

a report by the CITIZENS' COMMITTEE
ON THE MAINE ECONOMY

*a proposal for a
self-reliant economy*



**JOBS TODAY
JOBS TOMORROW**

THE PROBLEM

MISSING — 130,000 GOOD JOBS

Every Maine man and woman willing and able to work should have a job. The job should pay a wage that a worker and his or her family can live on. The job should produce goods or services that people need.

The Maine economy is rich enough and productive enough to provide work for everyone. But in Maine and in the rest of the country, the economy has failed miserably to achieve this simple economic justice. Fifty-two thousand Maine men and women are now out of work. And it isn't just the result of the national economic depression. Back in the economic "boom" of 1972-73, there were still well over 20,000 Maine people unemployed. We have a chronic unemployment problem in Maine. An even larger number of people, at least 80,000, are underemployed: they can only get part-time jobs, or they work full time at poverty wages, or can't find work in the trade or profession they spent years learning. About one out of every three Maine workers has a serious employment problem of one kind or another. This is an injustice to them and a tragic waste of talent and energy to the state.

Right now we are in a depression. It is the biggest and longest waste of unemployed workers and unemployed plants and equipment since the 1930's. Maine is one of the hardest hit places in the country. In March, 1975, the national unemployment rate was 8.7%. In Maine it was 12.1% — one worker out of eight. We rank 43rd in the country in income per person, and a recent government study shows that Maine is much more expensive to live in than the other poor parts of the country. If you combine the low income of Maine people with the high cost of living (especially for heating, food and transportation), then we probably are at the very bottom of the barrel.

Things will probably get worse. Unemployment rates are going to go up more in the next few months and even the optimists admit that we will not have full employment in this decade. Jerry Ford's advisers hope for "full employment" in 1980 — and their definition of full employment means more than five million Americans still without jobs! As usual, the proportion of Maine workers who are out of work will be much higher.

Why?

Why this injustice? Why is it that at least 52,000 Maine people can't find work when we can all see that there are plenty of useful jobs that people could do? The answer is that the economic system isn't working. It can't provide jobs for all those who need them. It can't provide decent housing

for all those who need it. It can't provide food and clothing and rent and medical care at stable prices. No serious economist or businessman now disputes this.

To the contrary, the people who run the corporations, insurance companies, the banks, and the politicians in Washington who work for their interests, tell us that we *need* unemployment to get prices down. So they engineer job cutbacks and now we have both high unemployment and high prices! The people who make these decisions are not interested in creating good jobs. Their main interest is in protecting and expanding profits.

Even the small federal effort to put people directly to work through public service employment (under the Comprehensive Employment and Training Act — CETA) was resisted. This program will result in about 1,000 new jobs in Maine in 1975. It's a good idea, but a drop in the bucket. Present bills in Congress to guarantee a job to every American willing and able to work are being lobbied to death by Big Business.

For the long term solution to our employment needs we are told that we must get outsiders to make business investments in the state. But state governments of both parties have been trying that strategy for the past twenty years. During that time Maine fell from 36th to 43rd among the states in income per person.

The experts used to tell us that we would never have to worry about large scale unemployment, that Big Business and its partners in Big Labor and Big Government would make each year more prosperous than the last. Now they are telling us that we have to accept high unemployment. We have to accept high prices for necessities. We have to drive less, use less electricity, forget about an education for our children.

Most of all they tell us we have to accept the government doing *less* for us. At the same time the government is doing *more* for the large corporations that run the economy. More tax breaks, more subsidies, more Washington strong arm tactics to help the oil companies' favorite projects.

The result is that while most of us have fallen on hard times, a few of us are doing very well. For example, last year sales of Cadillacs and Rolls Royces in the U.S. went up to an *all time high!*

SAME OLD STORY

It works the same way in Augusta. Working people have been laid off and forced to take cuts in pay. They can't pay as much taxes and they need State services more. But what does the Governor, who says he is *for* working people, do? Does he raise taxes on the rich and the large corporations who are benefitting from the inflation? No, he cuts back on state services by laying off more people. Profits always come before people!

The way the economy works, for every two workers laid off by the state government, another Maine worker in the private sector will be let go. Present state economic policies are therefore making things worse. They are creating more unemployment.

Despite what the Governor and others in state government are saying, they act as if they would rather see people on welfare and living from hand to mouth on unemployment compensation (while it lasts) than doing productive work.

Present policies for protecting profits mean that many of the jobs that the state will get under the Comprehensive Employment and Training Act (CETA) from the federal government will be used to rehire civil servants laid off by the Governor, not to hire the people previously unemployed. They mean that the towns and municipalities in the state will be forced to pay for education and other services with higher property taxes. This in turn will result in higher tax bills or rents for working people. Thus, while the Governor will get the headlines for balancing the budget, we will pay the bills in the form of more unemployment and higher taxes. With friends like that, working people don't need any enemies!

For the long term solution to our employment needs we are told that we must get outsiders to make business investments in the state. But state governments of both parties have been trying that strategy for the past twenty years. During that time Maine *fell* from 36th to 43rd among the states in income per person. Some new plants have been started and some existing ones expanded, but not enough to make a dent. Actually, much of the outside investment has been concentrated on buying out existing Maine firms, such as Bath Iron Works.

