



# conference on ALTERNATIVE state and local PUBLIC POLICIES

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JANUARY, 1976

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1901 Que Street, N.W., Washington, D.C. 20009

## Alternative Legislation Briefs

### Lifeline Gains

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

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

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

### Massachusetts Petition Campaign

In Massachusetts the power of the private utilities in the State Senate successfully defeated the Lifeline bill in the last days of 1975. A Lifeline bill had successfully passed the House of Representatives, and had passed through two readings in the Senate before

it was killed by referring the bill to Committee on the Third Reading.

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

### California Act Passes

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

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## Second Annual Conference Set for Austin

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

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

Well known activist local officials from throughout the nation will participate in the annual conference. Workshops will cover the major issues that state and local governments are facing today. The conference will



follow the last presidential primary and will be just prior to the major party conventions. Although the work of the National Conference on Alternative State and local Public Policies is programmatic at the state level, it will have special national significance this year.

The National Conference came into existence in June of 1975 at the bidding of the populist elected and appointed officials, community organizers and planners of alternative programs who met in Madison. A National Conference Center and headquarters has been opened

in Washington, D.C. The national coordinator there is Barbara Bick. Lee Webb, professor at Goddard College, is national director.

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

## New England Regional Conference

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

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

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

For the most part, though, the conference format followed the Madison approach of nuts-and-bolts workshops—on energy, public banking, job creation, tax reform, and so on. A reader called "Programs and Proposals" was on sale (and still is, for \$6.50; write CCED, 639 Mass. Ave., Cambridge MA 02139). And a visiting fireman from Canada's New Democratic Party gave the

windup speech Saturday night. "The most important form of public ownership," said Jeremy Akerman, leader of the Nova Scotia provincial NDP, "is public ownership of power." Akerman then went on to describe the NDP's "third-party alternative," and to discuss the ward-and-precinct details of building a political base.

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

—John Case, Editor of "Working Papers"

## Mid-West Conference

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

## Occupational Health Bill

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

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

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

—DIT TALLEY

## Consumer Cooperative Bank

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

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

## Public Utility Commission

The outline of a model state legislation for the structure and powers of state public utilities commissions is now available from the National Conference Center. The bill, reprinted in the December 19 *Congressional Record* includes recommended sections in all areas of electric utility regulation including composition structures, procedures, rate making standards, jurisdiction, consumer protection, corporate disclosure, and enforcement.

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

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

## Automobile Insurance Corporation

A bill to create a state-owned automobile insurance corporation is being prepared by

Michigan State Representative Perry Bullard. The bill will be modelled on the successful provincially owned automobile insurance corporations in the Canadian provinces of British Columbia, Saskatchewan and Manitoba. In these provinces automobile insurance is a government monopoly. Insurance rates are far lower than in the Eastern

provinces where private companies are dominant. Bullard's bill is expected to be ready in late January. He is being assisted by a group of economists and others in the Boston area who are investigating the prospects for alternative legislation in the insurance field. Copies of the Bullard bill will be available from the National Conference.

# Federal Notes

## Women's Conferences

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

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

## New Budget Process

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

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

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

Time is short. Find out more about the process, and keep in touch with efforts to cut military spending and transfer resources to social programs by writing to: Coalition for a New Foreign Policy, 110 Maryland Ave., N.E., Washington, D.C. 20002 (202) 546-8400.

—Jack Nicholl



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promoting. Participation of labor was significant for the possibilities it holds of a critical political alliance between populist elected officials and insurgent labor leadership.

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

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

A major speech was given by Douglas MacArthur, a representative from the New Democratic Government of Saskatchewan, Canada. He detailed NDP approaches to natural resource management and agriculture, as well as NDP programs of public ownership and control of

land and mineral resources. Government ownership of mineral resources such as uranium, copper, oil, and potash are considered critical to the stabilization of the province's economic resources. Portions of government-owned agricultural land are leased to farmers through the Saskatchewan Land Bank Commission. Despite barriers to similar government-ownership of land and natural resources in this country, the Canadian NDP models do provide direction to people struggling with problems of corporate vs. popular ownership of resources.

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

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## South-West Conference

Productive political conferences are as hard to find as the Lost San Saba Mine. That's why the Southwest Conference on Alternative Local Public Policies was such a special event for the 150 or so who showed up at St. Mary's University in San Antonio. It was a weekend of discussion, mutual support, and information exchange. Not, mind you, political grandstanding, haranguing, ego tripping, backbiting, demagoguery, and nitpicking. A genuine, civilized exchange of ideas—and in Texas, no less.



from *The Public Works*, Community Ownership Organizing Project Oakland, CA.



The Texas conference, like the other regional conferences, was unique in that many participants felt they had actually *learned* something in the workshop sessions, not to mention in the innumerable free lance discussions that began with registration Friday evening, gathered force on Saturday and continued over *nuevos rancheros* after the last meetings on Sunday morning.

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

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

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

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

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

—Kaye Northcott, Editor, *The Texas Observer*

## California Conference

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

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

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

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

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

—Derek Shearer



# The Fiscal Crisis of the City

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

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

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

## City Unions and Progressive Politicians The "Good Guys" as Bosses

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

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

Politicians face many pressures: citizens want more services and cities need to provide more services for healthy community life. Citizens, many of them hard-pressed working people, cannot afford to pay more taxes.

I have not voted for a property tax increase in my five years as a council member since I believe that increasing taxes will simply "tax out of town" the very people who most need the services we are taxing to provide. The property tax is a regressive tax that hits poor people harder than the rich, since the lower the income the higher the percentage of income spent on housing. However, squeakless wheels get no grease, and unless City employees have strong and effective unions the tendency will be to keep municipal salaries low and "save money for other things."

