation. The exemption continues for five years after the improvement. For more

information on the renovation and new construction ordinance, write Clerk of Council, 8th & French St., Wilmington, DE 19801, (302) 571-4180.

## Graduated Land Tax

Minnesota legislators believe one way to reverse the trend toward fewer farms of increasing size is a graduated land tax. State Senator Jim Nichols has introduced a bill to provide such a tax.

Currently, land above the homestead exemption rate is taxed at a straight 33⅓ percent. The proposed legislation would tax all land at that same rate until its value reaches \$500,000. Anything above that would be taxed at a 50 percent rate. Above \$750,000 valuation, the rate would be 75 percent, and above \$1,000,000, 100 percent. A graduated land tax has the potential to keep established farmers solvent, and to give new farmers the economic advantages they need to begin.

For additional information on the tax bill, write: State Senator Jim Nichols, State Capitol, Aurora Ave. Park, St. Paul, MN 55155.

## More Farm Bills

New York State Assemblyman Maurice Hinchey has introduced two innovative farm bills for consideration by the legislature in 1978.

*S.7124/A.9078* would create a temporary commission on institutional use of state-produced foods. This commission would investigate the idea of giving preference in the awarding of "food contracts" by state-operated and/or funded institutions to vendors of food produced within the state. Whether the preferential awarding of contracts would provide jobs and stimulate the economy would be a special focus of the proposed commission.

*S.7122/A.9079* would amend a section of the general

municipal law to allow school districts to purchase locally grown farm commodities. A school district cannot now contract with a New York farmer, but must accept a bid from anywhere in the U.S., even if the cost is just slightly below what a New York farmer must charge.

For more information, write Mabel Gil, Director, Northeast Task Force on Food and Farm Policy, Rm. 5CW, The Capitol, Albany, NY 12248.

## Voting Ordinance

The Portland, Oregon, City Council has been asked to consider an ordinance allowing neighborhood associations to use the city's voting process for neighborhood elections. It is significant because it would put neighborhood issues on the ballot. For copies of the proposed ordinance, contact the Portland Alliance of Neighborhoods, 2155 NW Glisan St., Portland, OR 97210.

*More Alternative Legislation, pp. 10, 15.*

## To Our Readers

The National Conference welcomes information about model legislation in the form of short articles. Submissions should focus on innovative and progressive and local public policy, and should be accompanied by a stamped, self-addressed envelope.

# Activists Meet to Boost Progressive Policy: Regional Conferences Silhouette New Strategies, Reaffirm Old

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## Solidarity Focus in California

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The weekend of February 17-19, over 800 California activists met for the third annual California Conference on Alternative Public Policy. The conference was held at Laney College in downtown Oakland and hosted by local progressive officials—Congressman Ron Dellums, Assemblyman Tom Bates, and Supervisor John George.

The theme of this year's gathering was "playing to win," and workshops stressed the development of a progressive agenda for both legislative and community action in 1978. Workshops were organized and directed by representatives of issue-oriented groups who had practical programs to present.

A strong attempt by conference organizers to involve labor and third-world communities resulted in a dramatic increase in participation by these groups over previous years. Evidence of this coalition-building effort was the fact that John Henning, head of the state AFL-CIO, addressed the opening session Friday night. Henning called for labor to align itself with progressive public officials, issue-oriented public-interest groups, women, and minorities. Only in this way can pressure and lobbying from business and right-wing, anti-labor forces be fought.

On Saturday, in addition to three workshop sessions, Congressman Dellums gave an inspirational speech, and a panel of long-time California activists discussed "How to Maintain Commitment." In the evening, the *Theatro Campesino* entertained with songs and drama, and Academy Award nominee Jane Fonda gave a moving dramatic reading.

Tom Hayden spoke Sunday on the state of activism in California. Lieutenant Governor Mervyn Dymally made an appearance. Also on Sunday, Lee Webb, Executive Director of the National Conference, addressed the crowd. Webb recounted how much things have changed in three years. "In a trip across the country in 1975, I tried to pinpoint progressive state and local public officials and activists interested in social change on that level. I corralled about 50 or 60 people. Today, assembled here, we have over 800—and this only represents California. This indicates to me that the progressive movement has become a powerful force in state and local issues."

Different issue networks and statewide groups used Laney College's facilities on Sunday evening and Monday

for their own caucuses and meetings. Throughout the conference, a political "fair" took place as "alternative" institutions and enterprises displayed their wares and publications at booths and tables.

Most left Oakland satisfied that another step had been taken to unify progressives around a common agenda for change.

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## Neighborhood Skills Honed in New Jersey

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Despite a heavy mid-January snowstorm, more than 150 activists and elected officials from five states attended the Eastern States Meeting on Legislation for Neighborhoods to review existing laws and draft models for the future. The Newark meeting was sponsored by the National Conference and National Association of Neighborhoods, and hosted by the Tri-City Citizens Union for Progress.

At the Housing and Neighborhood Development workshop, New Jersey State Assembly Bill 3395 was discussed. A Neighborhood Preservation Program, it will enable the state to directly fund neighborhood corporations rather than channel funding through city administrations. The legislation has been passed, but no appropriation has been made.

Neighborhood Economic Development workshop participants learned that their major objective should be to tackle relationships that promote social and economic self-reliance. It was suggested that they first analyze why their neighborhoods are the way they are: Has there been a population change? Have city or financial institutions' policies changed? Have the city's functions changed? What is the cash flow of dollars in the neighborhood?

Suggested action for neighborhoods included these:

- (1) Find ways to keep cash flow in neighborhood.
- (2) Concentrate on bringing in projects that provide public subsidies for low- and moderate-income people.
- (3) Demand assistance from City Hall.
- (4) Get help with documenting needs and stating objectives. (NAN and other national groups can put groups in touch with resources for technical assistance.)
- (5) Organize for political action to get legislative help when needed.

For more information, contact Milton Kotler, Director, National Association of Neighborhoods, 1612-20th St., NW, Washington, DC 20009.

*Continued, p. 10*

# Tax-Exempt Property: The Key to Property Tax Reform

by Diane Fuchs

The property "taxpayers' revolt" is on. From Roxbury, Massachusetts, to Beverly Hills, residential property owners have begun to resist as their tax bills double and quadruple. Local governments, almost totally dependent on the property tax to provide revenues needed for police, fire protection, sanitation and other community services, must bear the brunt of the protests. However, the rising cost of providing such services have barely allowed local government revenues to keep pace with expenditures.

Disgruntled taxpayers push for hastily conceived, often imprudent solutions: demands for across-the-board roll-backs; lids on spending; elimination of vital social programs; and proposals to do away with property tax altogether. None of these steps should be taken. There is a route to real reform. It requires a close look at the tax-exempt real estate in every community.

An estimated one-third of all U.S. real estate is tax-exempt. Seventy percent of the exempt property belongs to federal, state, and local governments. Of the rest, 18 percent belongs to religious groups, and 12 percent is owned by individuals and non-religious organizations like schools and hospitals.

Exempt property is unequally distributed within states. Urban areas, for example, generally have a larger share than their suburbs: Close to half of Boston is tax-exempt; over half of Newark is; and 28.9 percent of Hartford. In 37 Appalachian counties, the U.S. Forest Service owns over 20 percent of the land; in 14 counties, it owns as much as 40 percent.

The exempt properties provide national benefits. Appalachia's national forests, for example, provide timber for nationally-marketing lumber companies, and recreation for vacationers from every state. Yet, the tax burden is borne by the local residential property taxpayer. An estimated one-quarter of a typical family's property tax bill pays for real estate that is tax-exempt.

Presently, tax exemptions may be granted for the following reasons:

1. To comply with federal or state constitutions that require the exemption for government-owned property.
2. To acknowledge that the institution provides a public benefit—e.g., churches, schools.
3. To act as a reward or a form of relief—e.g., veterans' and elderly people's associations.
4. To further economic or developmental goals. For example, large corporations are often enticed to relocate in particular areas by tax exemptions.

Whether or not presently exempted properties address the public policies they are designed to meet is difficult to know. Once enacted, exemptions linger on year after year without regular legislative review.

Another problem is that many exempt institutions often exploit their tax status. Churches often run profit-making businesses such as catering, bowling, and bingo. In Hartford recently, the situation was much more serious. A church bought land, designated it as an exempt cemetery, buried a single body, then waited a few years for

the property value to increase. Removing the sole casket, the church sold the land at a handsome profit, all at taxpayers' expense.

On the campuses of exempt colleges and universities, such businesses as banks, restaurants, bookstores, and large hotels operate while competing with their taxpaying counterparts off-campus. The Chrysler Building in New York City is perhaps the most dramatic illustration of an exploitive educational exemption. Because it is owned by Cooper Union, an engineering and art college, the building is not taxed, costing the city taxpayers \$1.5 million in lost revenues annually.

"Public authorities"—the independent, semi-governmental agencies created by states to build and operate toll roads, bridges, airports, and seaports—are perhaps the most aggressively exploitive of their tax-exempt status. At Boston's Logan Airport and New York City's Kennedy Airport, for example, hotels, restaurants, banks, and even industries lease tax-free properties. The \$600 million, tax-exempt World Trade Center, a project of the New York Port Authority, is a monument to these inequitable practices.

Finally, state and federal governments lease tax-exempt property to private enterprises. The U.S. Department of Defense, for example, builds multi-million-dollar industrial plants, then leases them to private defense contractors, always at the expense of property taxpayers.

There is a simple solution to the property tax dilemma: Eliminate all exemptions and provide direct subsidies to those enterprises that demonstrate genuine need, public concern, or both.

