conference on
ALTERNATIVE
state and local
PUBLIC POLICIES

September 1977 Editor: Barbara Bick

IN THIS ISSUE . . .

Carol Bellamy Wins New York Council President Race. See Story p. 6

Notes to Note

Municipal Utility Sale Blocked

A petition campaign to "Save Muny Light" led by Dennis Kucinish, chief clerk of the Cleveland Municipal Court, has forced the City Council to hold a public referendum on its plan to sell the city-owned utility to the Cleveland Electric Illuminating Co. Kucinish has warned that CEI will impose a big rate increase if it takes over the municipal utility.

No Alternative To Full Employment

A national conference in Washington, D.C., November 11-13, will kick off a campaign to press President Carter and the Democratic Congressional majority to live up to their party's 1976 platform promises, especially full employment and tax reform.

THE DEMOCRATIC AGENDA conference will bring together union members, community organizers, elected officials and active feminists, socialists and liberal Democrats. Workshops at the conference will focus on democratic economic planning, regional development, national and local tax reform, urban problems, full employment, U.S. inflation and proposals for curbing corporate power and redistributing wealth.

Conference speakers will include Sen. George McGovern, Machinists Union President William Winpisinger, and socialist author Michael Harrington as well as Massachusetts State Rep Barney Frank. Other sponsors of the Democratic Agenda conference include: Gloria Steinem, U.S. Reps. John Conyers and Ronald Dellums, Heather Booth, Derek Shearer, union presidents Douglas Fraser (UAW), Jerry Wurf (ASCME) and Murray Finley (Clothing & Textile Workers), and Paul Soglin, Mayor of Madison WI.

For more information write: THE DEMOCRATIC AGENDA, Room 617, 853 Broadway, New York, 10003, (212-260-3270).

Public Lands Study

Legislative and tax policies that would redistribute the vast corporate and railroad land holdings to small farmers is highlighted in "Promised Land; A Contemporary Critique of Distribution of Public Land by the United States", written by Shelden L. Green. The article is in the *Ecology Law Quarterly*, Vol. 15. 1976, published by the School of Law, U. C. at Berkeley.

Senior Food Stamp Program

Food stamp recipients in the Salem, OR. area who are over the age of 60 will be able to use their stamps to pay for meals in restaurants starting in September. Oregon is the second state in the national to institute a dining out program for elderly food stamp recipients. Hawaii pioneered the idea in 1975.

"Save Our Cities" Campaign

Local officials struggling with tight budgets and the need for increased spending on social services, have become painfully aware they cannot expect the necessary federal help so long as the nation spends $110 to $120 billion a year (and $170.4 billion by FY 1982) on its military machine.

A new coalition has been formed, Mobilization for Survival, to apply public pressures that will both reverse the arms race and transfer at least $15 or $20 billion a year to meet human needs at the grass roots. The coalition includes such traditional peace and social justice organizations as American Friends Service Committee, Fellowship of Reconciliation, War Resisters League, Clergy & Laity Concerned, Another Mother for Peace, Women's International League for Peace & Freedom, Women's Strike for Peace, SANE, Critical Mass, as well as such individuals as Rep. Ron Dellums, Rep. John Conyers, Nobel Laureates George Wald and Salvatore Luria, Daniel Ellsberg, Barry Commoner, Sidney Lens, David Dellinger, Norma Becker, Noam Chomsky.

Mobilization is currently organizing teach-ins around the country (scheduled for October and November) to institute a creative discussion of this problem, and plans a series of actions in March 1978 under the heading "Save our Cities, Fund our Communities." Hopefully local officials will hold meetings and pass resolutions calling on the federal government to reverse the arms race and apply those funds to human needs. The $10.6 billion now allocated for nuclear bombs—we have 30,000, enough to kill everyone on earth 12 times—and the $4 to $6 billion on weapons research can be better used to provide jobs, homes, educational facilities, etc.

If you wish to participate in this campaign, contact Mobilization for Survival, 1213 Race St., Philadelphia, PA. 19107 (215 563-1512).

International Urban Innovations

A good source of information on innovative urban policies abroad is the Council for Urban Liaison, which follows urban public policy in Europe and the English-speaking world closely. The Council writes short reports on interesting developments in such areas as urban renewal, housing, transportation, arts, the elderly, environmental issues and others. Contact the Council at 1612 K St., Room 904, Wash. D.C. 20006.

Georgia Legislators Rated

The Southern Center for Studies in Public Policy has just published the *Georgia Legislative Review*, 1977 which rates state legislators on their key votes affecting

(Continued on page 11)

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Alternative Legislation

More Forced Retirement Curbs

The wave of legislation to protect older Americans from compulsory retirement is growing in states from Maine to California. At present most private employers require retirement at 65 and state and local governments at 70.

Employers and their organizations have been surprised at the strength of the political movement to prohibit arbitrary retirement regulations. In many cases progressive legislation prohibiting forced retirement has swept through legislatures or city councils without a dissenting vote.

The California State Legislature recently rushed through a bill to prohibit mandatory retirement in private business unless the employer can prove that the employee is incapable of doing the job. Governor Brown is expected to sign the bill.

A similar bill, affecting only state employees, was passed recently in Maine. Florida adopted a similar provision the previous year. The cities of Los Angeles, Portland, OR and Seattle, WA adopted similar ordinances in recent months.

Rental Relations Board

An ordinance to establish a "Madison Rental Relations Board" has been submitted to the Madison, WI City Council. Under the proposed ordinance the Board would be authorized to certify tenant organizations, and to ensure that landlords and tenant organizations engage in direct bargaining to resolve conflicts. The ordinance also mandates a collective bargaining procedure applicable to all rental property of more than four rental units in Madison.

A unique feature of the bill is the requirement for an Economic Impact Statement concentrating on the economic effect on tenants of any proposed sale of an apartment building. A Financial Disclosure Statement is also required from the landlord. The bill was prepared by Phil Ball, a member of Mayor Paul Soglin's staff.

The Madison Mayor's Office has also published an excellent 33 page economic analysis of the reasons for rental increases in Madison in early 1976. The major point is that the rent increases of that period were not the result of increased costs but of increased profits for landlords. For copies of the Madison Rental Relations Board ordinance and the study of rent increases write to Phil Ball, Mayor's Office, City Hall, Madison, WI.

Homestead Tax Bill

A homestead tax bill (SB 144) introduced in the Ohio legislature would permit senior citizens over age 65 who have a yearly income less than $15,000 to defer payment of all or any portion of the property taxes owed on their home. The deferred taxes would be payable when the home was transferred or upon the death of the owner(s). This type of legislation has been enacted in several jurisdictions, including Oregon, Virginia and the District of Columbia.

Land Speculators Axed

An ordinance aimed at halting the rampant land speculation in their city that has hit communities throughout California was recently passed by the Davis City Council. The ordinance requires all new home purchasers to sign a sworn statement that they plan to live in their new residence for at least a year. If someone, with the intent to speculate, buys a house and then sells it within a year, the ordinance requires a penalty of six months in jail and a $500 fine.

AT&T Shifts to State Legislatures

Stymied in its attempt to get the U.S. Congress to pass legislation protecting its monopolistic control over telephone and other communications, AT&T has opened up a second front in state legislatures in its effort to limit competition.

Bills introduced recently in Massachusetts and Minnesota would limit competition with the telephone company. The bills were introduced at the request of local telephone workers unions. The telephone company disclaims any responsibility.

Also resolutions supporting the AT&T sponsored Congressional legislation have been passed in California, Wyoming, Utah, and South Dakota. A similar resolution introduced in the Arizona Legislature was defeated.

Natural Resources Taxed

Tax reform caught up with natural resource industries in a number of states during the most recent legislative sessions. North Dakota, Florida, Wisconsin, and Colorado have passed new severance tax legislation and Alabama is considering it.