The fact is that there just are not very many footloose firms looking for places to locate. Maine must compete with 49 other states and thousands of localities to attract them. Moreover, many such firms are "fly-by-night" operators that create only temporary and low paying jobs. Maine is full of towns that have been deceived

into giving subsidies in land and taxes to such firms not to mention the beating that the state and we taxpayers have taken at the hands of such outsiders as Freddie Vahlsing.

After twenty futile years, we have to junk the approach. We can't wait for the fat cats from New York to bail us out. We should know by now that they don't come to solve our economic problems and when prospects look a little better elsewhere they pull out their capital and leave Maine workers out in the streets.

The bankers, land speculators, insurance brokers and politicians who look for a solution in outside capitalists may well stand to gain from that strategy. But ordinary people know by now that it won't solve their problems.

MAINE IS A COLONY

We've been told that we are poor because the climate is too cold. Or that we are too far away from the big market centers. Or that our people don't work hard enough or with enough skill.

These arguments are baloney. Our climate is about the same as Wisconsin's, and Wisconsin is one of the most prosperous farming states in the nation. The richest and most concentrated market in the world runs from Washington, through Boston, and right up to Portland. And who works harder than a pulp cutter in the Maine woods? Or a Maine woman who puts in a day's work at a shoe factory and then another day's work taking care of her family? As for skills, Maine has thousands of trained or easily trainable people with high school, vocational school and even college education who are begging for work.

Maine may not be as well centered in the East Coast market as New Jersey, but operating in Maine is profitable enough that the giant corporations that exploit our natural resources and our workers take over \$100 million a year in profits out of state. But each year, Maine *people* fall farther behind.

Maine is a colony. We are rich in natural resources. In timber. In potatoes, blueberries and dairy products. We have over three thousand miles of beautiful coastline. Yet the key sectors of the economy are owned by outsiders.

Some evidence:

— a 1969 survey showed that three-fourths of all medium and large manufacturing firms were headquartered out-of-state. The controlling ownership of almost all of these firms is also outside the state.

— Two-thirds of the shareholders of Central Maine Power — the state's largest utility — are

out-of-staters.

- Seven giant *multinational* pulp and paper companies own more than 40% of the state's land.

- Seventy-seven percent of all the goods manufactured in Maine are exported rather than consumed at home.

Maine is a colony. We are rich in natural resources. In timber. In potatoes, blueberries and dairy products. We have over 3,000 miles of beautiful coastline. Yet the key sectors of the economy are owned by outsiders.

The effect of private, outside corporate ownership is that profits taken from the use of our resources and the work of our people are sent elsewhere to be spent by wealthy share owners or to be reinvested. No one in Maine decides how Georgia Pacific will use the profits from its St. Croix Paper Company, nor for what purposes trees should be cut (for example, for lumber and finished wood products which create more value and more employment from a given amount of raw timber). These decisions are made in corporate board rooms far away.

In fact, Georgia Pacific (the nation's second largest paper company and one of the 100 largest corporations in the country) is a typical *multinational* corporation. Backed by the giants of the banking industry, it has expanded into Brazil, the Philippines, Indonesia, Ecuador, Venezuela and Canada. To G.P.'s board of directors, the jobs, the income and the general well-being of Mainers count about as much as the well-being of an Indonesian wood cutter.

As long as we are a colony of faraway corporations and a slave to outside demand conditions, we will never be able to cope with hard times in a self-reliant way. Right now we can look forward to years of high unemployment and underemployment. Plus rising prices. No money to buy heating fuel or to keep the car running or to feed the kids decently or to keep up with the medical bills or even to buy the shoes that we make in the factory.

We can predict the results of the fear and the frustration: broken families, alcoholism, women and children abused, more crime . . .

WHAT WE NEED

Any economic proposal needs both a long term and a short term component. The present state program is based on cutting back the state budget to create more unemployment now and relying on Big Business corporations to toss us

a few crumbs while they gobble up even more of our economic independence.

The following proposals aim at providing immediate new jobs to the unemployed and for the longer term, building a more self-reliant and independent Maine economy. They also aim at creating ways, starting now, to enable average citizens, acting together, to have final say in job decisions and job programs.

THE FIRST STEP IS JOBS TODAY!

We propose that the state begin a program immediately to put five to six thousand people to work in our Maine communities. Because of what economists call the "multiplier" effect, this could result in the creation of 2500 more jobs in the private sector for a total of 7500 jobs. Furthermore, we propose that the Governor personally lobby in Washington for proposals to expand the CETA program to get another 5,000 jobs for Maine. With the multiplier effect the total result could be the creation of 15,000 new jobs for the state within a year.

RAISING THE MONEY

The money for the state program must not come from the low and middle income people. They are the people who are already having a tough time making ends meet. The money can and should come from people whose income and wealth are well above average. Indeed, in many cases, especially towards the top, their wealth continues to grow during hard times.