A formidable legislative goal. To reach it, however, there are some intermediary steps to follow:

1. To excuse taxes is to expend public revenue. Accordingly, like any other appropriation, the amount "spent" each year on exemptions should be computed and reviewed, and exemptions should only be granted for a limited time. California has implemented such a plan. The state prepares an annual expenditures budget, including not only property tax exemptions, but all loopholes and their cost to the state.

2. State rather than local lawmakers generally pass legislation exempting institutions from local taxation; so they should assume a greater responsibility for compensating local governments for the lost revenues.

3. When state-owned property is tax-exempt, states should make provisions to compensate localities for the loss of the local tax base. (Although many states make some provision for payments, most limit it to only a few types of property—e.g., forests—or restrict the dollar amount of reimbursement severely.) Recently, New Jersey has passed legislation permitting localities to tax all state property (except land held for future use—e.g., highways, bridges, or tunnels). The locality assesses the property value and reports it to the state director of taxation. The director applies the effective local purpose tax rate of the municipality to the aggregate amount of state property, and reimburses the municipality for that amount. The only limitation is that the state has no liability for payments under \$1,000, or for a payment that would be in excess of 25 percent of the

*Continued, opposite page*

# Notes to Note

## COOP

The Community Organizing Ownership Project has issued three new and valuable reports. COOP offers technical assistance to local groups working on housing, economic development, utilities, and land-use issues. It seeks to create specific programs as well as general strategies for community-controlled economic development. The common theme of COOP's work is the redistribution of wealth and power at the community level.

- "Hubbard," (\$1.50) a report on worker cooperatives, outlines efforts to convert failed businesses to employee ownership. Proposals for banking institutions that would aid future conversions of closed plants into worker-owned cooperatives are included.

- The Minority People's Council pamphlet on economic development

(\$2.50) presents ways to work with local government on issues such as credit, investment of public funds, tax strategies, land use, and public utilities. Additional sources of capital (e.g., pension funds, restructuring loans, and the National Consumer Cooperative Bank) are also discussed. MPC was organized in 1974 to assure participation by low-income and minority people in the \$1.6 billion, federally-funded Tennessee-Tombigbee Waterway Project in the South.

- "Loisaida" (\$3.00) describes neighborhood economic development strategies. Issues covered include alternative models of home-ownership, community development corporations' role in the self-help housing movement, sources of capital, and coordination with available federal funding and programs such as CETA, SBA, and Community Development Block Grants. The study is based on the

experiences of Loisaida, a Hispanic Community in New York's Lower East Side.

Write COOP, 6529 Telegraph Ave., Oakland, CA 94609. (Supply is limited.)

## Northeast Farm Task Force

Nine Northeastern states established a Task Force on Food and Farm Policy last year to consider the development of a regional food and farm policy. Now representatives appointed by the Governors of Connecticut, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont have identified five important roles for the Task Force to play: (1) informational clearing-house, (2) public education, (3) constituency building, (4) policy development, and (5) action.

The Task Force periodically publishes a newsletter which updates innovative legislation and approaches, and reports the activities of various organizations working on agricultural, land, and food policy issues in the Northeast region.

For more information, contact Mabel Gil, Director, Northeast Task Force on Food and Farm Policy, Rm. 5CW, The Capitol, Albany, NY 12248.

## Alaska Permanent Fund

Two papers presented to the Alaska House Special Committee on the Permanent Fund outline contrasting investment strategies for the fund which is made up of oil and mineral royalties.

A paper by Belden Daniels of Harvard's City & Regional Planning Department suggests the fund be used to provide needed commercial credit and financing to small and medium scale enterprises in Alaska. Daniels emphasizes the need for coordinated planning of

fund investments and state expenditures. He suggests the Permanent Fund offers an opportunity to rethink not only the function of a state government as a stimulator of economic activity but also the structure and role of state government planning.

Another paper by Arion Tussing of the University of Alaska argues there is no need to invest the fund within the state unless special reasons exist for subsidizing Alaskan industry. The paper infers it makes more sense to invest the fund entirely outside the state.

Copies of the two papers are available from the House Special Committee on the Alaska Permanent Fund, 528 W. 5th Ave., Suite 270, Anchorage, AK 99501.

## Grothaus Returns to Seattle

Daryl Grothaus, Director of Policy and Program Development for Geno Baroni, Department of Housing and Urban Development Assistant Secretary for Neighborhoods, has left HUD. He has returned to Seattle as Director of Community Development.

Once active in Seattle's fight against redlining, Grothaus will be working in his new position to join neighborhood revitalization initiatives with energy conservation, housing, public improvements, and solid waste recovery issues. Grothaus stresses the importance of viewing neighborhood revitalization together with strategies to provide jobs and coordination of private and public neighborhood investments.

Grothaus has played an important part in the National Conference's banking and re-investment projects.

*More Notes, pp. 12, 15, 16*

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*Continued from opposite page*

local purpose tax levy for the year.

4. Exemptions should be based on need. Not every church, university, or club requires relief. Nor does it always make sense to exempt the entire value of the property.

5. Institutions should be required to make payments in lieu of taxes where they are exempt. Many universities and churches do so voluntarily.

6. Some institutions could be required to relocate in declining areas in order to continue receiving tax exemptions. In addition to reviving poor neighborhoods, such a system would release high land values from the tax rolls.

7. Private leaseholds on public property and institutional property should pay

the equivalent of local property taxes as a condition of their lease. Recently, Massachusetts passed a measure that would require Massport, the State Port Authority, to pay Boston five percent of Massport's gross receipts. It would also require exempt universities to pay municipal taxes on the leasehold value of renting recreational facilities for private profit and use.

8. Finally, exemptions should not be granted to large corporations as incentives for relocation. All studies show that such abatements have little or no influence upon relocation decisions: Only the corporations gain—at the expense of the local property taxpayer.

*Diane Fuchs is a staff attorney with the Public Citizen Tax Reform Research Group.*

# New Directions in Agricultural, Land, and Food

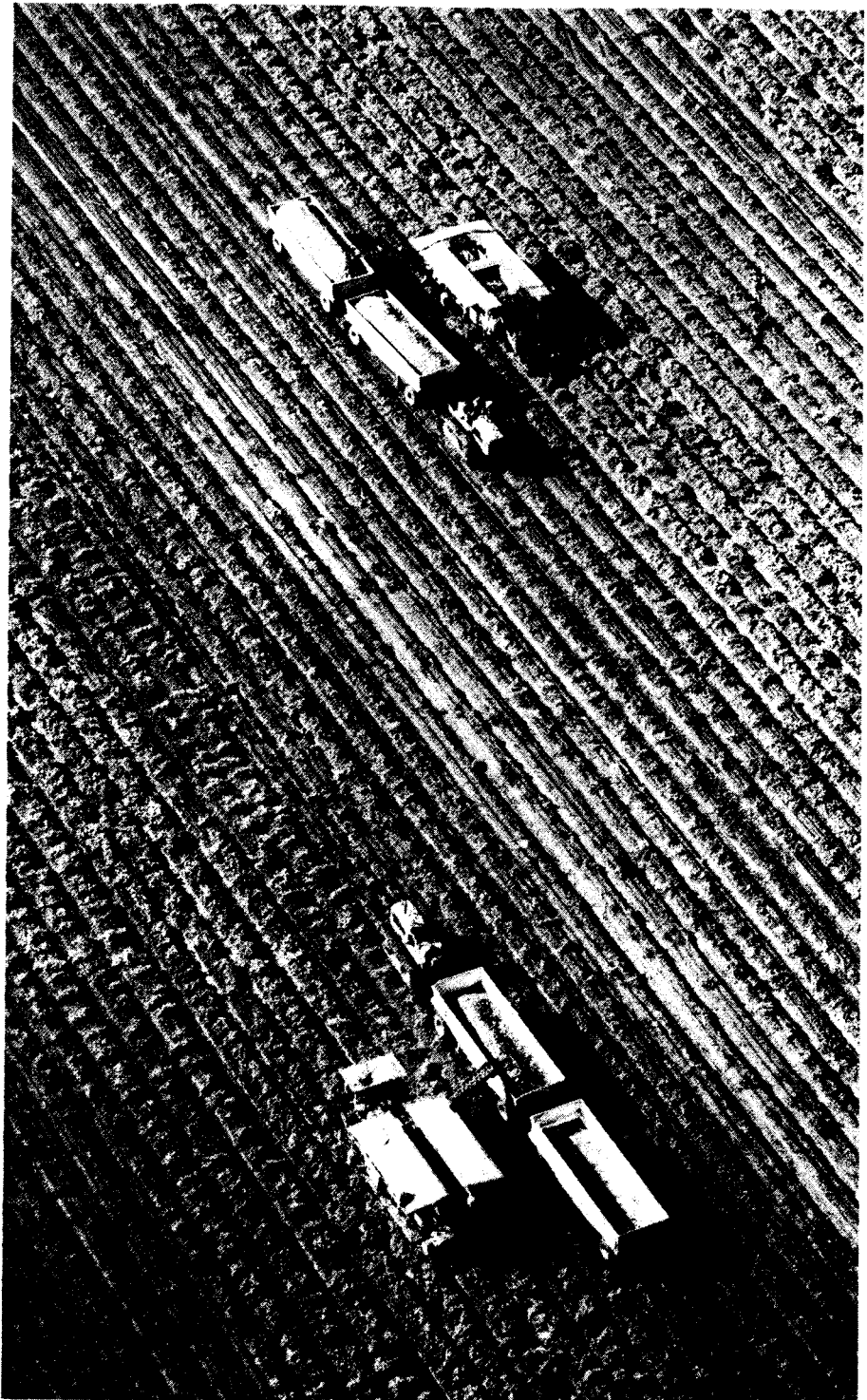
By Lee Webb  
and Cynthia Guyer

Public concern over agricultural, land, and food issues has grown intense over the past few years. Citizens' groups are mobilizing to change policies that have favored corporate interests and large-scale producers over consumers and family farmers.