North Dakota, under the leadership of state tax commissioner Byron Dorgan and the Democratic Party, advocated a 33⅓% severance tax on coal, but had to settle for less. Still, North Dakota won one of the stiffest severance taxes in the country. Florida, meanwhile, took a bigger bite out of its phosphate industry by increasing the severance tax from 5% of its value to 10%.

Wisconsin, overriding intense lobbying by Exxon, Kennecott, and Noranda Mines, levied a new severance tax on metallic mines in the state with rates up to 20% of value. Although the companies warned that they would have to close down their operations if the tax was passed, they are now expanding. And Colorado will raise another $11 million this year from higher severance taxes on coal and molybdenum.

Meanwhile in Alabama, Governor George Wallace is still promoting a $16 million tax increase package, turned down once this year by the Legislature, that would raise the state's severance tax on coal and oil, increase corporate franchise taxes, and add a new stock transfer tax.

State Owned Insurance Fund

Wisconsin is the only state with a Life Insurance Fund for its residents. Started in 1911, it runs on a non-profit basis, receives no state subsidies, and is exempt from federal income tax.

Because advertising and commissioned agents are not allowed, prices can easily be kept down, and policies purchased from the fund are much lower than other life insurances.

Maximum coverage currently available is $10,000 for life insurance. Women pay less per premium fee than men the same age since women are expected to live longer and thus make more payments in their lifetime. The Wisconsin fund will insure those normally considered "medically-impaired" though premiums for this insurance are higher than average.

Until April 1977, the fund had returned large premiums to stockholders as dividends. This has been stopped so that the difference between premiums and costs will be minimized, and will allow low-cost insurance to people who could not normally afford it.

Further details can be gotten from: State Life Insurance Fund, Office of the Commissioner of Insurance, 123 W. Washington Ave, Madison, WI 53702.

United Kingdom Treaty Hits At State Tax Rights

by Diane Fuchs

The Senate Foreign Relations Committee is the unlikely forum currently reviewing a matter which greatly affects the ability of states to get needed tax revenues out of the biggest tax avoiders—multinational corporations. The amount of revenue lost each year is unknown because the corporations refuse to disclose the extent of their operations. Conservative estimates run into the millions for most states.

The adroitness of Getty Oil at this avoidance game is typical. Getty is composed of 63 wholly owned subsidiaries. One subsidiary, Getty Eastern, is incorporated in Delaware where it has a $3 billion oil refinery operation. Despite the fact that Getty Eastern has an estimated payroll of $37 million (in 1975) and yearly profits estimated at $80 to $100 million, it pays no income taxes to Delaware. Rather, Getty Eastern has declared losses of $31 million since 1971, and avoids $6 million in Delaware taxes each year.

The scheme used most widely by Getty, and many other multinationals, is known as "downstreaming." In Getty's case, Getty's foreign subsidiaries which pump and transport crude oil, "overcharge" Getty Eastern for the oil which it refines. Due to the high price it "pays" to the Getty foreign subsidiaries, Getty Eastern appears to operate at a loss. The result is that Getty completely avoids tax on its Delaware income and can invest the tax-free profits in overseas expansion projects.

The states and the Internal Revenue Service use different methods for dealing with such corporate shell games. A number of states require that multinational businesses file "combined" returns including information about all their subsidiaries, although only one may do business in the state. States that use this "unitary combined" method apply a three factor formula involving sales, payroll, and property, to arrive at how much of the corporation's profits can be fairly allocated to the state for taxation.

The IRS, as well as most of the international community, uses the "arms length" method, which permits related corporations to file jointly or separately depending on which is most advantageous for them.

The Senate Foreign Relations Committee is now considering an income tax treaty between the U.S. and the United Kingdom which contains a provision, Article 9, that allows the states to use the arm's length method, but prohibits their use of the combined unitary method when computing corporate state income tax for the subsidiaries of U.K. companies. As a result several states stand to lose a good deal of revenue. California, for instance, estimates that it will lose up to $125 million per year or 10% of its corporate base. Alaska's estimate is $50 million per year. Such losses will undoubtedly increase if the Treasury Department carries out its stated intention to place Article 9 limitations in all future tax treaties.

States using the unitary method believe that it will be impossible for them to make use of the arm's length method because it is based on subjective factors and is administratively unfeasible for them. Those who favor Article 9 argue, without substantiation, that the unitary method distorts the corporate profit picture by over allocating profits to the states, and that the reporting requirements are too burdensome.

Whether or not the Treaty Article is ultimately reserved (i.e., struck) is likely to be decided on grounds other than the merits of the tax methods involved. The decision will reflect an opinion as to whether the Senate is a proper forum, and a treaty the proper vehicle, for setting federal policy in the area of state taxation. Federal intervention in the area of state taxing powers is considered potentially detrimental to the delicate balance between state and federal powers.

Opponents of the Treaty Article believe that its inclusion in a Treaty that otherwise deals with federal and U.K. taxes, is an attempt by the Executive branch of government to bypass full Congressional review. During the past 20 years Congress, urged by the largest corporations, has considered numerous pieces of legislation to regulate state income taxation. However it has refused or failed to enact such legislation for fear of intruding on the states' prerogatives in this area. It would appear that the Treasury Department has taken it upon itself to arrive at the resolution of the issue.

The Treaty comes before the Foreign Relations Committee for mark-up on September 27. Although many Senators are sympathetic with the reservation of Article 9, others have expressed fear for the survival of the Treaty if Article 9 is removed. Senate reservation of Article 9 would give Great Britain an opportunity to reject the "amended" Treaty which, by its other terms, gives substantial tax benefits to American business.

Diane Fuchs is on the staff of the Tax Reform Research Group in Washington, D.C.

Catching Corporate Tax Avoiders

by Jonathan Rowe

There may be no such thing as a free lunch, but there are better ways to get more state and local revenues than increasing taxes on working people and small businesses. One of these ways is to enforce tax laws already on the books regarding large multistate and multinational corporations. Experienced auditors and enforcement officials put the annual revenue loss to the states because of tax avoidance by major corporations, at billions of dollars. This is not revenue that escapes through loopholes in the law. It is revenue due but never paid.

Large corporations have teams of lawyers and accountants working to make three plus five equal two for the tax collector. A common device is the state A-state B routine, in which the corporation tells state A that certain income is taxable in state B, while telling state B the opposite. Another device is the use of subsidiaries to juggle income between the states to minimize the exposure to taxes. The use of foreign subsidiaries to stash income away from the taxing jurisdiction of the states, is common.

At the same time, multistate businesses have some valid complaints about inconsistent state tax requirements, and overlapping audits by different states.

Ten years ago, a group of states decided they needed to join together to enforce their tax laws effectively against multistate corporations, and to make their tax laws more compatible. The result was the Multistate Tax Commission, which has grown from its original 11 members to 19 today. One of the MTC's most important accomplishments has been its pilot joint audit program, through which the member states pool their resources to audit the nation's largest corporations.

Though still in its pilot stage, and obstructed by the major corporations at every turn, the audit program has been a promising success. Last year the program turned up $31 in uncollected taxes for each dollar spent. In five years the average return to the member states has been $18 for each dollar they put in. Moreover, the deterrance value of the program is impossible to measure.

Most major corporations do not like being caught not paying their taxes. Ninety-two of the nation's 100 largest have formed an organization called COST—Committee on State Taxation—to try to destroy the MTC. COST members lobby the legislatures of the member states to persuade them to pull out of the Commission and, led by U.S. Steel, they have tied up the Commission in an expensive lawsuit, hoping to drain its treasury and morale.

They have done neither. Last year a three-judge federal court rebuffed the corporate challenge to the MTC's legality. U.S. Steel et. al. have appealed to the U.S. Supreme Court. Once that appeal has been decided, the MTC should have an unquestioned mandate to help the member tax commissioners scrutinize the tax returns of the mighty as diligently as they do the tax returns of the small.

For further information, contact the writer at Multistate Tax Commission, 444 North Capitol St., NW, Wash. DC 20001; (202) 624-5873.