1. Increased personal income tax on higher income brackets: \$17 million

- a 50% increase in income tax for those in the \$15,000 to \$20,000 income bracket;
- a 75% increase in income tax for those in the \$20,000 to \$25,000 income bracket;
- a 100% increase in income tax for those above \$25,000. These increases would bring in approximately \$17 million. The figures are based on income tax returns for the calendar year 1973. (Note: Maine's present personal income tax goes from 1% for those in the lowest income classification to 6% for those in the highest. Many states have a much more progressive income tax than that. Minnesota's goes from 1.6% in the lowest to 15% for the highest; New York from 2% to 14%; Delaware from 1.5% to 18%; Montana from 2.8% to 15.4%.)

2. Increased Corporate Income Tax: \$7 million
The present rate is 5% of Maine net income up to \$25,000. Or, if a firm's income is over that figure, the tax is \$1,250 plus 7% of net income over \$25,000.

We propose an additional surtax of 4% on the net profits of large firms (numbering about 1,000 in Maine) paid on profits in excess of \$25,000. This would bring in roughly \$7 million additional funds from the corporate income tax.

3. A Land-Speculation Tax: \$1 million
This is a tax on the capital gain from short term land sales similar to the one in Vermont. Exception should be made for five acres of land used as a primary residence and for land owned by a local development corporation. High turnover of land and short term profit taking are, as we know, extremely inflationary. Revenue from such a tax would amount to about \$1 million.

4. Increase in the Maine Tree Growth Tax: \$2,850,000. This now applies to all parcels of forest land over 500 acres in size. In 1974 this tax raised in revenues for the state \$5,711,167. We propose a 50% increase or about \$2,850,000 additional revenue to put into a Jobs Now program.

5. An Increase in the Rooms Tax: \$2.7 million
This is currently 5%. It is applied to lodgings and affects the six million tourists who annually visit Maine. We propose a 10% tax on the \$54 million annually spent on lodging. This would yield \$2.7 million in additional revenue for the Jobs Now program.

How the Highway Department Can Help
In addition to the above we propose that the state Highway Department be directed to put substantially more of their funds into the improvement of rural roads over and above what it is doing now. The Highway Department and the big contractors closely tied in with it are the automatic beneficiaries of immense sums of dedicated revenues. In 1974 these revenues amounted to \$70 million from the gas and use-fuel taxes, from motor vehicle fees, and from drivers licenses. We propose that the Department be directed to use five to ten million dollars of those dedicated funds in rural road improvement programs that employ labor power more than big machines. This approach is what economists call labor intensive in contrast to the capital intensive approach that is now so commonly in use in highway construction. A capital intensive approach squanders money in the building of huge highway systems at the incredible cost of over one million dollars a mile. Meanwhile hundreds of miles of rural roads are a potholed mess.

Even apart from the need to give higher priority to jobs than to asphalt, such useless boondoggles as the multi-lane 295 spur from Brunswick to Gardiner should be stopped. With mounting costs of gasoline they become an even more irrational way of developing a transportation system. We therefore want to see more emphasis on badly needed rural road improvement which will put far more people to work.

We propose that the highway department reallocate its funds to provide at least *one thousand jobs* for rural road improvement throughout the state.

We propose that the state begin a program immediately to put five to six thousand people to work in our Maine communities.

SUMMARY

Our proposal calls for raising 30.5 million dollars in new state taxes (adding up points one to five), and for re-allocation of highway department funds. We propose that the 30.5 million dollars be used both to hire people in useful projects and to provide money for equipment and materials for these projects. For the first year of the program we propose that 24 million dollars be used to hire 4,000 people at year-long jobs at an estimated amount of six thousand dollars each. This leaves 6.5 million dollars to apply to needed equipment and materials. The re-allocation of highway funds will provide one thousand other jobs.

This makes a total of 5,000 jobs created through state action.

MORE CAN BE DONE — POOL RESOURCES

But even more can be done right now. It can be done by pooling together and coordinating the many different programs that are fostered by the federal government in our state and by putting them back to back with our proposed programs. The current hearings of the Reeves Committee (the 107th Legislature's Joint Select Committee on Jobs) show very clearly that the situation cries out for coordination of the crazy quilt pattern of federally sponsored programs. Some provide only job slots narrowly defined; some only training; others only planning funds; others again only equipment and materials; still others loans and grants and technical assistance to start new industries, etc. These elements need to be

brought together. For this purpose we advocate the formation of a statewide body. A major responsibility of this body would be to integrate wherever possible the resources that are available and to make these resources in turn available, through the financing of needed projects, to all Maine communities. This is described in more detail in the section below on "Who Should Make the Decisions?"

WHAT JOBS NEED TO BE DONE?

Maine communities have many needs. Some of the more obvious examples are given here. Thousands of houses need to be built or insulated and improved. The sick need to be cared for. Clinics that emphasize preventive medicine need to be set up in every town. The elderly need to be helped and drawn into social activities that make them feel part of the community. Day care services should be expanded.

Idle land needs to be put back into production for food. Food cooperatives should be expanded. Railroad tracks need repairing. Rural roads should be improved. Public buildings and parks need maintenance and improvement. Recreation programs need to be established or expanded. Unused buildings can be converted into theatres where young people can learn the performing arts. Sanitation methods and facilities need to be improved. Pollution needs to be fought in all our communities.

WHO SHOULD MAKE THE DECISIONS?