Inflationary land values and taxes due to unrestricted development and land speculation, combined with the limited availability of credit, has made it difficult for new and younger farmers to get started. Skyrocketing agricultural production costs have made it hard for established farmers to hold on. The result is that the average size of the American farm has burgeoned, while the number of farms and farm families has dramatically decreased. There are less than three million U.S. farms today—down almost half from 1950; and the average age of the farmer working that land is approaching 60. In addition, the total U.S. farm population dropped 14 percent between 1970-75.

While economic pressures are squeezing family farmers out, corporations are becoming increasingly involved in every phase of food production and distribution. At the same time, consumers face steadily climbing food prices and a serious decline in the nutritional quality of food. The American diet now yearly contains over 126 lbs. of sugar and an estimated nine lbs. of additives.

The federal government has been unwilling, or unable, to provide solutions to these problems. In fact, federal policies have actually created many of the inequities which citizens' groups would now



Above: "Factories in the Fields"—is this the future of Agriculture? Opposite: The high cost of farming supplies has made it hard for new farmers to get started and for older farmers to hold on. Tractor tires cost \$1,000 to \$1,200—a possible investment of \$9,600.

# Policy: State and Local Governments Lead the Way

like government to address—for example, tax laws that subsidize corporate farming; research grants that encourage large-scale capital- and energy-intensive farming; and price supports that aid large-scale farmers at the expense of small- and medium-sized operations.

State legislatures, county and town governments, and city councils, on the other hand, being smaller and more accessible to farmers and consumer groups, have been much more receptive to new ideas and innovative approaches.

State and local governments have enormous legal authority through jurisdiction over land-use decisions. In addition, agricultural programs are primarily administered by state and local institutions such as state Land Grant Colleges, the county extension service, Farmers Home Administration, and the Soil Conservation Service. And agribusiness and special commodity interests do not have the enormous political power at state and local levels that they do nationally. For these reasons, some of the most progressive action on agricultural, land, and food policies has come, and will continue to come, at the state and local level:

- Eight Midwestern and Great Plain states—Iowa, Kansas, Minnesota, Missouri, Oklahoma, North Dakota, South Dakota, and Wisconsin—have passed anti-corporate farm laws. These vary in scope and strength, but all represent substantial progress. One law simply requires disclosure of corporate ownership of farmland; North Dakota's bars corporations from owning or operating farms.

- Minnesota's Family Farm Security Act of 1976 has established an agency to guarantee up to 90 percent of

a farmer's loan to purchase land.

- Taxes on farmland are too high when compared to farm income, due to increased land speculation. But through revision of the property tax system, 31 states have enacted laws to provide incentives for maintaining land in agricultural production. Maryland's Preferential Assessment Act, for example, taxes agricultural and open lands according to use value, not market value. Hawaii and Oregon protect agricultural land through comprehensive state land-use plans.

- New York allows farmers to form "agricultural districts" that are protected from development. New York farmers also receive a low tax assessment based on the land's agricultural rather than commercial market value. In addition, New York's Suffolk County passed an initiative in 1977 that authorizes the county to purchase the development rights to farmland. In a similar move, Massachusetts has voted to appropriate money to experiment with the purchase of development rights. Connecticut, Iowa, Vermont, Virginia, and Wisconsin are also considering legislation to protect threatened farmland.

- Missouri's Small Farm Program has demonstrated how an extension department of a State Land Grant College can effectively work with low-income farmers. Missouri's program, initiated in 1971, assisted over 900 farm families in six counties last year. Other states with extension services for low-income and small-scale growers are Alabama, North Carolina, Texas, and Virginia.

- California is evaluating the research priorities and budget allocations of its Land Grant College. The state's new Office of Appropriate Technology gives information

to farmers and gardeners about environmentally sound farm techniques such as methane production and biological pest control. In addition, California's Small Farm Viability Project has recommended that the state establish a non-profit rural development corporation to assist family farmers and rural communities. (For details, see *Alternative Legislation*, p. 4.)

- Pennsylvania and West Virginia have established Direct Marketing Programs. They provide new markets for farmers while reducing consumers' food costs. California, Hawaii, and New York have also helped link food producers and consumers more closely through direct marketing and by promoting locally produced farm products. Going one step farther, New York is considering two bills that would encourage state institutions to buy locally grown produce. (For details, see *Alternative Legislation*, p. 10.)

- California, Hawaii, and Pennsylvania have initiated programs to assist consumer food-buying coops.

- State Food and Agriculture Plans of Massachusetts and Vermont have recommended construction of state and regional processing and storage facilities, and increasing soil conservation programs.

- California and Massachusetts have turned over idle state-owned land to local communities for farming and gardening.

- Many communities are experimenting with fertilizer made from waste. For example, Boston converts 80,000 tons of sewage into marketable fertilizer annually; and Massachusetts State Representative Mel King has introduced a bill that would establish a State Compost Authority.

- Finally, Iowa's State Energy Research Fund finances windmill and solar-pond demonstration projects.

Past agricultural, land, and food policies have encouraged agribusiness at the expense of family-sized farms, the environment, and consumers. America needs policies that will encourage ecologically sound farming methods; preserve threatened agricultural land; stimulate rural and small-town economic development; ensure sound nutrition; and keep food prices low.

The farmer, consumer, and public-interest groups who focus on state and local policy have been criticized by those who think they should mobilize to change federal policy. But innovative alternatives and strong initiatives at the state and local level will create political pressure that could help force the necessary changes in America's national agricultural, land, and food policies in the coming years.

Lee Webb is executive Director of the National Conference. Cynthia Guyer is the National Conference's Agriculture Project Director.



# Regional Conferences continued . . .

## In Texas National Leaders Push State and Local Plans

The Texas Regional Conference on Alternative Policies, held February 3-5 at the University of Texas at Arlington, drew nationally prominent legislators and activists to its podium.

About 300 participants, most from the Dallas-Fort Worth area, heard Barry Commoner speak on solar energy alternatives, and Harvey Wasserman, organizer of the Massachusetts-based Clam Shell Alliance, on alternatives to nuclear power. They also heard Georgia State Senator Julian Bond call for a movement dedicated to "citizen democracy." Such a force would include developing "an economy with a place for everyone," Bond said.

Others who addressed the gathering, which was co-sponsored by the National Conference, Fuerza de los Barrios Chicanos, and the Institute of Urban Studies' city and regional planning program at the University of Texas included national experts on housing, participatory

government, and economic democracy: Dick Simpson, Independent Alderman from Chicago, discussed public money and neighborhood-based political campaigning. Paul Davidoff, of New York City's Suburban Action Institute, conducted a workshop on "advocacy planning." Judge Jose Angel Gutierrez of Zavala County, founder of the La Raza Unida Party, decried the situation faced by Mexican-Americans since the Carter Administration's new immigration policy went into effect. And Joe Bernal, former President of the Mexican-American Democrats, outlined ways to promote alternative policies through citizen participation.

Chester Hartman, of the Planners Network in San Francisco; Byron Dorgan, the State Tax Commission from North Dakota; and Mel King, the Massachusetts State Representative, also spoke at the conference which was titled, "Strategies for Change."

On Sunday, there emerged from the conference a new citizens' group for the region. Planning Alternatives Network of Citizens (PLAN-C) will monitor municipal and regional planning efforts and will support neighborhood groups in major rezoning cases.

# Alternative Legislation continued . . .

## Capitol Hill Farm Bills

In February, the Family Farm Development Act of 1978 was introduced in the U.S. House of Representatives by George Brown (D-CA) and Richard Nolan (D-MN), ranking members of the House Agriculture Committee.

The bill constitutes a major attempt to strengthen the economic position of the family farm, and improve the economies and quality of life in rural communities.

It would do this by providing for improved prices to farmers, and better markets; loans to assist new and young farmers; amendments to the tax structure to remove support for tax loss and corporate farming; and development of improved, low-cost and energy efficient farm practices. It would also provide for the education and training of new farmers, and

equip low-income farmers with improved managerial and technical assistance.

For additional information on the bill, or for copies of a summary of the legislation, contact: Peggy Wheeler, Congressman George Brown, 2342 House Office Building, Washington, DC 20515. Or Jim Swiderski, Congressman Richard Nolan, 214 Cannon House Office Building, Washington, DC 20515.

Congressman Nolan has also introduced the Economic Recovery Act of 1978. This bill was put together with the assistance of Minnesota farmers who came to Washington as part of the American Agricultural Movement ("the farmers' strike") and with the support of delegates from other states.

The Act provides, in effect, a "minimum wage" for farmers by placing a floor under the price of farm products at

100 percent of parity in the marketplace. No government subsidies of Treasury outlays will be required for price support.

It would also mandate an export policy which requires that all agricultural exports be priced at 100 percent of parity, rather than continuing to defeat our own farmers and the economy by selling at a loss. Imports of farm products would not be allowed to enter the U.S. at prices less than 110 percent of parity, thereby placing a solid foundation under our domestic agricultural economy.

For an explanatory statement and summary of the bill, write Congressman Nolan.