### 2. *Cities are broke.*

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

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

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

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

In the last budget one city department requested a \$99,600 paper budget, which figured out to over 10,000 sheets of paper per employee for each working day, and over 100 sheets for every man, woman and child in Berkeley. This budget was eventually "readjusted" to fund some direct service programs. The incident shows clearly, however, why unions tend to distrust City pleas



of poverty and to continue to demand high wage increases for their members. Cities have cried "wolf" too often to be credible now that the "wolf" is really at the door.

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

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

The problem is the movement of large corporations away from highly unionized areas into non-unionized parts of the United States, and to parts of Asia and Latin America where labor can still be employed for as little as .35/hour. Put bluntly—corporations gravitate to areas where people are most vulnerable to exploitation. Progressive cities and organized working people should be looking for ways to stop this business exodus together. Cities need the tax base, and citizens need the jobs.

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

## **What do we do?**

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

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

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

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

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

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

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

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

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

## **Needed: Joint Strategy**

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

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

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



the United States and the world.

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

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

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## Urban Land as a Public Resource

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

The essence of urban economics is private profits accruing from collective economic activity. That is, there are whole sets of economic activities generated by society as a whole or by the population of a particular region, the benefits of which flow into a limited number of private hands. Let's take an example:

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

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

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

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

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## How Food Systems Spread

### Pennsylvania Plan

Pennsylvania Governor Milton Shapp and his innovative Secretary of Agriculture James McHale offer a much needed contrast to the pro-agribusiness, anti-consumer stereotype in which most government officials are cast. McHale, himself a successful dairy farmer, has set up a controversial program to revamp and revitalize Pennsylvania agriculture, develop new food marketing networks and re-order state agricultural research priorities.

The state has begun extensive efforts to encourage small scale agriculture and reduce food prices via the direct marketing of farm products to individual consumers. The Department of Agriculture has helped set up about one dozen "tailgate" farmers' markets across the state.

The department is organiz-

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

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

McHale's program also includes state-supported "anti-inflation" gardens—the first



such program in the nation, McHale says. The department, working with county commissioners, mayors and civic groups, distributed at minimal cost 175,000 packets of vegetable seeds and 104,000 vegetable sets. McHale says his department has ploughed up over 125 acres of land for use as community gardens.

### West Virginia

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

### Massachusetts Commission

Convened in October 1973, the Massachusetts Commission was the first state-level investigation of the reasons behind high food prices and declining agricultural production.

The Commission found that Massachusetts imports 84 percent of its food. Even Massachusetts' important fishing industry has been declining over the past decade.

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

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

### Vermont

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

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

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

## Bond Issues

### Ohio Bond Defeated

A successful fight to defeat a regressive bond issue was waged in Ohio by "Citizens Against Unfair Taxation," a broad coalition consisting of the state AFL/CIO, the UAW, League of Women Voters, and a variety of community and church social action groups. A wide range of elected officials, including Lt. Governor Richard Celeste, worked with the

coalition. The corporate giveaway would have eliminated taxes for manufacturing plants that are constructed or expanded between February 15, 1975 and January 1, 1981. Governor Rhodes spent close to \$2 million in a media campaign to pass the four bond issues. The major financiers of his campaign were Ohio contractors and utility companies. The coalition spent far less in their successful opposition, which saw each issue defeated by at least a 4 to 1 margin.

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

### Austin Bond Defeated

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

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

was that the progressives are going to take an active and perhaps dominant interest in city planning and growth control issues.

—Kaye Northcutt, *Texas Observer*

(continued from page 1)

### Arkansas Plan

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

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

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

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



# National Conference Center

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

## Clearing House of Alternative Legislation.

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

## Publications available from the National Conference office

—Public Policy Reader. \$5.00

—Report, first National Conference. \$1.00

—Problem of the Federal Budget, by IPS federal budget study group. \$6.50

—The Cities Wealth: Programs for Community Economic Control in Berkeley, La. \$2.50

—Public Control of Public Money: Should States and Cities Have Their Own Banks? by Derek Shearer \$1.50

## Legislative Reprints (50 cents each)

—Senate bill S2631, National Consumer Cooperative Bank bill

—Model State Public Utility Commission Act by Lee Webb and Jack Chesson

—Model State Energy Act by

Lee Webb and Jeff Faux.

—Model State Occupational Health & Safety Act, by B. D. Talley.

☐ Enclosed \$\_\_\_\_\_ for publications checked above.

☐ Enclosed \$5.00 subscription (4 issues) to Conference letter.

Name\_\_\_\_\_

Address\_\_\_\_\_

City\_\_\_\_\_State\_\_\_\_\_Zip\_\_\_\_\_

Telephone\_\_\_\_\_

Position or Organization\_\_\_\_\_

☐ I recommend that you contact the individuals I have listed on attached sheet.

☐ Yes, I want to attend the Austin Conference. Please send information.

## Task Forces

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

## Publications.

The growing list has been enthusiastically received by recently elected officials in search of new public approaches to social and economic problems. The first three available are:

*The Public Policy Reader*, now in its second printing. Over 250 pages of the best legislation introduced, the book also has reports of innovative programs in Canada or under scrutiny in this country. *The Reader* is an essential tool for everyone concerned with progressive public programs.

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

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

## Regional, sectoral, national conferences.

Anyone interested in more information on any part of the work of the National Conference should write to Barbara Bick at the National Conference Center in Washington, D.C.

## National Conference Newsletter

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