At present decisions on public service employment jobs are made by bureaucrats and politicians who ask each other if they need another secretary or someone to rake the leaves in the park. Or they are used by the same bureaucrats and politicians to shift civil servants from state to federal payrolls in order to tell the press that they are cutting back on state jobs. Nationally, it is estimated that such a substitution takes 40 to 50 cents out of every new dollar of public service employment and may eventually go as high as 80 to 90 cents if the system is not changed. Thus at least half of the funds designed to hire the unemployed are now going to pay the salaries of people who already have jobs.

We believe that all monies for hiring the unemployed should do just that.

We believe that the best judges of what jobs need to be done are the people themselves who live in this state and who see the needs every day.

Therefore, we propose that all public service jobs financed by the CETA program, by our State Jobs Today program, and by other resources that may become available, be allocated on the basis of proposals submitted by Maine citizens themselves in their own communities.

The Canadian Local Initiative Program now operating in Canada is a good model. Any Canadian citizen or citizen's group is invited to submit applications for a project. Government agencies are not prohibited from submitting proposals but *they must compete* for funds with others. The best proposals are funded on the basis of whether the project meets real needs in the community and on the basis of the number of people who would be hired. The selected organizations then sign a contract with the government to do what they proposed they would do. The government's role is simply to monitor the contracts and see they are lived up to.

Almost all observers report that the Canadian program, *based on local initiative*, works much better than public service employment that simply adds more people to the bureaucracy. Instead of adding a few environmental aides to a local government, the program can support a project to recycle wood into furniture for day-care centers. Instead of adding a "consumer specialist," the program can support people to organize food cooperatives to force down food prices.

It would not be difficult to adapt the Canadian local initiative program to Maine. The following section shows how.

We need to create broadly representative and elected community councils at the local level.

A STATE JOBS COMMITTEE AND COMMUNITY COUNCIL

We need a *State Jobs Committee* to coordinate all major programs that relate to jobs and job development, including CETA and our Jobs Today program, and to help activate jobs projects at local levels.

We need to create broadly representative and elected *Community Councils* at the local level to receive funds and access to resources from the

State Jobs Committee; to receive project proposals from citizens in the community; and to monitor the results of the projects within general guidelines provided by the State Committee. Such general guidelines are needed in order to prevent favoritism.

In the event that a locality does not want to establish a community council, the State Jobs Committee could make decisions about project proposals coming from citizens in that area. They could do this until such time as a community council is established there.

The community councils would be responsible for working with citizens and citizens groups and local governments to identify systematically local needs and to design ways to make public service employment satisfy those needs. The local councils could plan large projects involving a number of citizens' organizations. Or they could make longer term commitments for projects that might take several years to develop. Local councils would have the flexibility and the knowledge of local conditions that a state board would not have.

Resources and services from programs other than CETA and our State Jobs Today program should be channeled to the community councils or coordinated with their efforts at job creation and job development. For example, the Federal Economic Development Administration (EDA), through a federal office in Augusta and in conjunction with the Maine State Department of Commerce and Industry, now provides loans, grants, and technical assistance for the starting up of new industries. This is just getting underway in the state.

Or, for example, federal money to improve housing stock (including the winterizing of homes), and to provide economic opportunity for people of low and moderate income is being made available to Maine people through the federal Housing and Community Development Act of 1974.

Or, there is the example of funds through federal programs that are available to the highway department for the development of mass transportation. These funds are virtually untapped as yet in the nation and could be used for setting up public bus transportation systems in our towns, cities and suburbs. CETA funds could be used to hire the bus drivers. We have already pointed out the potential for labor intensive rural road improvement in the use of highway department funds. These are illustrations of the way in which highway department resources can be used in tandem with other programs to produce a visible and lasting contribution to meeting real community needs.

Or, for another important example, under the terms of Section 701 of the Comprehensive

Planning Program and Housing Act, federal funds are being made available through the State Planning Office to Regional Planning Commissions throughout Maine. These commissions are currently gathering information and developing designs for land use, transportation, and for economic development generally. Experts in the commissions say that these same funds could be used to investigate employment conditions and job opportunities and to develop overall profiles of job needs.

The resources and planning services provided by these and other programs should be put back to back with the proposed activities of the community councils. Integration of these resources for the use of job-generating and citizen created projects should become a top priority of state and local policy.

A major task of the proposed State Jobs Committee would be to cut the red tape and to be a catalyst in bringing together for the use of community councils and citizen projects the resources and services represented by the many different employment related programs.

We propose that the State Jobs Committee be established by the Governor and the legislature. The people composing it would be officials from state and local governments, representatives of the unemployed and underemployed, organized labor, consumer and environmental groups, small businesses, and so forth. No member of the State Committee would be permitted to apply for funds for his or her organization.

JOBS TOMORROW

The ten or eleven thousand jobs that can be created through our proposal and an expanded CETA, plus the roughly five thousand more jobs generated by multiplier effects are a significant start, but still only a start in eliminating unemployment *permanently* in Maine. The proposals will bring some relief from the recession, but not a cure for the disease of a weak and dependent economy. In order to achieve full employment we must build a new kind of economy for Maine.

We think it requires:

1. *Planning systematically for the future* instead of leaving the state economy to the whims of big corporations and other outside investors.

2. *Emphasis on self-reliance.* This means reduction of export dependence and an expanded production of goods and services for Maine people so that our industries will be less vulnerable to economic trends outside the state.