## Community Credit

Federal bank and thrift institution regulators have plan-

ned a series of hearings on regulations for the new Community Reinvestment Act. Signed into law last October, the Act would require regulators to examine a lending institution's record of meeting the credit needs of the entire community, including low- and moderate-income neighborhoods. The agency would take that record into account when those lenders request charters, branches, office relocations, mergers or acquisitions.

Hearings will be held March 15 and 16 in Washington, DC, March 20 in Boston, March 23 in Atlanta, March 27 in Dallas, April 5 in Chicago and April 11 in San Francisco. For more information about hearing times and places, contact the regional offices of the federal regulatory agencies (including Federal Reserve, Comptroller of the Currency, and the Federal Home Loan Bank Board).



# Rent Control Survey:

## Organizers Make Advances

by Kevin Johnson

The Santa Barbara Rent Control Alliance has gathered more than 8,500 signatures in its successful drive to put a rent control initiative on the June, 1978 ballot. The Rent Control Alliance is a group that includes tenants, homeowners, small business owners, and students. It is one of the many groups throughout the nation organizing around rent control issues.

Another group in Long Beach, CA, is aiming to put a measure on that city's June ballot. In Los Angeles, the United Tenants Organization is considering organizing for a rent control measure there.

Tenants in Santa Monica, CA, are now circulating a petition for a ballot measure. (Contact Sid Rose, Committee for Fair Rent, 1351 Pacific, Santa Monica, 90405.) The Coalition for Fair Rent in San Diego is considering launching a initiative drive soon.

(Contact Max Sparer, Coalition for Fair Rent, 601 Market St., San Diego, CA.)

In Miami, tenants are still pushing for a rent control measure after almost nine years of thwarted attempts. And, a measure will be on the New Orleans ballot after a citizen group won a court challenge against the proposal.

The tenant organizations differ on how much control should be applied and how controls should work but most agree on main points: rents should be rolled back to some point within the last 18 months, annual increases should be limited to a legal formula enforced by an elected board, landlords would receive certain cost pass-throughs and guaranteed a "fair return," new construction and buildings with fewer than four units would be exempted, and landlords would pay the administrative costs through an annual levy on each unit they own.

The rent control initiatives are not rent freezes. They do not prevent the landlord from making a profit. Landlords are permitted to raise rents to cover all necessary expenses including property taxes, operating costs and repairs. However, increases will not be allowed if the property is not properly maintained.

Rent control, based on variations of these guidelines, works in a number of communities around the nation. In New Jersey rent control is by local option and more than 130 cities have some type of control. Three cities in Alaska have rent control through a local option created by legislation passed in 1974.

Massachusetts has several cities with rent control including Brookline, Cambridge, Somerville and Boston. The controls in Boston are, however, being slowly dismantled by decontrolling recently vacated apartments. The state of Massachusetts did not renew its statewide rent control law when it was up for reconsideration in 1976.

Maine passed a law in 1973 giving the rent control option to local communities but the only attempt for local adoption, in Bangor, failed. Connecticut has Fair Rent Commissions. There, the Boards, although little used, have the power to limit excessive rates.

New York State has approved legislation providing for self regulation by landlords. New York City has a dual system of controls, some rental units under the old rent freeze system and others under a 1970 stabilization law allowing rent increases.

Rent control in Washington, DC, has been hampered by lack of funding and court challenges. Recent changes in the law have substantially weakened the regulations. In nearby Maryland, there are several

counties and cities which have rent control.

Attempts to get city councils to pass legislation for rent control have been introduced but unsuccessful in a number of cities including Chicago, Minneapolis, Philadelphia, Seattle, Los Angeles, San Diego and Milwaukee.

Initiatives failed in Palo Alto, CA, in 1974, recently in Madison, WI, in Ann Arbor and East Lansing, MI in 1976.

The measure defeated in Berkeley last April, was a more encompassing rent control measure and would have controlled all rents, including rooms rented by homeowners. Overall, however, initiative and city council results have been mixed.

Organizing on the other side is the California Housing Council, a landlord organization. The group will spend more than \$400,000 this year to fight controls. The Berkeley fight last spring cost them more than \$130,000. (Proponents of the measure spent about \$5,000.) Nationally, the National Rental Housing Council is raising funds to fight rent control groups.

Landlords contend that even without control, rents are not rising fast enough to make new construction worthwhile. The real estate industry is also talking about increased public subsidies for low cost housing.

Such subsidies, according to the Santa Barbara Rent Control Alliance, are not enough and can help only a small number of renters with the most urgent needs. In fact, subsidies allow housing prices to continually rise to inflated values, making rent control more necessary.

Cooperative housing programs, on the other hand, could turn renters into owners and, since cooperatives are not sold, they are not subject to speculation and market forces which drive up housing costs.

More information about the Santa Barbara Rent Control Alliance and a copy of the rent control petition can be obtained by writing them at P.O. Box 2166, Santa Barbara, CA, 93120. An annotated bibliography entitled "Rent and Eviction Controls" detailing rent control organizations and publications is available from the National Housing Law Project, 2150 Shattuck Ave., Suite 300, Berkeley, CA, 94704.

Another organization working in the field is the California Housing Action Information Network (CHAIN). It is the primary group lobbying in California around statewide housing issues. For more information write CHAIN, P.O. Box 2103, Sacramento, CA, 95810.

*Kevin Johnson is on the staff of the National Conference.*

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**1978  
National Conference  
Minneapolis/St. Paul  
13/14/15/16 July**

**For details, see p. 3**

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# Notes to Note

## National Commission on Neighborhoods

Nick Carbone, President of the Hartford City Council and a National Conference Steering Committee member, has been named by President Carter to the newly formed National Commission on Neighborhoods. The federal team will study the decline of neighborhoods and recommend strategies for community revitalization to Congress and the Administration. The Commission will also hold some 25 public hearings around the country on neighborhood-level initiatives.

To make comments and suggestions or request more information, contact the Commission at 2000 K St., NW, Suite 350, Washington, DC 20006, (202) 632-5200.

## Mortgage Banking

Withdrawal of mortgage credit from a neighborhood is now widely acknowledged to be a prime contributor to its actual decline. While the role of unscrupulous realtors and overly cautious or biased banks is clear, the role of the mortgage banker is less visible. In fact mortgage bankers are now the major source of funds in credit starved and disinvested neighborhoods.

Mortgage bankers provide almost 20% of all mortgage credit in the U.S. As banks withdraw credit from an neighborhood, FHA and VA loans, and thus mortgage bankers, begin to dominate the neighborhood lending market. Insured loans become the only source of capital. The monopoly held by mortgage bankers can have two effects: they earn monopoly returns, and there is limited forbearance with home owners resulting in high foreclosure rates.

A recent report prepared by the Neighborhood Revitalization Project of the Center for Community Change delves into the financial incentives and operating style of mortgage banking which have

created the preconditions for abuse. The report examines the basic nature of the mortgage banking industry and how it has grown; characteristics and trends within the industry which underlie the single family housing practices criticized by HUD as harmful to neighborhood conservation; and, HUD's relationship to and regulation of the industry.

The report, entitled *Opportunities for Abuse: Private Profits, Public Losses and the Mortgage Banking Industry* is available from the Center for Community Change, 1000 Wisconsin Ave., NW, Wash., DC 20007. (202) 338-3134. Copies are \$4.50.

## Billboard Control

*A Legal Handbook for Billboard Control*, published by the Environmental Law Society at Stanford Law School, provides an overview of the legislative means to restricting and removing billboards. Although its emphasis is predominantly on California statutes, it also includes a comprehensive discussion of the Federal Highway Beautification Act and three especially successful (and stringent) state programs: Hawaii, Oregon, and Vermont. For a copy at \$3.95, write Environmental Law Society, Stanford Law School, Stanford, CA 94305.

## Rural America

Rural America, the citizen's organization, has just published two new studies. "Rural Rental Housing Management in Wisconsin" details maintenance, tenant selection, community facilities, design, and tenant income vs. rent costs. (\$.50) "Limited Access" examines the Community Block Grant Program bias against small towns and concludes that CBPG fails to target funds to those communities with the greatest need. (\$2.50) For copies, write Rural America, 1346 Connecticut Ave., NW, Washington, DC 20036.

## Local Farm Support

A report on state agricultural marketing programs is now available from the Council of State Governments. "Merging Producer and Consumer Interests: Domestic Agricultural Marketing in New York and Pennsylvania," by James Jarrett, describes the efforts of these two states to stimulate the demand for locally-grown agricultural products and at the same time provide consumers with cheaper, fresher, more nutritious produce.

Although the objectives of the two programs are similar, the methods for achieving these goals are not. In New York, officials are implementing a campaign to support "NY State Grown" and/or state-processed agricultural products. In Pennsylvania, the emphasis is on "Direct marketing" from the producer to consumer.

The report is free to state officials. Cost is \$3.75 to others. Write James Jarrett, State Government Innovations Program, Council of State Governments, P.O. Box 11910, Iron Works Pike, Lexington, KY 40511.

## Canning

The Center for Community Economic Development has issued a report, "Community Canning Centers," which describes the advantages of such centers—better nutrition, energy conservation, local market stabilization—as well as a brief history of community canneries; costs and benefits; technical considerations; health and insurance requirements; and equipment suppliers.

CCED is a non-profit research and public-policy development organization working to promote community-based economic development. The report (#P51) is \$2.50. (Thirty percent discount if 10 copies or more are ordered.) Write Publications, CCED, 639 Massachusetts Ave., Cambridge, MA 02139.