Jonathan Rowe has recently joined the Multistate Tax Commission as Deputy Executive Director. He is the co-editor of New Directions in State & Local Tax Reform, *a publication of the National Conference, and formerly was on the staff of the Finance & Revenue Committee of the District of Columbia City Council.*

Progressives Go Local

By Lee Webb

"There is a real vacuum. There is little citizen pressure on city and state issues from a progressive direction. That's why most state and local politics stinks," said Bob Schaeffer, director of Massachusetts Citizens for Participation in Political Action in a recent discussion.

Schaeffer's observations are certainly accurate about the past two decades, but they seem to miss the essential reality of current political developments. In the last few years, crucial changes have taken place in progressive political thought and strategy which point to a powerful progressive or left/liberal voice in state and city politics.

First, many liberal/progressives have started to shift their interest and energies toward state and local issues. For over three decades their primary attention had been rivoted on national and foreign policy problems. This single-minded concentration had abandoned state and local public policy questions to more status quo or conservative interests.

Secondly, more traditional liberal Democratic organizations such as the New Democratic Coalition, have accurately perceived a shift in the national mood and are trying to develop an active constituency and program on state and local issues.

Finally, individuals and organizations that matured in the anti-war movement of the late 1960's have learned the lessons of their later political isolation.

The consequence of these developments and others is that state and local politics may well become an equally important arena for the struggle between progressive policies and the status quo as national and Congressional politics. Conservatives, of course, have always seen state and local politics as the primary arena to publicize their issues, develop public opinion, win legislative victories, and develop candidates for national office. Their attention has paid off since state and local government traditionally has been their power base in American politics.

The progressive Democratic organizations, particularly those that make up the New Democratic Coalition (NDC) have begun to be quite active on state and local issues. For example:

- One of the most organized and active on state and local issues is CPPAX. Its December convention set up four task forces: (1) Economic Democracy; (2) Social Justice; (3) Elections and Citizens Control; and (4) Peace Action and Foreign Policy. Besides supportive progressive federal legislation on these issues, the task forces helped draft state legislation. They also lobby and do public education. For more information, contact CPPAX, 11 South St., Boston, MA.
- Regular monthly programs on state and local issues, as well as federal, have been set up by Dade County, FL. NDC. In February, for example, the state issue was state control of private utilities, the local issue was a review of county administrative procedures, and the national issue was the B-1 bomber.
- A day-long state legislative issue symposium was recently convened in Albuquerque, by New Mexico NDC featuring state bills and issues relating to energy and labor.
- A part-time lobbist on state issues has been hired by the Connecticut Caucus of Concerned Democrats to work at the State Capitol. He will lobby for tax and election reform, a returnable bottle bill, and bills to aid cities and low income people.
- In California, the Hayden for Senate campaign organization established the California Campaign for Economic Democracy whose goal is a state-wide organization

Working and Retired People Hardest Hit by Property Taxes

by Dave Yetman

Editor's Note: The following article is an excellent summation of a populist legislator's response to the needs and problems of his constituents. However, a number of tax specialists and economists are beginning to challenge the widely held notion that the property tax is regressive. We suggest to our readers that they look at the article "Property Taxes Aren't All That Bad," by Donald G. Hagman, in New Direction In State & Local Tax Reform, *published by the National Conference as well as "A New Look At An Old Tax," by Christopher Jencks, in* Working Papers, *summer 1977 issue.* ►

Since I have been a member of the Board of Supervisors and have sat on the Board of Equalization hearing tax appeals, I have become painfully aware of the ways in which our tax structure hits working and retired people the hardest. Most taxes are non-progressive, i.e., sales, gasoline, excise, property, personal property and lieu taxes, but I wish to focus on one tax in particular, the property tax.

Since the property tax is levied on a flat rate basis, it makes no discrimination between the rich and working people. A family with a $20,000 house will actually pay proportionately *more* in taxes than a family with a $100,000 house. The higher the valuation of the house, the greater the dollar amount of variance between the actual market value and the assessed value of the house. The assessor is far more liable to make an error of a few thousand dollars on a high-priced residence than on a low-priced one. While the homeowner rebate alleviates this somewhat, it can never entirely compensate for it.

Furthermore, the mass appraisal system, under which our property tax operates, penalizes the homeowner for improvements to a dwelling, no matter how necessary, and for any inflated sales in the area. For example, if a resident spends $750 on improvements, furnishing her own labor, the assessed value of the house increases by about $2,000, unless she is clever enough not to make the improvements cosmetic. But the improvements to her house will also improve the neighborhood. When the house next door sells, it will in all likelihood sell for more than it would have otherwise, so the improvements will wind up adding about $75 to her tax bill. If she is unfortunate enough to be on a pension or fixed income, she may well lose the house.

This pattern can operate insidiously throughout entire neighborhoods. There is a development in my district which illustrates another pitfall of the mass appraisal system. The Santa Cruz Linear Park Plan projects the development of new recreation parks along the river and new tract housing close by. it is a good plan but, consider its effect on an old neighborhood known as Barrio Kroger Lane. The neighborhood is characterized by old houses, many severely deteriorated, and is a typically red-lined, FHA boycotted neighborhood. There is, however, a strong sense of neighborhood identity as a good place to live. Should the park plan be implemented, it would cause an immediate increase in the value of the land on which the existing houses are located. If some existing residences were sold, even for demolition, it would inflate the value of other residences in the area. Ultimately such inflated land and residence value would produce abrupt increases in taxes and would add a heavy financial burden to an already financially depressed area. Many residents would be unable to pay the tax increase, and would have to accept highly inflated offers. Residents would begin to leave the area and the sense of neighborhood would gradually be lost. Under the present tax system, an otherwise good park plan will spell the death- knell for the existing neighborhood.

Reform of the mass appraisal system would require that taxes not increase on residences up to a certain value (say, $40,000) while the owner continues to reside on the property. Taxes should be abolished or be merely token on homes of $40,000 or less which are occupied by persons over 65. The weaknesses of the mass appraisal system, moreover, points out the ultimate inequity of the property tax as a means for financing local governments, particularly public schools.

Dave Yetman is a member of the Pima County AZ Board of Supervisors.

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with local activist chapters to run local candidates as Democrats or independents and to lobby in both Sacramento and Washington. For more information, contact California CED, P.O. Box 2269, San Francisco, CA. 94122.

• In Minnesota, an Alliance of Minnesota Populists has formed to be a strong political caucus within the Minnesota Democratic Farm-Labor Party. Its attempt is to create a "populist political force" in Minnesota, and is planning a state-wide conference. For more information, contact Alpha Smaby, 1531 E. River Rd., Minneapolis, MI 55414.

• In Michigan, a number of activists in the Human Rights Party, a 1960's split-off from the Democratic Party on the issue of the Vietnam War, have left the third party to create a Democratic Socialist Caucus in the Democratic Party. Some candidates of the Caucus in Ypsilanti, MI. won the Democratic nominations for city council positions; one was elected.

Both the 1960's activists and the more traditional progressive Democrats seemed to have made a decision to concentrate on state and local politics. Combined with similar decisions by conservatives, state and local politics promise to be one of the most exciting areas of American political life.

What's Happening?

By Barbara Bick

Apologies are in order for the delay in this September issue of the Newsletter. The reason is that your editor spent five weeks, up to the Sept. 8 primary, working in the New York City mayoralty campaign with Bella Abzug. Rather than a report I offer a very personal reaction.

New York's Mayoralty Race — Campaigning with Bella

To reach for the office of mayor of the largest city in the nation is to reach for a position of immense power. Despite the horrendous problems besetting the city, a victory could have spelled an exhilarating mix of the most innovative alternative programs creatively merging with honest government and leadership fiercely committed to restoring to the people their right to a decent life. Elsewhere in this issue Tom Hayden and Ron Asta speak positively, out of their political experiences, about the route to achieving political power. And Bella herself, speaks optimistically about building a new urban coalition with Percy Sutton and others. But I have to express some feelings of gloom.