3. *Citizens' control over productive resources,* especially the state's rich natural resources. This means a shift from out-of-state to in-state owner-

ship, a shift from private toward cooperative or public ownership in new industries, and a stronger *affirmative* public control over private enterprise to insure that the pursuit of private profit does not conflict with the public interest — in employment, in a clean environment, in local reinvestment, and so on.

4. A *full employment priority* reflected throughout the state and local government budgeting and program designing processes. Also reflected in the use of financial aid to "labor intensive" projects in the cooperative and private small business sectors.

We have made no attempt to blueprint the future nor to put a price-tag on the massive effort that will be required to create a permanently healthy economy and a fully employed workforce. We know that, unlike the short-term emergency public employment scheme, finding viable long-term jobs for every willing and able worker will take several years. Furthermore, there will have to be substantial initial investments, and educational expenditure (especially for vocational and on-the-job training of adult workers) will have to be increased greatly.

Speaking plainly, there will be great costs. But we are convinced that there will be far greater benefits. All Maine people will benefit, not just the ones who leave the unemployment rolls for good. Those currently unemployed will have more productive skills and will be using them fully to their own keep by producing valuable goods and services. They will no longer be welfare cases hanging on from day to day at taxpayers' expense.

The ideas presented below are not a complete plan for the Maine economy. Rather, they are illustrations. Most of them are not our original ideas — they come from a lot of committed people who have been thinking hard about how to make Maine a better place to live. The purpose of the next few sections is to get people to stop thinking about how hopeless things are and to start thinking about how many possibilities there are.

We believe that the best judges of what jobs need to be done are the people themselves who live in this state and who see the needs every day.

Timber Resources: We should begin with a new approach to the control and use of our most valuable natural resource — the timberlands. Most

of these lands were owned by the people through the state until corrupt governments virtually gave them away toward the end of the last century.

Demand for timber products will remain strong for decades to come. If used efficiently and with the people's interest in mind, the forests and related industries could produce a far greater value of products, many more products for local use, and a big increase in employment. The Maine woods are under-utilized and wastefully exploited — this has been shown by study after study and even some of the timber company officials admit it. They have so much land that they do not need to use it wisely.

Millions of cubic feet per year of blow downs in the forests and wood scrap at the pulp plants find no use — yet they could efficiently be converted to methanol and other chemical products that would save millions each year in petroleum and petro-chemical imports. Instead of producing plywood for the local construction industry, saw timber is sent out of state for processing and then we import the finished product. Jobs and income are lost because processing in Maine doesn't meet the short run profit maximizing needs of the timber giants. Although woodcraft and furniture making are established in Maine, they operate on a very small scale and don't begin to tap the full potential for employment and production of durable household products that Maine people need.

A good description of such a project can be found in the report "Economic Development and Resource Conservation: A Strategy for Maine" (Bureau of Public Lands, September, 1974, page 32).

The people, through the government, must regain control of the woodlands if they want to eliminate this waste of production and employment potential, and to end practices like lobbying the legislature into a light tax burden, importing Canadian labor, forcing the rest of the taxpayers to foot the bill for spruce budworm spraying that will raise *their* profits, paying little concern to the high accident rate for timber industry workers, and clear cutting and related practices that destroy the environment for future generations. We propose the following initial steps:

1. Immediate return of all public lots to the state.
2. Restrict the sale of timber rights to small cooperatives and small private businesses owned and operated by Maine people.
3. State support (through research, training, financial assistance, etc.) of timber-related industries that generate maximum employment. (Quebec, Oregon and Washington provide examples of highly successful cooperatively owned wood product industries.)

4. Development of a long range plan for state take-over of all large tracts of timberland at the cheapest price possible. (A highly progressive land tax would greatly facilitate this process, by giving the big companies an incentive to sell, while generating much of the state revenue for buying the land.)

The long term goal is obvious: to develop Maine owned and Maine-operated industries built upon our richest natural resource. To generate jobs, personal income and reinvestible profits that are now going out-of-state.

Energy: The development of the Maine economy is closely tied to how we handle our energy needs. Given our long coastline, our deepwater ports, our timber and our tides, we are in a position to work out an energy plan that will serve our long and short term energy needs at minimum environmental disruption.

Some "planning" is already going on. The oil companies are still *planning* refineries for our coast, the power companies are *planning* to set up more nuclear power plants, private investors are *planning* to make profits from government investment in research and development into alternative fuels like methanol. For the most part, these plans involve polluting our coast and taking our timber in order to sell oil, power, and other products elsewhere. Since most of the profits will, as usual, flow outside the state, it is doubtful that the people of the state would be any better off.

Still, any rational economic development program will require energy. The question is how much and how it should be produced. This is a decision that has to be made by institutions that are accountable to the public.

We propose, therefore, the creation of a *state public energy corporation* to plan and eventually take over the production of electrical energy in Maine. If it is decided, through referendum, that an oil refinery is essential for the state's energy needs, such a refinery should be operated by the State Energy Corporation. If small underdeveloped nations can operate their own refineries, the State of Maine surely can. Sub-state energy districts could distribute power much like municipally owned utilities do. Representatives from each of these districts would, in turn, make up a majority of the board of the State Corporation. Similar public utility districts already exist in many Western states and have been distributing electrical power efficiently for decades.