## Model Legislation

The National Association of Neighborhoods Task Force on Model State and Local Legislation for Neighborhoods has prepared a workbook with more than 75 models of legislation on neighborhood governance, housing and community development, and land-use and planning.

For the *NAN Handbook of State and Local Neighborhood Legislation*, contact NAN, 1612-20th St., NW, Washington, DC 20009. Single copies are \$8 for NAN members, \$13 for others.

## Small Farms

California's Small Farm Viability Project has issued its final report. The complex issues that face the state's agricultural and rural communities were the focus of the two-year study.

One of the most innovative recommendations of the report is to have the state charter a non-profit rural development corporation to invest in local projects and support local initiatives, businesses, cooperatives, training centers, self-help housing, and the like.

For the future, the Project has established a policy committee which will make legislative recommendations to the Governor's Office of Planning and Research, State Department of Food and Agriculture, Department of Housing and Community Development, and Employment Development Department. The Project will also regularly brief members of the California legislature.

For a free copy of the report, or additional information, write Bill Myers, Project Director, Employment Development Department, CETA Office, 800 Capital Mall, Sacramento, CA 95814.

More Notes, pp. 7, 15, 16

# Jobs From the Sun

Solar Energy is a potential boom industry. It is no longer an exotic option. *Jobs From the Sun* is the first study of its kind to examine in detail the industrial and employment potential for solar energy.

The California Public Policy Center study documents that a solar jobs program means more jobs and greater economic growth than conventional sources such as nuclear, liquified natural gas, or other fossil fuels.

*Jobs From the Sun* also provides basic data and methodology for calculating the economic impact of solar energy for any state or region. It demonstrates that democratic, decentralized, industrial development can offer real solutions to unemployment and inflation.

The study finds that feasible uses for solar water and space heating in California between 1981 and 1990 could generate:

- more than 376,000 jobs
- \$41.2 billion in increased personal income
- \$51.1 billion in gross state product
- \$19.8 in tax savings
- \$10.2 billion in savings in exported capital

The report is fully documented and contains more than 28 tables and 47 references.

By Fred Branfman, Director of the California Public Policy Center, and Steven LaMar, consultant. 128 pages. Single copies, \$6.50; \$10 for institutions.

Use this order form for publications checked below and on reverse side, including 75¢ postage/handling. Make checks payable to "National Conference." ("Institutions" prices also apply to businesses and government.)

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# Conference Publications

## ☐ **New Directions in State & Local Public Policy**

This manual looks at complex questions facing city and state governments, including: energy, public capital, tax revenues, agricultural land use, controlling corporations, disclosure and reinvestment, and women's economic issues. 300 pages of progressive analyses and programs by expert practitioners. \$7.50, \$15 for institutions.

## ☐ **Public Policy Reader**

The issues of the 70s facing cities and states, including programs and legislative proposals for energy, public enterprise, political organization, economic development, tax reform, health, education, criminal justice, and food, land and growth issues. If ordered separately, \$5, \$10 for institutions.

## ☐ **Industrial Exodus**

By Ed Kelly. A new Conference publication on what can be done about runaway plants. This monograph makes realistic proposals about what each level of government could do to save jobs and protect communities from plant shutdowns. \$2.50, \$5 for institutions.

## ☐ **The Davis Experiment: One City's Plan To Save Energy**

A special report on the Davis, CA energy conservation program tells how it works and how Davis put it together. Planning drawings, photos, ordinances and other basic documents are in the 72 page publication edited by *The Elements*. \$2.50, \$5 for institutions.

## ☐ **Taxing Coal: The Coal Industry Meets Its Match**

By Byron Dorgan. Outlines the history and justification for coal severance taxes most Great Plains states have considered and North Dakota and Montana have adopted. The pamphlet explains why western states need severance taxes and why the coal industry can afford to pay them.

## ☐ **The Cities' Wealth**

Programs for community economic control in Berkeley, CA, compiled by the Community Ownership Organizing Project. This report details the programs and organizing strategies of the Berkeley Coalition over a seven year period with the Berkeley City Council. \$3.50, \$5 for institutions.

## ☐ **Protecting The Family Farm/ Preserving Farmland**

By Lee Webb. The report is an introduction to major farm policy questions now being discussed. It features state initiatives designed to limit corporate farming, protect farmland, and increase farm income. Reprinted from *New Directions in State and Local Public Policy*.

## ☐ **Denver Conference Report**

Names and addresses of the more than 450 persons who attended the Third Annual National Conference held in Denver, CO. Also included are news clippings about the conference from papers throughout the country. \$1.50, \$3 for institutions.

## ☐ **Public Control of Public Money**

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. \$1.50, \$3 for institutions.

## ☐ **State Bank for Co-Ops**

By Lee Webb. A proposal to establish a state bank for co-operatives and a state cooperative development agency. The bill was prepared for the California Department of Employment Development. \$2.50, \$5 for institutions.

## ☐ **Revenue Strategies for D.C.**

A unique action-guide to potential tax strategies, using the District of Columbia as a model. 92 pp. \$1.50, \$3 for institutions.

## Alternative Legislation Series

☐ **SolarCal.** A model proposal for a public solar energy authority designed to encourage use of solar energy on every building feasible and to speed commercialization of solar electricity. \$1.00.

☐ **Anti-Speculation Tax.** Proposed 1978 District of Columbia tax on real-estate speculation and Vermont law on land speculation. DC bill would regulate real-estate dealers and proposes taxes from five to 97 percent according to percentage of gain and holding time when selling property. \$1.00.

☐ **Massachusetts Community Development Finance Corporation.** Massachusetts legislation creating a public corporation to invest in not-for-profit community development businesses. \$1.00.

☐ **National Consumer Cooperative Bank Act.** Legislation creating a federal bank to finance and give technical assistance to self-help and not-for-profit cooperatives. \$1.00.

☐ **Insurance Redlining.** Proposed 1978 Chicago ordinance to stop insurance redlining. It provides that insurance companies doing business in the city must agree not to discriminate and to disclose insurance policy renewals, cancellations and rejections by Zip Code zone. \$1.00.

☐ **Runaway Plants Acts.** Ohio and Michigan bills requiring notice to affected employees and communities before any industry shutdown, relocation or reduction in operation. \$1.00.

☐ **Minnesota Farm Security Act.** Legislation creating a Family Farm Security Board to administer a guaranteed loan fund for farmers seeking to buy land. \$1.00.

☐ **Model State Public Utility Commission Act.** A draft bill including recommendations in all areas of electricity regulation: commission structure, procedure, jurisdiction, enforcement, etc. \$1.00.

# Alternative Legislation Continued . . .

## Pregnancy Discrimination

Legislation making it unlawful for employers to discriminate against pregnant employees was approved by the California State Assembly on January 30.

The bill specifically prohibits employers from refusing to hire, promote, or train women due to pregnancy, childbirth, or related medical conditions. Employers would not be able to refuse pregnancy leave, sick leave, disability leave, vacation, or other accrued leave for a reasonable period of time when similar leaves are granted to other employees for temporary disabilities.

Further, employers would not be able to refuse to transfer a pregnant employee to a less hazardous or strenuous job if such could be done

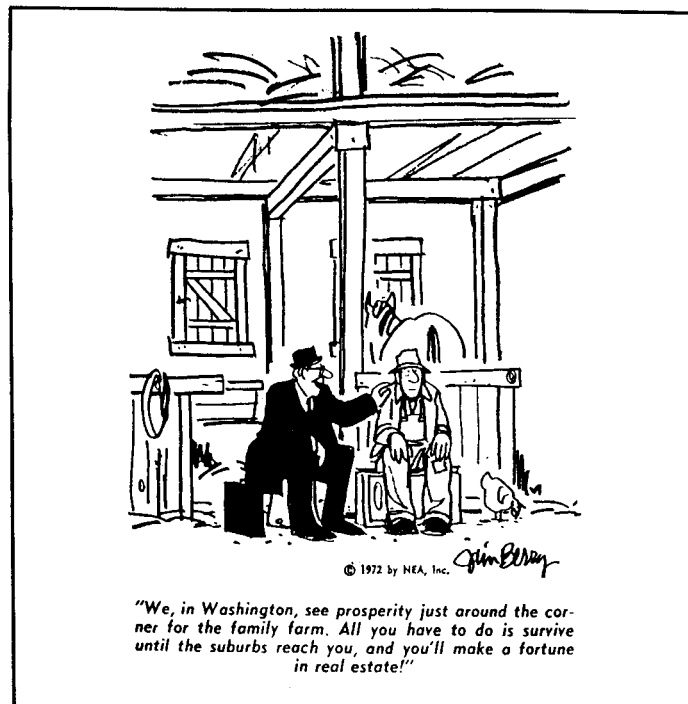
without economic hardship for the employer.

Pregnant employees would also be assured the same benefits and employment privileges as other employees.

The bill was introduced by the Majority Floor Leader, Howard L. Berman, 3142 State Capitol, Sacramento, CA 95814.

## Rural American Women

Rural American Women, Inc., an advocacy agency recently formed to address the special needs and issues of rural women, sponsored a National Rural Women Leadership Conference February 21-25. It brought together over 200 women leaders from rural areas all over the country. The conference culminated in the passage of a number



of resolutions including unanimous endorsement of the Equal Rights Amendment; a call for reform of inheritance tax laws on farm property; and increased government funding of child care centers and shelters for battered wives in rural areas.

Rural American Women will serve as a clearinghouse

for information and proposals of concern to rural women, and will represent a national coalition of organizations and individuals with rural concerns. For further information, contact Jane Threatt, President, 1522 K St. NW, Suite 700, Washington, DC 20005.