We all know the political importance of the recognition factor. I walked and rode beside Bella for parts of almost 30 days and in New York it was no longer a question of "recognition." Bella was *known*—to Puerto Rican street kids who raised their fists and yelled, "Hey Bella!"; to policemen and women who swerved their motorcycles to escort her car for a distance; to sanitation workers who warmly greeted her at 6 A.M. with "Give them hell, Bella;" to well dressed professionals in the Wall Street area who almost compulsively came over to shake her hand; to workers and blacks all over town who threw their arms around her; to women rallying for the ERA who filled the air of Central Park with the syncopated scream: "We want Bella!" That knowledge of Bella was based on the correct perception of Bella's history on the issues of civil rights, peace, and for working people.

Why then did her top position in the polls begin to drop so precipitously and why did she lose to two men who began the campaign with relatively ziltch recognition?

Bella, as well as Beame, incidentally, based her campaign strategy on organizing people. The bulk of her campaign spending went into a telephone operation to identify and pull out her vote. Beame based his campaign strategy on having organizational support; New York's trade union leadership overwhelmingly endorsed and worked for him, as did most of the Democratic Party organization and city-funded poverty and community organizations. Neither Cuomo nor Koch had Bella's constituency or Beame's organization.

Why then, and how, did a "liberal" from the affluent East Side of Manhattan, who did not even have the support of the New Democratic Coalition with which he has been affiliated, finally win the Democratic nomination for Mayor?

One overwhelming factor is the extent of the influence which the media, both press and commercial television and radio, now exert over political campaigns.

Every newspaper in the city endorsed either Cuomo or Koch—and then proceeded to trivialize Bella personally and to ignore the program statements and issue papers which her large and excellent staff produced in prodigious amounts.

Both Cuomo and Koch based their campaign strategy on TV commercials and each had one of the political media "giants", Rafshoon and Garth, at their side. In a primary campaign where the spending was in excess of $5 million, the bulk of Cuomo and Koch money went into advertising.

The extra plus that Koch had over Cuomo was Koch's hard-nosed ability to manipulate the fears of people and whip up hysteria on the issue of law-and-order. Both Bella and Cuomo refused to accede to Koch's call for the death penalty(over which the Mayor has no voice, in any case). Koch argued that the National Guard should have been called out during the black-out; he also scape-goated public employees, promising to "get tough" with municipal unions. He castigated Bella for stating that police and fire-fighters have a right to strike.

There were other elements to Bella's defeat, of course, such as the defection of the labor leadership and the syphoning off of black and Puerto Rican votes in the initial primary. But the essential, depressing fact is the incredible power of the media which, at least in the case of New York, outweighed organization, history, and the development of good program.

It was not all depressing. Two excellent progressive candidates, Ruth Messinger and Miriam Friedlander, were elected to the City Council. Carol Bellamy received endorsements from every city newspaper, virtually every political organization, scores of federal, state and city officials, in her campaign for City Council President. In the run-off she beat incumbent Paul O'Dwyer by a largely white, liberal vote. About 200,000 Blacks and Hispanics who voted in the Sept. 8 primary did not go the the polls Sept. 19.

(Paul DuBrul, in his article "Why Bella Lost," *In These Times)*, Sept. 21-27, presents an in-depth analysis, which I recommend.

Third Annual Conference Shows Growth, New Potentialities

Madison, WI Mayor Paul Soglin called for the first national get-together of populist/progressive locally elected officials to be held in his bailiwick the summer of '75 and it was a grand old time for the more than 150 Sixties' activists turned politician who came. Austin, TX Mayor Jeff Friedman claimed his turn to host the second meeting in '76 and that round brought several hundred new faces, along with many more community organizers, trade union officials, political activists and planners. In Austin, Colorado State Treasurer Sam Brown promised a big hoedown if the Conference came West in '77; then he went East to join the Carter Administration. But before he left, Sam brought together a broad-based group of labor, community activists and state and local elected officials to form a hard working, dedicated, totally fantastic Host Committee and the third annual event was bigger and better than ever. The four-day meeting of close to 500 persons established a new level of growth, seriousness and political potentialities.

The heart of the conference was, as in previous years, the workshops. In each of the dozens of workshops, scores of legislators, government workers, organizers and academics analyzed, debated and traded experiences about programs and legislation. Most of the workshops focused on how to develop greater public control over where money goes, rather than on the delivery of human services, another major U.S. problem. But participants were heartened by the success of some early Conference proposals such as "lifeline" electric rate structures, municipal ownership of utilities, Family Farm legislation, state banks, community economic development programs, aggressive tax reform, and local strategies for new forms of energy development.

Plenary sessions that focused on "Life under the Democrats" were mostly critical. Massachusetts Rep. Barney Frank's comment that, "Life under the Democrats is just like life under the Republicans except that Andy Young's indiscretions are morally preferable to Pat Moynihan's," was widely quoted in media coverage. This year's Conference Report features the many major press stories, rather than workshop summaries, and is available for $1.50.

Frank also criticized Carter for his total lack of commitment to do anything for poor people, while increasing the military budget. As for the Conference, Frank suggested that it was "between the stage of being simply an association of rising politicians with left backgrounds and the harbingers of a national movement with real power for change. And to become a national movement," Frank said, "the group will need a national central focus. I think opposition to Jimmy Carter's policies could provide that focus."

A further biting criticism of federal policies was made by ecologist Barry Commoner whose edited speech begins on p. 8 of this issue. Edited texts of remarks made by Ron Asta and Tom Hayden at the Conference are on p. 12.

The new National Steering Committee was announced at the conclusion of the Conference. Members are: *John Alschuler, Assistant City Manager, Hartford, CT; *Ira Arlook, Director, Ohio Public Interest Campaign; Marion Barry, District of Columbia City Councilmember; Barbara Bick, Editor, Conference Newsletter; Sam Brown, Director, ACTION; Nicholas Carbone, Hartford, CT City Councilmember; Byron Dorgan, North Dakota Tax Commissioner; Kandra Hahn, Clerk of the District Court, Lancaster County, NE; Loni Hancock, Berkeley, CA City Councilmember; *Melvin King, Massachusetts State Representative; *Pat Roach, Dayton, OH City Councilmember; *Derek Shearer, economist/journalist; *David Smith, Professor, College of Public & Community Service; Paul Soglin, Mayor, Madison, WI; and Bennie Thompson, Mayor, Bolton, MS. Those starred, along with Lee Webb, are on the Administrative Committee, which will meet more frequently.

Arizona Recall Defeated

Arizona progressives chartered and filled a bus to attend the Denver conference. One of the participants, Frank Peters, a City Councilmember from Bisbee, AZ., withstood a conservative recall movement mounted against him this summer. It was a significant victory and since the entire bus load of Denver attendees played a support role to Peters, we are gratified that the Denver meeting had such an immediate political impact.

Cockrall Places In Detroit

Out of a field of 73 non-incumbents vying for the Detroit City Council, activist Kenneth V. Cockrel came in first with over 100,000 votes, in the September 13 nonpartisan primary. Seven incumbents also ran for re-election and will be among the 18 candidates on the November ballot. In addition to coping with 80 candidates seeking a place on the nine seat council, Detroiters this summer approved the first property tax rise in 11 years, which restores sports, music and art classes to the city school system, and voted for two black candidates to face each other in the runoff election in November for mayor. Detroit, which is roughly 50-50 black and white and is the nation's sixth largest city, gave 55.1% to incumbent Mayor Coleman A. Young.

The Cockrel campaign was unique, even in this dramatic summer electoral swirl. It was a mass-based, issue-oriented, progressive campaign which mirrored the independent, outspoken candidate. Ken Cockrel, an attorney who holds Marxist views, has spearheaded many of the important political struggles that have been part of Detroit's history. Among his many widely known legal cases are his successful defenses of a Chrysler worker charged with murdering two foremen, by proving that working conditions and racism were the real murderers; and a 20-year old black policewoman prosecuted for shooting her male scout car partner. Cockrel proved she was using self-defense when, after being shot at 12 times by a number of police, she turned on and wounded one of her white assailants.