Not only would the State Energy Corporation plan for existing sources, but would be required to develop a gradual shift to tides, wind, and other renewable sources of energy to protect us against the long term increase in prices.

Housing: Tens of thousands of Maine people live in sub-standard housing, but they can't afford to improve their dwellings or to build new ones. At the same time, there are plenty of young men and women with poor employment prospects who would be happy to learn carpentry, masonry, and other house-building skills and to get to work. We have, or can readily create, industries to produce many of the basic materials for construction — structural timber, siding, plywood, cement, and bricks. We also have been getting some very good ideas from architects and others about ways to build attractive, energy efficient housing at very low cost and utilizing a maximum of semi-skilled labor. The ingredients are all there. What we need is a new direction for the Maine Housing Authority, the creation of a state Low and Moderate Income Home Finance Bank, and a mobilization of short-course training in home-building and home repair skills.

The long term goal is obvious: to develop Maine-owned and Maine-operated industries built upon our richest natural resources. To generate jobs, personal income and re-investable profits that are now going out-of-state.

Industrial Development: The creation or expansion of wood products and building materials industries should be only one part of a major drive to develop manufacturing of products for use within Maine. A broad range of light industry "consumer goods" such as toys, finished clothing, recreational and park equipment and household utensils can be produced efficiently at small scale using labor-intensive methods. To promote development along these lines, we urge the creation of a *Maine Industrial Authority*. The Authority would have a research and development wing, to seek out and to improve on technologies for efficient, small scale production and to assess the economic feasibility of different kinds of industry in Maine. And it would have an investment and operations agency, to underwrite plant and equipment expenditures made by Community Development Corporations in starting up new ventures (see following section for more on CDC's). In some cases, the Authority might want to establish industries itself and hire a management team to operate them.

Agriculture, Food Processing and Marketing:

As recently as World War I, Maine led New England in production of hay and potatoes, the value of livestock and orchards and the percentage of unmortgaged farms. Now the dominance of giant Midwestern and Western agribusiness is being undermined by the jump in costs of producing, processing, and distributing food by their highly energy intensive methods. Moreover, a growing number of people are aware of how much they are being cheated when they buy highly processed foods. The "new" advantages of the small, labor-intensive/integrated farm make it a possibility, and not a pipedream, that Maine can once again become a prosperous and more self-sufficient farming state.

The recent surge of interest in organic farming, community gardens, farmers' markets, community canning centers and the more than 60 consumer food co-ops that now exist throughout Maine definitely point the way for Maine's future. This is true both from the perspective of (long-term) meaningful employment as well as meeting Maine's needs for food and in the voluntary building of better rural and urban communities.

Much can be done privately by consumer and producer groups banding together and devising their own programs for action, as the Maine Federation of Cooperatives, Inc., and the Maine Organic Farmers and Gardeners are doing now. However, legislation is needed to overcome obstacles to the expansion of agriculture in Maine, especially the high cost of land.

Ideas that should be looked into include the establishment of a *Maine Farm Authority*; a land bank similar to the ones in Saskatchewan and Prince Edward Island; transferable development rights which could maintain open farm and forested land but prevent speculators from making windfall profits; and the possible establishment of cooperative purchasing agencies throughout the state.

Capital: A program for economic self-sufficiency will require capital investment. Much of the capital will come from the same place capital comes from now — the national and world capital markets. The difference is that instead of the Central Maine Power Company or the Great Northern Paper Company borrowing to make profits, the State of Maine would do it for projects selected to put Maine people to work as well as to make money.

Furthermore, the state could take a few steps to generate more capital here at home.

For example, it could begin by requiring banks in which it invests state funds to increase the investments made in employment-generating projects within the state. It could invest state pension funds in similar projects. An examination of the investment policies of the banks and state pension system to see to what degree they are being used to finance out-of-state investments should be started immediately. Certainly the state should oppose proposals that would allow out-of-state banks to set up branches here. Such proposals would result in even more capital leaving the state.

In the long run we think that the state should have its own bank in order to channel savings into investments in the Maine economy. The State of North Dakota has been operating such a bank for years and several states are now actively interested in setting up their own. A bill to set up a state bank in New York has been introduced by a member of the leadership in the New York State Legislature.

Insurance is another area that needs to be examined for capital. Insurance companies operating within the state should be required to invest here in Maine at least some of the money taken out in premiums. Again, the establishment of a state insurance company would be a way to obtain a source of capital investment for the state. The State of Wisconsin now operates such an insurance company.

POSITIVE PLANNING

It is clear that if we want to make the Maine economy self-reliant and developed to the point where every Maine person is willing and able to work, we need to plan it.

Planning has often been a dirty word. To many people it means bureaucrats meddling in other people's lives and overriding the individual's freedom. And to a large degree, this has been true in the past. Planning in Maine has been *negative*. It has told us all of the things that we shouldn't do. Furthermore, planning has been done by the government bureaus, with little contribution from the ordinary citizens who have to live with the decisions.

Yet we all know that we must plan for the future of the state, just as we encourage our children to plan for their future. Just as any conservative person in business plans for the years ahead. The difference is that we encourage our children to plan positively, to plan to *do* things, not to plan *not* to do them or have somebody else do them.