# Preventing a Solar Backlash

by Lee Webb

In San Francisco recently, black and other community leaders shocked their liberal allies by opposing a change in the city's tax code to encourage solar energy. They argued that the proposed property tax abatement on solar equipment was an unacceptable subsidy to wealthy, and largely white, homeowners.

Solar and alternative activists are likely to meet similar opposition in other parts of the country, because the complaints and criticisms made by the San Francisco groups are accurate. Most city ordinances promoting solar and energy conservation do help the affluent far more than the poor.

A survey of local legislation encouraging solar energy and conservation indicates that the major means of subsidy is a tax deduction of some type. Some states give income tax credits for money spent on solar energy or conservation. Others make such expenditures exempt from state sales taxes. The most common method is to exclude new solar or energy conservation investments from property tax assessments, thus effectively lowering the property tax rate on the house.

The people who can take advantage of such tax breaks are people with considerable income. Poor or low-income families simply do not have enough money to buy or install solar devices, so they

don't get any benefits from solar subsidies.

What can be done to prevent other "backlashes" to environmental proposals like the one in San Francisco? And to retain the support needed for effective majority coalitions to back energy alternatives? Public policies designed to encourage solar energy and other innovations should provide real benefits to poor, low-, and moderate-income families.

Some innovative plans that could do just that include: (1) A sliding scale of income tax and property tax credits that rises as the family income declines; (2) replacement of tax credits by cash rebates to families with moderate or low incomes; (3) municipal financing of home solar and

energy conservation rehabilitation with paybacks at low interest on the water bill; (4) municipal or community banks that finance energy related rehabilitation through interest rates that vary according to the family's income.

The National Conference is inaugurating a program, *New Directions and Initiatives on Energy Legislation*, which will draft new environmentally responsive legislation that also addresses the needs of low-income, moderate-income, working class, and minority communities. For more information, contact Lee Webb, Executive Director, National Conference, 1901 Que St., NW, Washington, DC 20009.

# Notes to Note

## Tax People Meet Their Public

Tax collectors in Texas are changing their image this year as the state enforcement division proceeds with a program to visit each of more than 300,000 businesses in the state with tax information and assistance.

Since the program got underway last fall, the division has called on more than 65,000. About two percent of the visits resulted in reapplications for sales tax permits, and about 17 percent uncovered errors on sales tax returns. The program has strengthened the agency's public relations as taxpayers actually meet tax enforcement officials face to face.

## Internships

The National Conference is now accepting applications for summer internships. Applications should include academic and work experience as well as a letter about why you are interested. Interns may be involved in research and organizing around tax issues, energy, agriculture and food policy, community credit needs or women's issues. The Conference will also consider full-time or part-time internships for Fall, 1978. Send applications to Cynthia Guyer at the National Conference.

## Life and Taxes

How the often secretive federal budget process works and how tax money could be better spent are the subjects of a new publication of the Institute for Policy Studies. "Your Money and Your Life" consists of summaries and excerpts from a lengthier study of the federal budget that will be available in mid-March from IPS for \$5.95. The summary booklet is available now for \$2.50. Write IPS, 1901 Que St., NW, Washington, DC 20009.

## Fiscal Cookbook

To help local governments prepare economic impact reports on proposed development projects, California's Office of Planning and Research has written a useful manual. A veritable "fiscal cookbook," it is designed to enable those without economic training to calculate the long-term costs of everything from an extra police officer to a new housing development. The manual also shows how to assess the economic impact of public policy decisions on population, em-

ployment, income, housing, land use, and the environment.

Copies of the 300-pg. manual or a shorter "Executive Summary" are available from the Office of Planning and Research, Research Division, 1400 Tenth St., Rm. 210, Sacramento, CA 95814, (916) 322-3784.

## Budget Priorities

*Save Our Communities Week*, Sunday March 26 (Easter) to Sunday April 2, has been organized by Mobilization for Survival, the Philadelphia-based activist group. The purpose of the event is to mobilize national opposition to the budget priorities of the federal government. The Week will coincide with Congressional consideration of President Carter's Fiscal Year 1979 budget.

The connection between accelerated military spending and the country's inability to resolve basic social and economic problems becomes increasingly clear. The Week's special focus will be a push for this year's Transfer Amendment which would take money from defense and add it to social action programs.

For more details, contact Wilbur Norman, *Save Our Communities*, Mobilization for Survival, 1213 Race St., Philadelphia, PA 19107.

## Local Worldwatch

"Local Responses to Global Problems: A Key to Meeting Basic Human Needs" is a new booklet published by the Worldwatch Institute, the international research group. It concludes that some of the most successful efforts around the world to meet housing, health care, energy and food needs are happening at the local level. It also stresses the importance of local participation in problem-solving and the need to decentralize government services.

For a copy, write Worldwatch Institute, 1776 Massachusetts Ave., NW, Washington, DC 20036. Individual copies are \$2. Bulk copies are available at the following prices: 2-10 copies, \$1.50 each; 11-50 copies, \$1.25 each; and 51 or more, \$1.00 each.

## Solar Action

Massachusetts Governor Michael Dukakis has set up a Solar Action Office designed to encourage the development of solar industry in his state. The office will be under the direction of the Secretary of Consumer Affairs, Christine Sullivan. For more information, write the Office at 1 Ashburton, Boston, MA 02108.

*More Notes, pp. 7, 12, 15*

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# Notes to Note

## Mass Fair Share

Massachusetts newspapers have been filled with news in the last year about Mass Fair Share, a three year old state wide community organization. In the last year they have run a state wide referendum for electric rate reform, exposed wealthy tax delinquents in Boston and fought for reform of property tax and home insurance. They have just initiated a state wide campaign for property tax reform.

Besides a highly effective and strong organization, Mass Fair Share has very good research and public policy department. They have done excellent analytic studies exposing the automobile and casualty insurance companies, and have prepared an excellent package of bills and proposals for property tax reform.

For more information about Mass Fair Share, copies of their reports on automobile and home insurance, and their property tax reform bills, write Jim Katz, Research Director, Mass Fair Share, 364 Boylston St., Boston, (617) 266-7505.

## Grass Roots Fundraising

A book with information and ideas on how citizens groups can raise money for organizations in their own communities, demystifies the process of fundraising.

"The Grass Roots Fundraising Book" is a common sense approach to utilizing resources and skills which local groups have. The philosophy is that the dual goal of grass roots fundraising is to pay the bills and also to build the organizations.

The final chapter includes bibliographical materials and lists a number of resource centers from which further information and assistance is available.

The Youth Project also suggests the books' relevance to political campaigns at the local level. Send \$5.25 to: The Youth Project, Grass Roots Fundraising Book, Dept. AC 1 P.O., Box 988, Hicksville, N.Y. 11802.

## National Health Service

Health Service Action—a coalition of health advocates, trade unions, special interest groups, and health workers—is coordinating a national campaign to build a broad base of support for a U.S. health service. National organizations which have endorsed it include the Gray Panthers, the American Public Health Assoc., the National Assoc. of Social Workers, Rural America, and the United Electrical, Radio & Machine Workers of America.

HSA hopes to introduce the concept of a health service into the debate on national health policy by developing a speakers bureau and educational materials.

Two new HSA reports are entitled *National Health Service: Lessons from Great Britain* by Meredith Turshen (\$1.50) and *What Price Health? The Crisis Behind Medical Inflation* by Joyce Goldstein (75¢). Other materials are a brochure describing a national health service and a pamphlet entitled "Health Workers, Worker Control and the Health Service Act." Future publications will include reports on transitional programs for particular regions and communities, and the benefits of a health service for specific constituencies.

To order publications, arrange for a speaker, receive *Health Service Action-Line* (\$5) or for additional information, contact: HEALTH SERVICE ACTION, P.O. Box 6586, Wash., D.C. 20009.

## CDC Study

TELACU: *Community Development for the Future* is a study of The East Los Angeles Community Union written by Lawrence Parachini and published by The Center for Community Economic Development. The study describes TELACU's new master plan for economic development. TELACU is a Title VII CDC serving a community that contains the third largest Mexican population in the world.

*Continued on page 15*

# Spotlight On Taxes Continued

for one year its 4% tax on the sale of credit ratings, reporting, adjustment, and collection services, and protective and detective services . . . Wisconsin has broadened its sales tax to include computer and data processing services, programming, and consulting . . . Louisiana . . . Twenty-nine Michigan counties have won a lawsuit entitling them to over \$1.5 million the federal government pays instead of taxes on federally owned land . . . The American Federation of State, County, and Municipal Employees has produced a film called "Rip Off at the Top" about how the nation's tax laws are made by and serve the rich and mighty . . . West Jefferson, OH Tax Director Eileen Campbell has been having trouble getting village residents to file their local income tax returns, so she is trying subpoenas. Of 77 subpoenas the local police issued this month, 72 have produced results . . . Multinational

*All of the above items were contributed by Jonathan Rowe who heads the Washington Office of the Multi-State Tax Commission.*

van pool would be entitled to a refund of the tax paid on the gasoline.

## Maine Tax Referendum

Opponents of the uniform property tax in Maine have placed the continued existence of that tax before the voters in a December referendum. The three year old tax is levied by the state and is used to fund public education. It was implemented to correct educational inequalities that resulted from earlier reliance on local property taxes to support schools.

Opponents of the tax are from wealthier localities often called "pay-in" towns because "excess" revenues raised in those towns are redistributed to other towns where additional revenues are required for the minimum school funding level set by the state.