Continued on page 11

Carter Energy Plan Pos

By Barry Commoner

The significance of the Carter Energy Plan has not yet been assimilated although it has extraordinarily serious consequences for all of us. The Carter administration is using the energy problem as a screen for developing economic and political policies so unacceptable to the American people that they have to be hidden. If The Plan is carried out it will represent the biggest intensification of corporate control over the U.S. economy in our lifetime. It will put an increasing burden on the poor. The Plan is flirting with extremely dangerous political ideas. The Carter Energy Plan is a political Trojan Horse.

Most people think the Carter Energy Plan is a plan to conserve energy because that is what Mr. Carter said it is. However, another picture emerges from the data in a book titled THE NATIONAL ENERGY PLAN, published by the White House this spring. Those numbers state that the total conservation The Plan would bring about between 1976 and 1985 is 4%. However, since The Plan will alter the energy situation between now and 1985, it is necessary to look at the increment between 1976 and 1985. In that period there will be about a 30% increase in the demand for energy. According to these same figures, The Plan would meet the increment, 16% by conservation and 23% by nuclear power. Clearly the flaunted cornerstone of The Plan is mislaid. Nuclear power plays a bigger role than conservation.

In fact, most of the administrative bureaucracy of The Plan is designed to accomplish energy conservation in only one sector of the energy budget, i.e. transportation. Here the White House numbers state that of the total demand for energy between now and 1985, The Plan would save 2.7% in transportation. So The Plan is not about conservation; that explains why there is no mention of mass transit in The Plan; notably the most effective way to save energy in the transportation sector.

Mr. Carter says that we have to avoid imports of oil. That is a political judgment we can agree with. Carter also says that we can not keep up with the demand for oil by raising domestic production.

However, the National Petroleum Council published a major report in 1971-2 which shows that the oil industry can, by 1985, raise the production of domestic oil 50% and that they are prepared to do it for a 30% price increase. What the Carter Plan does is to accept low production figures while mandating the high price that would be sufficient to raise oil production by 50%. But we are not going to do it. An interesting question is where the extra money which that price represents will go.

According to The Plan, energy demands between now and 1985 would be met 16% by conservation, 23% by nuclear, 9% by domestic petroleum and 50% by coal. Compared with present distribution this is a rise in the use of coal from 19% to 50% and a rise in nuclear from 2.7% to 23%. In other words, the biggest change that The Plan mandates is a heavy emphasis on nuclear and coal.

What kind of energy is created by nuclear power plants and coal? The only usable energy produced by nuclear power plants is electricity. Since coal can be used for direct heat only in certain industrial installations, most of the increase will, again, mean production of electricity. The laws of physics show that when heat is converted to electricity, ⅔'s of that heat can not be converted and is thrown out into the environment. Consequently, electricity is not a good or efficient way to heat domestic or commercial installations. Those are, moreover, exactly the markets that

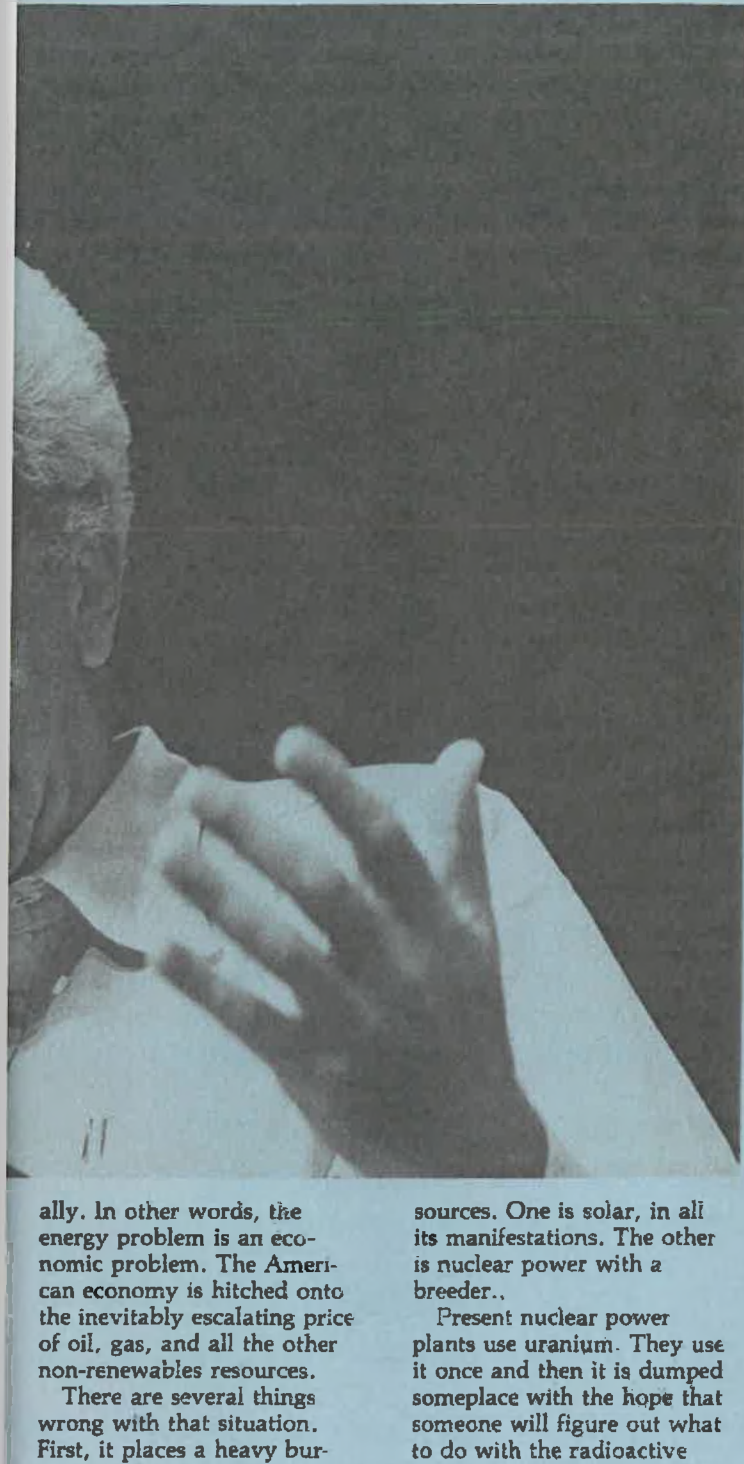
solar energy can enter today economically, by means of solar collectors and making methane from organic waste. If The Plan goes into effect, it would make it very difficult to introduce solar energy into exactly those markets it is now ready to invade.

The Plan would also drastically shift energy away from consumers to industry. There is a close connection between the use of energy in industry and the non-use of human labor. The energy is used to replace people. The Plan will push industry in the direction of using energy instead of people and that means unemployment. Half of the unemployment in the U.S. today is technological; that is, the displacement of people by machines, run by energy.

In order to understand the most serious deception in The Plan, which is what The Plan says about nuclear power, some basic facts are needed.

First, what is the nature of the energy crisis? It is simply that we are trying to sustain an economic system with energy resources—oil, coal, natural gas, uranium—which are non-renewable and which will not last forever. That does not mean that suddenly the lights will go out. It does mean that as these non-renewable resources are used there is a loss in efficiency and prices will rise exponenti-

es Trojan Horse Threat



ally. In other words, the energy problem is an economic problem. The American economy is hitched onto the inevitably escalating price of oil, gas, and all the other non-renewables resources.

There are several things wrong with that situation. First, it places a heavy burden on the poor; 20% of a poor family's budget is used to buy energy, 5% of a rich family's. Secondly, it creates inflation. Third, it becomes a major block to investment.

The only way to solve a problem which is caused by having a non-renewable energy source is to go to a renewable source. There are two possible renewable sources. One is solar, in all its manifestations. The other is nuclear power with a breeder..