In the same way we must develop *positive* planning for Maine. We must develop ways in which we can use the state's resources to satisfy our needs, not the needs of shareholders in faraway cities.

Positive planning should be aimed at making Maine and her citizens more self-reliant, more independent, more able to create our own cooperative and small enterprises, more able to make decisions about our own environment without the threat of mass unemployment over our heads. And it is only through positive planning that we can in fact protect our environment and create enough jobs for Mainers at the same time. Through positive planning we have a chance to limit the amount of economic development to that which is necessary to put Maine people to work in decent and useful livelihoods and *no more*.

But who will make the decisions? Are we just calling for more government? More bureaucracy? More burden on the taxpayer?

We do not think our proposals are calling for more government than we will have in any case. Despite the tricky budgets and promises to cut back state government by every governor we ever had, state government will continue to grow. If we do not come up with a positive plan for full employment, the state government will grow even more in welfare services for the unemployed and in welfare subsidies to businesses. The real question is: can we make state and local government work for us?

The answer lies in coming up with ways for citizens themselves to engage in positive economic planning in their own communities. We think that our proposal to enable Maine people to create their own job projects and to form community councils is an important first step in that direction. It is a vital step in starting local citizens on the road to taking full responsibility to plan their own priorities.

As the experience of the community councils grows, we think that they could evolve into the heart of a positive economic planning system for the state. They could be responsible for holding hearings on what the people of a community want their area to be like in five or ten or even twenty years. The community

councils would then make plans to assure that the public service jobs in the area were aimed at achieving these goals. Community councils could begin to estimate the needs for housing, transportation and other needs in their areas, and take on the functions of the regional planning commissions,

The state would be required to use the community council's plans in setting its own plans and priorities. Eventually, some of the state budget itself could be turned over to the community councils as they developed expertise.

Just as important as the local councils is the encouragement of more cooperative and community enterprises and small businesses as the basis for future economic development. Such a strategy is ideally suited for the hardworking, resourceful people who live in this state.

GETTING TO THE POINT

These proposals have been put together by Maine citizens volunteering their time and energy and thoughts. They are not complete. There are probably some weaknesses. And there are undoubtedly a lot of other ideas that we haven't thought of.

But we think the general principles are sound.

One purpose of this pamphlet is to show that things are not hopeless. We do not have to accept high unemployment and its social and economic consequences. If Maine people willing and able to work can't find jobs in Maine it is because that is the way our economic and political leaders have chosen to operate our economy.

You may agree or disagree with our proposals. You may not be sure yet. You might want to talk to others about it. If you do, and they tell you that they are for Maine people working at decent jobs at decent pay, but don't like our ideas, remember to ask: what is their solution?

Perhaps by working together we can come up with a better idea than any of us working alone will be able to do.

Let's talk. The Citizens' Committee on the Maine Economy is open to anyone and it doesn't cost a cent. You don't have to join to engage us in a discussion. Write to us at Box 2066, Augusta, Maine 04330.

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JOB'S FOR SELF-SUFFICIENCY

Proposed by

James D. Lorenz, Jr., Former Director
California Employment Development Department
(May 22, 1975)

Give a man a fish, as the saying goes, and you are helping him a little bit for a very short while; teach him the art of fishing, and he can help himself all his life. On a higher level: supply him with fishing tackle; this will cost you a good deal of money, and the result remains doubtful, but even if fruitful the man's continuing livelihood will still be dependent upon you for replacements. But teach him to make his own fishing tackle and you have helped him to become not only self-supporting, but also self-reliant and independent.

—E. F. Schumacher,
Small Is Beautiful

What is wrong now is that the tools are too big. They have turned us from tool-users into tool-tenders. The tools shape the product and the work. A society of large tools cannot be democratic, egalitarian, humane and just. It must be hierarchical, exploitive, bureaucratic, and authoritarian. If the day comes when all of humanity's wants can be applied by a few giant tools, the people who tend them will rule the world.

—John Holt, writing in
Whole Earth Epilog

Less is more.

—Mies Van der Rohe

Convivial tools are those which give each person who uses them the greatest opportunity to enrich the environment with the fruits of his or her vision. Industrial tools deny this possibility to those who use them and they allow their designers to determine the meaning and expectations of others. Most tools today cannot be used in a convivial action.

—Ivan Illich,
Tools for Conviviality

A good wit will make use of anything. I will turn diseases to commodity.

—Falstaff,
King Henry IV, Part
II, Act I, Scene 2

People in a modern industrial society are conditioned to think of unemployment as a terrible affliction which leaves them with nothing to do, suggests their own obsolescence, confirms their dependence on others for help, reinforces resentment of others who are better off and encourages conflicts among groups over who will get the crumbs. But there is no reason why we need think so negatively.

Unemployment can be an opportunity, first, to recognize the ways in which the old economic order fails to serve human needs, and second, to make new beginnings. We can use the time to acquire new skills, some of which can be sold in the job market of the future. We can also learn old crafts—how to garden, how to fix our own cars, how to teach our own children, how to protect ourselves, how, in sum, to be less dependent on high-priced, unresponsive, mammoth institutions which rule more than serve us. We can become more self-sufficient. We can rely upon private community organizations which still retain enough human scale to be manageable and alive. We can build economic enterprises which are controlled by the community. Economic underemployment can lead to personal development, which can proceed to economic full employment.