Supporters of the tax argue that since all property is taxed at the same rate, the system is fair, and that wealthy taxpayers are finally paying an equal share of the cost of education in the state.

## Military Base Tax Exemptions

State sales and tobacco tax exemptions on military bases, are encountering increased criticism. Under the 1940's enacted Buck Act, cigarettes sold on military installations to military personnel are exempted from state and local taxes, while still subject to federal excise taxes. Several organizations have recently recommended amending the act to allow state and local taxation.

North Dakota State Tax Commissioner Byron Dorgan pointed out that in 1975, while per capita cigarette consumption for North Dakota was 117 packages a year, it was 158 packages on military bases. The 34% difference means that part of the exempt cigarettes was most likely shared with non-military, in violation of the exemption. Taxing the 5/4 million packs sold that year to military locations would have raised over one-half million dollars.

*The above items were contributed by Diane Fuchs of the Public Citizen Tax Reform Group.*

## Full State Funding of Schools Set

Spurred by a recent state Supreme Court decision, the Washington State Legislature passed a bill this session which requires full state funding of public education by 1981. At present, the state contributes part of the funds for running the schools but the bulk of the revenue comes from locally raised and administered property taxes. How the state will finance its takeover of funding responsibility has not been determined. Washington now relies heavily on the sales tax for state revenues. It does not have an income tax.

## Car Pool Tax Incentives

Pending before the Michigan legislature is a bill which would provide tax incentives to those who form car or "van pools" to get to work. The purchaser of gasoline used in the



# —Alternative Legislation—

## Referendum, Recalls Win

District of Columbia voters have decided by overwhelming margins to give themselves the right to hold elections to enact or repeal legislation and to unseat elected officials.

The initiative would give voters broad, but not unlimited rights to vote to pass new laws that the City Council refuses to approve. A referendum would give voters the right to repeal laws after they are on the books.

The recall procedure gives the voters the right to remove elected officials from office.

All the procedures are triggered by petitions that would be circulated and signed by the voters.

They would require signatures of 5% of all registered voters from a cross-section of the city's voting wards to put an initiative or referendum on the ballot.

## Solar Access

New Mexico is the only state to have a solar access law. Other states have ventured into the area of sun rights, including Colorado, North Dakota, Kansas, Maryland and Oregon. Most states encourage property owners to negotiate solar easements privately with their neighbors. A bill introduced in the Massachusetts Legislature by Sen. William Bulger proposes a permit and hearing process. A person seeking to build a solar collector would have to apply for a permit and appear at a public hearing to which his neighbors were invited. If there were no objections the permit would be granted and neighbors could not block sunlight from collectors in the future.

## Electric Discounts

A new Ohio law gives an "emergency" 25% discount on electricity and gas heating bills to the disabled and elderly with annual incomes of \$7,000 or less, from November through March, 1978. Eligible persons using other fuels for heating are eligible to receive a flat sum of \$87.50 for the five-month period.

## N.J. Transfer Resolution

A Resolution asking Congress and the President to reduce the military budget and to transfer the funds to job-creating human resource programs and tax relief, was introduced in the New Jersey Assembly by Rep. Peter Shapiro and five other state representatives.

The Resolution states that since the peace-time military budget in 1964, before Vietnam, was \$48 billion, and the present military budget, two years after the Vietnam war, is \$118 billion—a transfer of money from the military to the civilian sector would ease inflation and create jobs.

Such a transfer would make more revenues available without raising taxes or deficit spending, and offset the present insufficient investment for capital improvement of the domestic economy which is creating an imbalance that aggravates unemployment.

The military budget can be cut by the elimination of waste and duplication and by the scrapping of unnecessary weapons systems such as the B-1 bomber.

## Rural Housing Rehab

The Pennsylvania Dept. of Agriculture is launching a Rural Housing Rehabilitation program under which qualified applicants will have their home repairs done by CETA-sponsored workmen. The program is targeted to handicapped, low-income, senior citizens, and welfare recipients, as well as farm houses and isolated rural and small-town residents. The Dept. is working to secure an agreement with the USDA's Farmers Home Admin. to provide long-term, low-interest loans for purchase of rehab materials.

## New York Economic Development Plan

One of the most far reaching and innovative programs for urban economic development was prepared by a Republican candidate for the New York

City Council in the November election.

Arch Gillies, an active civic leader and registered Republican, carried his long time interest in alternative economic institutions into the race for Councilman-at-large for the Borough of Manhattan. Some conservative Republicans sat out the campaign because they considered Gillies "too radical."

An essential thrust of his campaign was conveyed in 12 Economic Position Papers proposing such programs as neighborhood-based banks, tax reform, a city urban bank, and new community development corporations for New York City.

Copies of the 12 position papers can be obtained by writing to Arch Gillies, Room 4600, 110 W. 51st St., New York 10020.

## Nuclear Waste Storage Ban

During the last session Minnesota legislators passed a bill prohibiting construction or operation of radioactive waste management facilities in the state. Chapter 416 also prohibits transportation of radioactive waste into the state for permanent storage unless authorized by the Legislature. Other states with similar laws include Montana, New Mexico, South Dakota, Vermont and Louisiana.

Long term nuclear waste storage is the responsibility of the Energy Research & Development Administration. The agency position has been not to site disposal facilities in unwilling states.

## Housing Conservation

Wisconsin Gov. Martin Schreiber has proposed legislation to create a state housing conservation program to be financed by combining state housing authority bonds with state and federal revenues. The proposed program would make low-cost home improvement loans available to the 111,000 people who own homes in need of substantial rehabilitation.

## Shopsteading

Baltimore has begun a "Shopsteading" program to restore commercial storefronts by selling them for \$100 each to people who promise to bring them up to building codes and operate a business in them for at least two years. The City's Dept. of Housing & Community Development is offering 19 buildings, and restoration estimates are \$17,000 to \$35,000 per building.

## Massachusetts Farmland Legislation

A bill which adds Massachusetts to the growing list of state and local governments attempting to save threatened farmland was signed by Gov. Dukakis at the end of the year. The legislation provides \$5 million for a pilot program for the state to purchase development rights of agricultural land. This provides a mechanism for restricting commercial development of farmland and will ensure that it remains in agricultural use in perpetuity.

The new law allows the state to get appraisals of both the free market value and the agricultural value of prime farmland. The difference equals the value of the development rights for the land, which the state is now authorized to buy. The sale of development rights by the farmer is voluntary. The farmer must agree to keep the land in agricultural production and can not sell the land for other than agricultural usage. The land then is taxed on its agricultural value rather than the inflationary free market value. Similar bills have been passed in Suffolk County, NY; New Jersey and Maryland. Other states considering bills to preserve farmland through purchase of development rights include: Virginia, Connecticut, Vermont, Wisconsin and California.

Information on this bill is available from: Colby, Massachusetts Dept. of Food & Agriculture, 100 Cambridge St., Boston, MA 02202.

# Protecting the Family Farm/Preserving Farmland

The first publication of the Agriculture project of the National Conference highlights new innovations and populist models aimed at putting states in the forefront of a national campaign to save the family farm and threatened farmland.

The report is an introduction for public officials, community organizations, students, farm and church groups to major farm policy questions now being discussed. It also identifies resources for further information and technical assistance.

The report, edited by Lee Webb, executive director of the National Conference, first appeared as the Agriculture section in the 1977 National Conference publication entitled "New Directions in State and Local Public Policy."

The report features state initiatives to limit or curb corporate farming, model legislation assisting young and new farmers to enter farming and programs to protect agricultural land from development. Also included are proposals to lower taxes for farmers as well as to increase farm income through finding new markets for local farm products.

\$1.50 individuals; \$3.00 institutions.

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*Taxing Coal* outlines the history and justification for coal severance taxes that most Great Plains states have considered and Montana and North Dakota have approved. Written by Byron Dorgan, North Dakota's State Tax Commissioner, this pamphlet explains why the western states need severance taxes and why the coal industry can afford to pay it.

Dorgan believes that the western states must have the revenue from the coal severance taxes. Coal users must compensate the citizens of coal producing states for the environmental and social damage of development as well as for the permanent loss of this valuable natural resource.

\$1.00 to individuals, \$2.00 to institutions.

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A handbook of new revenue opportunities for cities and states struggling with a shrinking tax base. What tax reformers have done, and plan to do, in such areas as property taxes, corporation audits, new city revenues, and taxes on coal and real estate speculation. 390 pp. \$6.50, \$13 for institutions.
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A digest of articles, legislation and alternative proposals put into practice by public officials and public employee unionists. Edited by Robb Burlage. \$2.50, \$5 for institutions.
- ☐ **Public Control of Public Money**  
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. \$1.50, \$3 for institutions.
- ☐ **State Bank for Co-Ops**  
By Lee Webb. A proposal to establish a state bank for co-operatives and a state cooperative development agency. The bill was prepared for the California Department of Employment Development. \$2.50, \$5 for institutions.
- ☐ **Revenue Strategies for D.C.**  
A unique action-guide to potential tax strategies, using the District of Columbia as a model. 92 pp. \$1.50, \$3 for institutions.
- ☐ **Public Policy Reader**  
The issues of the 70s facing cities and states, including programs and legislative proposals for energy, public enterprise, political organization, economic development, tax reform, health, education, criminal justice, and food, land and growth issues. If ordered separately, \$5, \$10 for institutions.