Present nuclear power plants use uranium. They use it once and then it is dumped someplace with the hope that someone will figure out what to do with the radioactive waste. In 25-30 years there will be no more uranium available to use that way and so the country will be left with radioactive while elephants.

The Plan mandates building 90 or so more nuclear power plants, and Schlesinger has said there might be 300 by the turn of the century. But there won't be any uranium left—unless you have a breeder which regenerates fuel as it operates. While Mr. Carter is on the record as being against the breeder, material in the National Energy Plan shows that the administration is actually in favor of a breeder. It says: "The President has proposed to reduce the funding for the existing breeder program and to redirect it toward evaluation of alternative breeders."

It is clear that the administration know what it is doing with all those projected nuclear power plants. They will not run out of fuel at the turn of the century because there will be an alternative breeder. Mr. Carter recently was enthused about the thorium breeder which he says would provide energy for hundreds of years into the future. There is your alternative breeder. So The Plan covertly commits this country to a future based on nuclear power. That choice makes it impossible to take the solar route, because the two routes are contradictory.

Nuclear power suggests a metaphor which involves the physics of visiting a friend. You go to a door and there is a doorbell. Pressing the doorbell is a task, a thermodynamic task. It requires work. Energy is useful only in so far as it generates work, and "work" is that which you have to do if you want something to happen that otherwise would not happen. That is the Second Law of Thermodynamics. One of the rules of thermodynamics is that the source of energy should be well matched to the task. I have a good, well-adapted source of energy—me. I push the button, and it works, the doorbell rings.

There is an alternative technique for accomplishing that same task. I arrive, this time in a truck, and on the truck is a cannon. I aim the cannon at the doorbell and let go. And it does depress the button. So it accomplishes the task. But it is not well suited to the task. The result is that there is a great deal of damage.

A technocratic response is to say that to use a cannon is more progress than to push the bell by hand, so the bell must be protected. A sheet of armor plate is put over the doorbell. Now I come with my cannon and WHAM, I ring the bell and everything's fine. But one day I miss and there's a big hole in the house. Now the whole front of the house must be armor plated. From then on I come up with the cannon and ring the doorbell and the house is pock marked, but it's okay. Except that now it is a very expensive house.

That is the story of nuclear power. The thermodynamic task of a nuclear power plant, is to boil water. The reason why nuclear power has become the most expensive form of energy is the need to protect or armor-plate. Nuclear power plants have to be made earthquake proof. Engineers claim that they are very safe because they have triple and quadruple backup systems. Exactly. They are so dangerous that every possible precaution is taken to prevent these dangers.

Another thing about the economics of nuclear power is that because of the extreme capital costs it, as well as all conventional forms of energy, has a very good economy of scale. You can not make an efficient little nuclear power plant. A nuclear power plant costs $2 billion. A refinery costs a half a billion dollars. A breeder will be about $20 billion. A coal-fired plant is also a billion dollars. Those companies with lots of money have an economic advantage in the energy industry. It is no accident that Exxon is the largest corporation in the world.

The solar energy route is completely different; it is incompatible with the present concentration of capital in the energy system. Solar energy has one beautiful characteristic. There is no economy of scale. A very little photo-

Continued on page 10

Carter Energy Plan

continued . . .

voltaic cell, which is what produces electricity, can be used to run a flashlight. A bigger one can be used to run a computer. A still bigger one will run a vacuum cleaner. The bigger ones are made by taking little ones and putting them side by side, and the efficiency of the big photovoltaic cell will be exactly the same as the efficiency of the little one. That means that there is no advantage in producing a big solar installation. Corporations that have only a million dollars of capital, instead of a hundred billion, will be able to compete as well as the big corporations. In fact, $50,000 capital, a few people, and an empty garage can begin production of solar collectors. In other words, the solar route inevitably means the loss of economic competitiveness associated with bigness, in the energy industry. An exception might be where there is a lot of high technology involved in producing the equipment like a photovoltaic cell. A big company will probably be able to do that better than a little one. But when the equipment is in place, there will be no need for any big companies.

Since there is a shortage of capital, and solar energy will require capital, a choice has to be made as to whether capital will go in big chunks or little ones, or in various size chunks. That one economic decision will make an enormous difference

Another important point is that immediate applications of solar energy are not in electricity, whereas the immediate application of nuclear power and coal is in electricity. Consequently the electric power system will have to be expanded if the country is to go the nuclear-coal route. If the solar route is taken the only reason for the network will be to shift power from one place to another. In other words, the network, which is the system through which the energy is used, is different in the two cases.

This country is at a crossroads. If the nuclear route is taken, we will be blocked from going down the solar route. The American people have to make that decision now.

The Carter Energy Plan is a commitment to the nuclear route. It is a commitment to the support of industrial consumers over private consumers. It will result in the intensification of large-scale installations.

The Carter Energy Plan is a tax scheme which can amount to $80 billion a year. It is a large taxation laid on the country to cut the consumption of fuel. Every report on the capital shortage calls for a cut in consumption. Now that is a very simple economic proposition. What you consume prevents the formation of capital, so one way to accumulate capital is to cut consumption. This is known as austerity.

Money in the hands of poor people is useless in accumulating capital, because they consume it. Consequently, wealth must be diverted to those people who are rich enough to save some so that capital can be accumulated. Suppose you were elected President in order to carry out that mandate. Could you get away with it? Not unless you called it "conservation."

The Plan calls for accumulating huge amounts of capital in the hands of the government. My guess is that part of that $80 billion will go to subsidize the big nuclear-intensive ways of producing energy. And if that isn't cutting consumption in order to accumulate capital so that it can be invested where you want it, I don't know what it is.

This country has some real problems. Among them are problems of unemployment and of inflation. There will be damned few jobs in building nuclear power plants and big coal-fired plants. The enormous effort required to shift from our present energy budget to a solar budget *would* mean jobs. Tomorrow, every city could be given public works funds to rebuild its garbage and sewage treatment plants to produce methane, which is solar energy. Garbage is solar energy. It is organic matter produced by the sun. The price of garbage will not escalate because it is a renewable resource. The same is true of sewage, of canning wastes, of forestry wastes. This would stabilize the price of energy. The entire energy economy of the country could be rebuilt in a way which would redistribute wealth. This would not mean expropriating the big companies, but merely that a $100 million corporation would get a break, as compared with $100 billion corporations. Even $100,000 corporation would get a break. It means spreading this huge peak of concentrated wealth out a little bit.

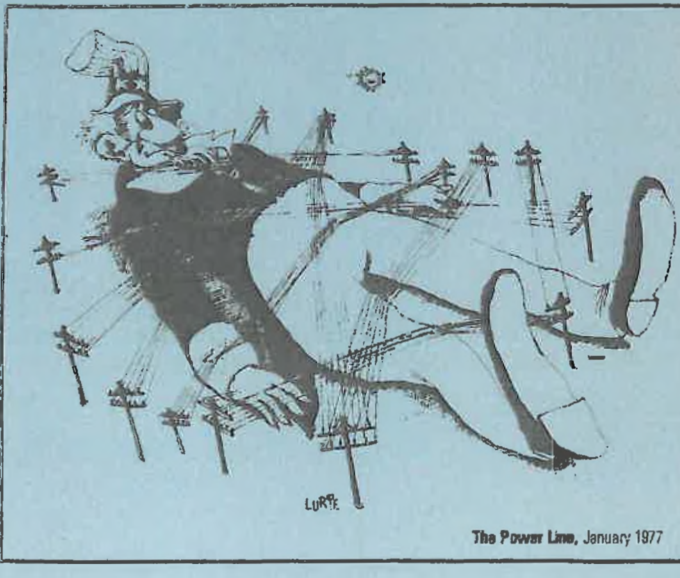
So there is the way to solve the problem of inflation, of jobs, and of the dominance of the big corporations over the life of this country. We must have a People's Energy Policy if we want to save the economy and the political life of this country for its people.

