



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

November 1977

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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.

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."

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.

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

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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

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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.

New Jersey Activists Form New Group

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.

Agricultural Program for Conference

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.

Texas Meeting Set

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.

More Tax Programs

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.

Who Will Own The Sun? Continued . . .

(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-

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.

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Economic Alternatives—Fundamental

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.

nental 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, Schnectady, 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 Schnectady, 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 voc-ed 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

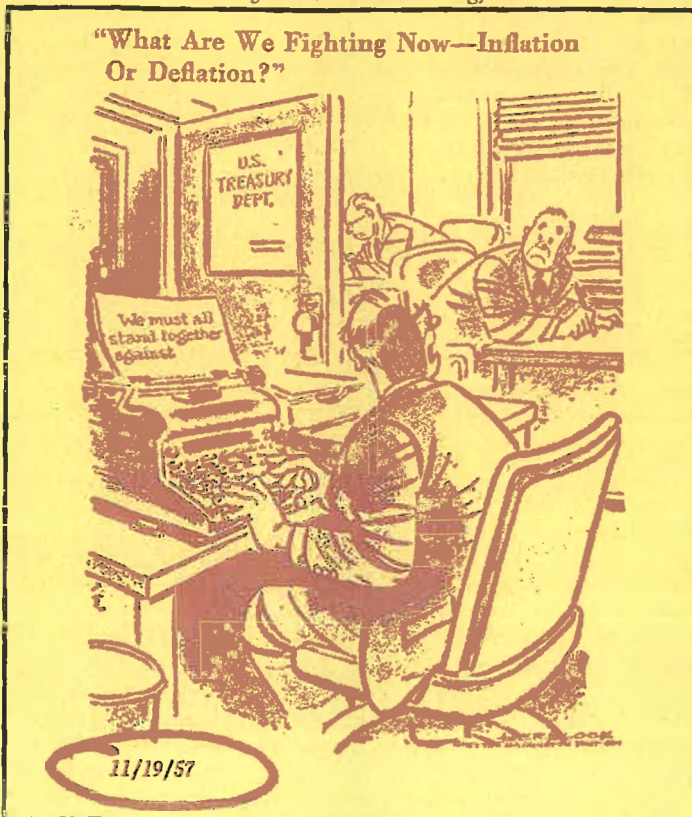
swimming pool heaters except solar systems, after learning that its existing gas-heated pools cost \$40 to \$60 a month to heat.

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-chartered savings and loans dominate the single family

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 "delawyering" 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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