## Alternative Legislation Series—Price \$1 Each

- ☐ SolarCal
- ☐ Massachusetts Community Development Finance Corporation
- ☐ National Consumer Cooperative Bank Act (H.R. 2777)
- ☐ National Community Health Service Act (H.R. 6894)
- ☐ South Dakota Homestead Land Act
- ☐ District of Columbia Neighborhood Advisory Commission Act
- ☐ Minnesota Metropolitan Government Act
- ☐ District of Columbia Non-Criminal Police Surveillance Act
- ☐ Model Anti-Surveillance Legislation
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- ☐ Nuclear Safeguards Legislation (from seven states)
- ☐ Public Power Authority Legislation (from five states)
- ☐ Model State Energy Act
- ☐ Model State Public Utility Commission Act
- ☐ North Dakota Coal Severance Tax Program
- ☐ Lifeline Electric Utility Rate Structure Proposals

# Notes to Note

The underlying concept of the plan is the use of venture capital funds to create financial institutions that will lend or invest in order to foster long-term, gainful, and dignified employment opportunities for the residents of East Los Angeles.

The case study includes a list of TELACU's programs and an organization chart. It is 75 pages long and is available from CCED, 639 Mass. Ave. Suite 316 Cambridge, MA 02139 at a cost of \$2.50.

## TNI Publications

A new pamphlet, *Orlando Letelier and Ronni Karpen Moffitt*, published by the Transnational Institute, the international program of the Institute for Policy Studies, includes an account of the assassinations of the two Institute co-workers by the Chilean secret policy in September 1976, a report on the murder investigation, and writings by and about Letelier and Moffitt. The pamphlet sells for \$4.

Other recent TNI pamphlets include *The International Economic Order, Part I*, by Orlando Letelier and Michael Moffitt, \$3; and *The New Gnomes: Multinational Banking in the Third World*, by Howard Wachtel, \$3. Soon to be published are *Dubious Specter: A Second Look at the Soviet Threat*, by Fred Kaplan, \$2.50; and *The Counterforce Syndrome: A Guide to U.S. Nuclear Weapons and Strategic Defense*, by Robert C. Aldridge, \$2.50.

All TNI publications, including a complete list of pamphlets and reprints, can be ordered from TNI Publications, 1901 Que St., Wash., D.C. 20009. Enclose payment, plus 30¢ per item for postage and handling, when ordering.

## Community Health Service Report

"Health Status in North Central Philadelphia" reports on the role of Community Development Funded Health Services in a large, mid-Atlantic city. It takes a neighborhood oriented, population based approach to

health planning. The report was developed with significant community input and should be useful to health service workers in other cities. For more information write to: Robert Groves, Philadelphia Health Management Corp., 530 Walnut St., 13th Floor, Phila. PA 19106.

## Largest Solar Heated Building

Santa Clara, CA has a new, 27,000-square-foot Community Recreation Center—designed so that solar energy will provide 80% of its year-round heating, cooling and hot water needs. The facility had a \$1,010,000 building cost plus \$550,000 for solar improvements and is now undergoing a year's performance evaluation. The Center is one of the largest solar heated and cooled buildings in the world and the only one in the West.

Funding for the building was provided by the city of Santa Clara, which has its own Municipal Electric Department, with the assistance of grants from the National Science Foundation and APPA. Officials said that when the Energy Research & Development Administration (now a part of the new Department of Energy) was established, Federal grant administration was transferred to that agency and the project "became a cornerstone of the national program to develop and demonstrate solar heating and cooling."

Santa Clara's long history as a municipal electric utility was cited as a prime factor in its assumption of "a leadership role among the nation's cities and utilities in utilizing and promoting energy from the sun." The Recreation Center contains 436 solar collectors extending over a 7,085 square foot area, a 10,000-gallon hot water tank, a 50,000-gallon cold water tank and a 1.2-million Btu-per-hour boiler as a backup system.

Santa Clara has established the nation's first "Solar Utility" as part of its Water & Sewer Utility Department.

## California State Bank Report

A report on how states have utilized public funds to stimulate economic development and to create jobs, has been prepared by the California Senate Committee on Investment Priorities & Objectives. The report also discusses several current economic development programs in California. The Committee recently held hearings on the creation of a California state bank.

Between \$30-\$35-million of

California public and public employee funds are currently invested in securities, notes, mortgages and real estate, primarily in the private sector. Some members of the California Legislature want this money put to work in a State Bank that would serve the public interest.

Copies may be obtained by writing the Senate Select Committee on Investment Priorities & Objectives, 1116 Ninth St., Rm. 66, Sacramento, CA 95814.

## thank you Barbara

by Lee Webb

Barbara Bick and the National Conference have been, and will continue to be, inseparable. In early 1975 Barbara Bick helped conceive of and created our first national conference in Madison, WI. Singlehandedly she put out the mailings, kept the books, began our publications program, expanded our contacts and friends across the country, and at the same time published the *Newsletter*.

Her capacity for work and good humor, along with a passionate concern for social justice, has helped bring the National Conference to the influential role it plays today. In the past year, she has been able to devote most of her attention to the *Newsletter*. She made it into one of the best looking and informative publications published by a progressive organization. The many letters and telephone calls the National Conference receives congratulating us on the *Newsletter* are testimony to the high respect that people have for her editorial and political abilities.

The Administrative Committee had hoped that Barbara would also be the editor of the expanded *Newsletter*/new publication. But I can understand her desire to concentrate her energies on her own intellectual work and on the programs of the Public Resource Center.

Barbara is not leaving. She will certainly play an important role on the National Steering Committee and as a member of the Editorial Board of the new publication. Without her energies being absorbed in editorial and administrative work, I am sure that she will be even more influential in setting future directions for the National Conference.

Thank you, Barbara, from all of us.

# Notes to Note

## Citizen Groups Council

The National Citizen Participation Council, a Washington-based organization of regional and local citizen groups around the nation, funnels information about new and existing federal regulations and legislation to these groups. NCPC prepares issue papers on citizen participation, publishes a newsletter, maintains an information referral service, as well as researches areas relevant to citizen participation.

Of particular interest is the NCPC's "Third Annual Conference Resource Book" and the "Study of City-Wide Participation in Ten Cities". Both publications are available at no charge from the NCPC at 1620 Eye Street, NW, Wash., DC 20006.

## Schools in the Community

"Enrollment Declining: Community Options and Actions" is a good little pamphlet which presents alternatives to closing schools. It also discusses the impact of a closed school on the community. The pamphlet is part of program material developed by the Santa Barbara Center for Community Education which impacts local institutions to open them to greater community participation in the decision making process. To receive a copy or for more information, contact: Lou Skiera, Center for Community Education, 522 N. Salpuedes St., Santa Barbara, CA 93103.

## Internships

The National Conference is now accepting applications for summer internships. Applications should include academic and work experience as well as a letter about why you are interested. Interns may be involved in research and organizing around tax issues, energy, agriculture and food policy, community credit needs or women's issues. The Conference will also consider full-time or part-time internships for Fall, 1978. Send applications to Ann Beaudry at the National Conference.

## Wood Chips used as Power Plant Fuel

The Burlington, Vt., Electric Dept.'s experimental project utilizing wood chips as fuel for power generation resulted in the production of 5 mw of power in the first test of the process. Officials said that the Burlington municipal is the nation's first utility to burn wood chips solely for power generation. Further testing of the process is continuing at the Moran plant, which also has the capacity to use coal, fuel oil and natural gas as boiler fuel. Additional use of wood chips for this purpose would give the Burlington municipal system the distinction of having the only gener-

ating plant in the U.S. capable of burning four different fuels for the generation of power. Expectations are that the mw of power will increase to between 7 and 8.5 mw. Fuel oil could be used as a supplemental fuel source, permitting the 10-mw turbine to operate at full capacity.

The converted unit burns wood chips at the rate of 10 tons an hour and they are purchased at a cost of \$13.50 per ton. The scrap wood used in the project previously has had no commercial value. Unlike other generating fuels, wood is a renewable resource and is readily available in Vermont, without having harmful effects on forested areas.

## Local Government Finance

"A Citizen's Guide To Local Government Finance: Iowa at the Property Tax Crossroads" is an outstanding booklet written by Steven Gold and published by Drake University as part of the Local Government Finance Education Project. The well illustrated book has two major sections: (I) The Existing System and (II) Future Policy Choices, as well as a Glossary and further sources of information. The first section includes such topics as: Anatomy of the Revenue Structure; What Are Local Governments Doing with that \$2 Billion?; and The Assessment Maze. For more information write to: Steven Gold, Dept. of Economics, Drake U., Des Moines, IA 50311.

## New Information Service

A new information service—THE NEIGHBORHOOD WORKS—has been set up to provide current news about the most important developments in neighborhood technology as covered by 100 periodicals (including the Conference Newsletter). It will begin publication in January and will come out 24 times a year. Publisher is the Center for Neighborhood Technology, a not-for-profit corporation which acts as a resource broker for neighborhoods to help them utilize technologies which meet human needs in food, energy, shelter, waste management, environment, and jobs. For more information, contact: THE NEIGHBORHOOD WORKS Information Service, 2040 Sheridan Rd., Evanston, IL 60201. (312) 492-5684.

## Community Organizers

ACORN, the most successful community organization in the country, has openings for organizers in eleven states (AR, TX, LA, TN, MO, SD, FL, CO, PA, NV, IA). ACORN is working for political and economic justice for its low to moderate income membership. Issues range from neighborhood deterioration to utility rates, taxes, health care etc. Hard work, low pay — enduring rewards. Training provided. Must be interested in social change. Contact: ACORN, 523 W. 15th St., Little Rock, AR 72202 (501) 376-7151.

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## National Conference Newsletter

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