Protections Against Plant Shut-Downs

Employees in the state of Maine are somewhat protected against corporations that close down and leave the state. Under a 1971 statute, any corporation in the state which closes its doors must pay severance pay equal to one week's wage for each year of employment. This mandatory severance pay for "runaway shops" is the only known program in the country, and is being used by the Ohio Public Interest Group as a precedent for a similar bill they are supporting in Ohio.

Corporations run into bigger trouble in Europe when they try to close down a plant than they do in the U.S. 251 former employees of Raytheon Corporation's subsidiary in Belgium, for instance, are claiming $5.5 million in severance pay. Under Belgian law, employees are eligible for large severance pay claims, averaging $25,000, if their employer closes down the operation.

The Raytheon subsidiary's assets are insufficient to meet the possible claims, causing Mark Eyskens, the Belgian Secretary of State for regional development, to suggest that the government may have to require companies to put up guarantees for the payment of social benefits in the event they later go out of business.



The Power Line, January 1977

Kenneth V. Cockrel

Close to 1,000 volunteers turned out for the Cockrel campaign, distributing more than 200,000 leaflets which attacked the problems of unemployment, heroin trafficking, redlining, crime and corruption and advancing the idea that government should be controlled by and answerable to the people.

Support from outside Detroit is welcomed. For information, contact Sheila Murphy, Campaign Manager, 2826 E. Grand Blvd., Detroit, MI 48211.

New Staff Line-up for Conference

Lee Webb became full-time Executive Director of the National Conference this Fall, resigning from the Goddard faculty and moving to Washington, D.C. Ann Beaudry moved into a new slot also, as Associate Director, responsible for on-going operations. Ann, who came on staff a year ago as Legislative Clearinghouse Coordinator, has co-edited the Conference tax reader and organized the third annual national conference in Denver.

Josie Anderson, formerly Conference Administrative Assistant, has been replaced by two new staff members, Kevin Johnson and Yvonne Frederick. Kevin, who coordinated the recent Banking for Non-Bankers meeting in Chicago, will be responsible for publications distribution and promotion and will organize a series of seminar/workshops on banking. Yvonne will be a part-time secretary. We are all sorry to see Josie leave the Conference.

Barbara Bick, founder and former national coordinator, has moved from Conference headquarters at the Institute for Policy Studies, to the new Public Resource Center, but will continue to edit the Conference newsletter.

Notes Continued . . .

black and poor Georgians in the most recent legislative session. The *Review* is the only comprehensive public interest treatment of legislative activity in a Southern state.

For copies of the 137-page *Review*, write to Robert A. Kronley, Director, Southern Center for Studies in Public Policy, Clark College, Atlanta, GA. 30314.

Military Spending Impact

An excellent packet of materials on the economic effects of proposed military spending on state and local governments show that the proposed Carter budget calls for increases in military spending over the next few years and a decrease in financial support for state and local governments. For copies, contact the Coalition for a New Foreign & Military Policy, 120 Maryland Ave., NE Wash. D.C. 20002

LABOR-PAC

There *are* ways to move around the dead-end impasse locally between public employees and public officials.

Many of these issues and new program approaches were discussed in workshops at the Denver Conference in July. A planning group of public employees, labor, public officials, and community organization representatives at Denver urged that more LABOR-PAC be published, including broader labor issues as well.

Edited by Robb Burlage, the first LABOR-PAC can be ordered from the Conference and from the Public Resource Center, 1747 Connecticut Ave., NW. Wash. D.C. for $2.

State Bank Report

For an example of how successful a state-owned bank can be, write to the state-owned Bank of North Dakota, Bismark, ND. 58505, for a copy of their 1976 Annual Report. The Report includes a lengthy summary of the activities of the bank, financial information on operations, and a summary of financial results of the past six years.

JOBS

Wilmington United Neighborhoods

WUN, a city-wide, multi-issue community organization, is seeking a Director with at least two years experience in grassroots community organizing. The organization deals with issues which range from neighborhood problems to city and state-wide issues. The job begins December 1 and requires some skills in fund-raising and proposal writing, and ability to train and supervise staff. Salary is negotiable, comprehensive health benefits and travel allowance. Write or call: Nino Nannarone, Director, Wilmington United Neighborhoods, 1300 N. Broom St., Wilmington, DE. 19806; (302) 655-3338.

Carolina Action

Carolina Action, statewide organization of low to moderate income North Carolinians is interviewing for full-time community organizers. Through direct action by neighborhood, city, and statewide groups, CA has won issues ranging from winning recreation improvements and stopping highways from ploughing through neighborhoods, to altering priorities in federally funded community development programs and to a campaign, unprecedented in North Carolina, which instigated the state legislature to consider major utility rate restructuring. Training provided to individuals dedicated to bringing about social change. Contact: Sue Esty, Carolina Action, 712 W. Johnson St., Raleigh, N.C. 27603 (919) 834-1138.

Score Card For Progressive Coalition Building

Edited Remarks from The Denver Conference

by Tom Hayden

To build the new progressive coalition that will achieve substantial political power we must seriously tackle a number of questions.

One: is the question of program. How do you bring together the 30% or the 50% of the American people around something they have in common and will fight for. In California we have spent a lot of time trying to analyze the issue of economic democracy. Many groups which do not necessarily get along on other issues can relate to this concept.

Two: is the question of leadership. There has never been significant social change that did not have leaders associated with it. People who are economically, spiritually, down do not trust words or organizations because they have heard promises and seen groups come and go for a long time. But they can trust individual persons because of how that person has delivered in the past. The problem is how to make leadership accountable. That is difficult because most people in leadership positions and in office did not come out of a movement and therefore do not think collectively or organizationally. Consequently, we have to have electoral coalitions with good candidates but not rely on the candidates to be the organizers. This will lead to built-in problems but we can live with the problem until the day when, through a more organized movement, **we create our own candidates.**

Three: is the question of organization. Several lessons can be learned about the problems of organization from the past. One is that there are no short-cuts. It takes a long time. Two is that you cannot rely on the current wave of movement excitement. You have to have some plan of action. Three, you have to have organizer training. Four, you have to have a financial base that does not depend on philanthropy but on the people that you see as the voters and the future of your movement.

Four: unity. Very often people or organizations split because they lack agreement on program, on leadership and whether there should be a long-term organization. In order to get unity there has to be education about issues and ideology, but there also has to be something deeper. Perhaps we have to apply some of the techniques of group therapy to politics. Internal unity requires dealing with people on a more fundamental level than politics, as we usually understand politics. You also have to find issues that are not divisive of the coalition and this is difficult. Issues that link people are broad single issues like opposition to the war, or class issues like higher utility rates. Other issues, crucial to women and minorities, take a long-term coalition. And then, coalitions have to be built at the grass root level and not just among leaders or on paper.

Finally, **Five:** the question of spirit. Successful movements have been marked by people clapping hugging, crying, singing, and going crazy about themselves. When people experience tough times they get through by a spiritual leap. When police approach a picket line, people don't start reading Karl Marx to see what is the correct response to the police. They link arms and enclose themselves in each other, finding a spiritual togetherness that allows them to rise above, or at least cope with their fear and get to the next step.

So if we have program and leadership and organization and unity and spirit together then we can get across this next 15 year space into power. I don't know how to do it day to day but these are the elements that we have to deal with.

Tom Hayden ran a broad-based campaign for the U.S. Senate from California last year. He lost and is currently coalition building.

by Ron Asta

In Arizona we began building a successful political coalition for progressive policies in 1972. We suffered some setbacks in 1976. Our number one priority now is to have a full understanding of our opposition—their tactics and strategies—in order to come back with solid victories.

Principle among our opponents was the Good Government League—a coalition of new car dealers, bankers, Chamber of Commerce, Southern Arizona Homebuilders Assoc., Tucson Board of Realtors, big contractors, big department store executives, republicans and labor.

Not all labor was against us. The steelworkers, public employees, retail clerks and others were with us. But the construction trades were not, because they bought the "no growth" scare.

There are seven lessons that we have learned that I want to relay to others working to build progressive coalitions.

Lesson No. 1: Ronald Reagan has a sunbelt strategy and that is to go after state and local races with a vengeance. Part of the strategy is to rewrite local government charters and push for metro government.

Lesson No. 2: Don't buy Metro. Remember it is easier to gain control of one government in a local area than several.

Lesson No. 3: It is time for us to play hardball politics. It's important to stick to issues but we should no longer refuse to attack the opposition because we want to maintain a "positive" image. The tactics of our opponents are the same across the country and they are simple—they lie!:

If you try to help consumers, they claim you are anti-business.

If you try to save some environmentally critical land, they say you are no growth.

If you try to discourage costly growth in the suburbs, they lie that you are anti-jobs.

The biggest lie of all is our opposition's cry to protect free enterprise. We don't have free enterprise for the many anymore; we have subsidized enterprise for a few. It's time to tell the truth about their lies in no uncertain terms.

Lesson No. 4: We have to get labor back. We all know that environmental protection, energy conservation, tax reform, and economic democracy are essential to a healthy economy. But how many times have we pushed for direct jobs? I'm going back to Tucson and try my best to recruit a labor intensive, anti-automation industry for our community.

Lesson No. 5: There are some important, natural alliances that can be formed with the right; not the conservative, Reagan right, but the libertarian right. They are with us on abortion, gay rights, ERA, legalization of drugs—true civil libertarians. They are opposed to big government and big corporations.

Lesson No. 6: The media. In my town the morning newspaper endorsed my opponent after 3¾ years of solid support for me and my issues. In their editorial favoring my oponent, they pointed out I had kept all my campaign promises so I was "polarizing" the community.

The reason for this quick change of heart? Advertising pressure. It's time for progressives to own a radio station or two, a television station or three, magazines and newspapers. There are important goals for fund raising in the near future.

The final **Lesson No. 7:** We need to be upbeat again, not down. There is a holding back on our rhetoric. Why? Did we make a mess of society? Let's intensify our rhetoric, not retreat.

Let's play some hardball and beat those people.

Ron Asta was formerly a member of the Pima County, AZ Board of Supervisors. He is currently coalition building.

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- ☐ Model Anti-Surveillance Legislation
- ☐ Ohio and Michigan Runaway Plants Acts
- ☐ Minnesota Family Farm Security Act
- ☐ Vermont and District of Columbia Capital Gains Tax
- ☐ Chicago, Illinois and Alaska Disclosure Legislation
- ☐ 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

New Public Advocate Department

by Peter A. Buchsbaum

A Department of the Public Advocate, designed to open up the process of government to the people, was created in 1974 in New Jersey. This piece of legislation set up several unique institutions. The most innovative is the Division of Public Interest Advocacy, a state-funded public interest law firm which can act to protect citizens' rights against invasion from sources such as state or local governments and private corporations. It resembles, but has more power, than the proposed federal Agency for Consumer Advocacy. Also of great importance are the Division of Rate Council, financed by an assessment on the public utilities and designed to fight rate hike requests; and the Office of Citizens Complaints which investigates and resolves individual problems that people have with state government.

Among other key sections are a Division of Mental Health Advocacy, to protect the rights of mental patients in individual cases and class actions; an Office of Inmate Advocacy, to handle parole revocation and prison law reform matters; and an Office of Dispute Settlements which trains community groups in techniques of mediating their disputes with local governments.

A review of some of the activities of the Divisions of Rate Counsel and Public Interest Advocacy indicates that such a Department is a viable mechanism for assuring that alternative policies are considered at the state level.

Rate Counsel has placed challenges to rate increase requests on a basis that is probably more sustained and consistent than in any other state. The most notable accomplishment came when its arguments persuaded the Public Utilities Commission to reject a Bell Telephone multimillion dollar rate hike application outright. But the key to the worth of the Division lies not in its success in any one case but in its ability—backed by the secure financing of an automatic assessment on utilities—to fight every major rate increase vigorously and to participate fully in other economic matters that the P.U.C. considers, such as hearings on rate design or the long range needs for power plant construction. The $250,000 recently expended by the Division in opposing a rate application by the State's largest utility is an unprecedented consumer effort in New Jersey.

The Division of Public Interest Advocacy has pursued a wide range of public issues through litigation and administrative action. Housing has been one area of concentration with particular emphasis on court cases seeking to preserve municipal rent control and end exclusionary zoning. We have also used our status as a state agency, and consequent right to participate in the A-95 review process, to ensure that communities spend their allotments under the Housing & Community Development Act of 1974 for low and moderate income people. And we have pushed for regulations which will strongly enforce New Jersey's new anti-redlining law.

Because we are part of the state, our inquiries, requests and threats of suit bring faster action from other government officials. We can provide mechanisms for making the policy views of citizens groups known to responsible officials.

Our experience demonstrates that a state-funded public interest entity is a useful alternative public policy mechanism for opening up government.

Further inquiries should be addressed to the writer at the Dept. of the Public Advocate, P.O. Box 141, Trenton, N.J. 08601, or call (609) 292-1692.

Peter A. Buchsbaum is the Assistant Deputy Public Advocate, of the Division of Public Interest Advocacy for the state of New Jersey.

Throwaway Deposit Ordinance — Successful Case Study

By Patrick Lacefield

Last spring voters of Columbia, MO, overcoming a slick, well-financed campaign by bottling and retailing interests, passed an ordinance mandating a deposit on all throwaway beverage containers. The ordinance, similar to laws in effect in several states requires a minimum 5¢ deposit on all throwaway beer and soft drink containers, that all containers bear the stamp "Columbia", and that retailers refund deposits for brands and sizes which they sell.

The campaign began in a class at the U. of Missouri entitled "Citizens and the Environment", taught by community activist David Theilen. It quickly gathered significant community support from the Conservation Federation of Missouri, Sierra Club, YMCA, Public Service Employees Local 45, various church social concern committees, Teamsters Joint Council 13, and both of the Columbia newspapers, as well as the *St. Louis Post-Dispatch* and the *Kansas City Star*. The issue was taken before the Columbia City Council in December of 1976 and defeated 4-3, with the vote splitting upon strict conservative/progressive lines. The citizens coalition, Columbians Against Throwaways, then decided to take the issue to the people by referendum and easily gathered enough signatures to assure a spot on the ballot.

Organized against the ordinance, under the misnomer of Columbians for Consumers, were local and state bottling and retailing interests. Their extensive campaign included point-of-sale leaflets on the counters and posters in all retail outlets as well as anti-deposit stickers on all beverage containers. Their slogan was "Don't Pay for the Slob!" The campaign stressed that all beverage prices would go up as a result of the deposit law and that Columbia would lose business. The bottlers also sought to portray the deposit ordinance as limiting the freedom of choice of those who buy throwaway containers and described it alternately as a "forced deposit" and "mandatory refund" scheme.

The bottlers and retailers banked on heavy financial support from out-of-town interests and raised and spent about $11,000 in opposition to the ordinance. Expenditures included extensive newspaper advertising, a 17,000 piece mailing to all registered voters, and blanket advertising on the local radio outlets. Beer distributors throughout the state received a letter urging contributions from the U.S. Brewers Assoc. Post-election disclosure of contributions showed that only 13 of their 72 contributions came from within Columbia.

The Columbians Against Throwaways, on the other hand, raised and spent only $1000, turning down all contributions from outside the city, including a donation from the Teamsters Union. Door-to-door canvassing, a massive letters-to-the-editor campaign, and free radio advertisements spearheaded the proponents efforts. They received the free radio spots under the Fairness Doctrine from several local radio stations. The possibility of the same happening on television caused the bottlers and retailers to cancel a planned TV blitz in the closing days of the election.

The throwaway deposit ordinance won with 53.6% thus becoming the first city to pass such an ordinance by referendum, and garnering support from conservative as well as progressive areas. Although the Missouri Brewers Assoc. is planning a challenge in the courts to prevent implementation, the ordinance will very likely withstand the challenge.

Patrick Lacefield is a community activist. He recently moved from Columbia to New York City to join the staff of WIN Magazine.