Concretely, what kind of employment program should we begin?

I. REDEFINING "PUBLIC SERVICE" EMPLOYMENT

Initial efforts and public announcements should focus on 15 to 20 small innovative, short-term work projects which encourage self-sufficiency. At the outset we should be talking about the kinds of work which is done, rather than about the numbers of jobs (for unspecified purposes) which are created. Otherwise, we reinforce the public's present view of the jobs program, which is the dumping of a lot of money for leaf-raking projects, paper pushing for government agencies and unspecified purposes which the public presumes to be make-work.

Once people are talking about the kinds of self-help projects which the state is behind, they will be more receptive to a major announcement by the Governor, proposing the creation of a large number of socially useful, part-time jobs.

Operating with the money available to us now, without asking for any additional General Fund money, EDD will have the 15-20 innovative projects operating by June 20, 1975. The announcement of the big program can come thereafter.

These are the projects EDD is setting up:

- (1) Six to seven Vietnam veterans are trained and employed as security guards for senior citizens who are being mugged and robbed in San Francisco's Tenderloin District.
- (2) UAW members in Fremont and Hayward are paid on a part-time basis to cultivate 50 acres of vegetables for unemployed union members.
- (3) The East Los Angeles Community Union and the Los Angeles Council of Building Trades hire high school dropouts from welfare families and unemployed construction workers on AFDC-U to insulate the houses of senior citizens who are disabled. Because the youth and the construction workers go off their welfare grants for the four months of the project, the state and the county realize welfare savings exceeding \$200,000.
- (4) Teenage welfare youth and construction workers repair Los Angeles schools damaged by vandals and, working with unemployed art teachers, construct outdoor murals, if requested to do so.
- (5) Unemployed farmworkers and retired farmers assist County Agricultural Commissioners in enforcing pesticide regulations.
- (6) Unemployed laborers work with Indian youth to build a hiking trail from the Mendocino Coast to the Sierras. The project would be sponsored by Friends of the Earth.
- (7) Teenage girls and boys work on venereal disease control for a neighborhood health clinic in San Diego.
- (8) In Kern, Yolo, Stanislaus, Solano, Santa Cruz, San Joaquin, Monterey, and Merced Counties, unemployed youth and construction workers repair dilapidated farmworker housing operated by the state, presently the largest slum landlord in rural California.
- (9) Unemployed social workers work with EDD's Employment Service to develop retraining and jobs for social workers and teachers in private industry, thereby lessening pressure for expanded government social worker programs.
- (10) Ten unemployed but capable photographers are employed to photograph working Californians who demonstrate the "Dignity of Work." Their pictures, as well as others of California workers, are exhibited in the State Capital in the Spring of 1976, in commemoration of the bicentennial. (Parade magazine is prepared to run a story on the project.)
- (11) Ten senior citizens help the Department of Health enforce nursing home regulations.

(12) Mexican-American youth are hired as translators for emergency rooms of county hospitals.

(13) Ten unemployed engineers and building tradesmen work with the Sierra Club to generate more jobs for protecting the urban environment.

(14) Ten unemployed loggers are trained and employed to assist in the preparation and processing of Timber Harvesting Plans and Environmental Impact Reports.

(15) The Point Foundation trains and employs urban youth to conduct "New Games" in city parks.

(16) Senior citizens are employed as teachers' aides in childcare centers.

(17) Unemployed teenage girls work as shoppers' aides for bedridden senior citizens.

(18) Unemployed teachers serve as reading tutors for Youth Authority Wards.

(19) Ex-offenders who have successfully completed their probation are hired to locate 3,000 probationees who, unless they comply with reporting requirements, will be sent back to jail. (The savings in incarceration costs should be at least \$100,000.)

(20) Unemployed machinists are trained and employed to assist in the repair of school buses.

In reviewing these projects, we should note that they run diametrically counter to the emphasis of the current jobs program financed by the federal government and managed, for the most part, by cities exceeding 100,000 in population. The projects are run by private community organizations, rather than by growing government bureaucracies. They produce a tangible work product (vegetables and functioning school buses) rather than intangible services (office services) which involve the processing of paper. They develop skills (horticulture, home repair, automotive maintenance) which the participants can use for their own benefit, rather than encouraging skills (filing) which are valuable only if they are purchased in the market place.

In order not to raise false expectations, the projects would run for four months only. Classroom training would be provided when available and relevant.

II. DESIGNING A BRIDGE TO THE PRIVATE PROFIT-MAKING SECTOR

Bob Gnaizda has an interesting idea which I think is worth trying. He says we should "cream" the unemployed labor force, offering JI/PSE training stipends of \$60 per week to 1,000 highly qualified

people for four months. They would receive valuable job experience and training in three different state government positions—and at the end of the four months would enter a reasonably well-paying job guaranteed ahead of time by private industry.

The project seems feasible. Mario, Bob and I should meet with business leaders, just as we did last month. We offer the state-subsidized training in return for pledges on the spot which total 1,000 positions. We ask the business leaders to indicate what kind of training they want that the state is capable of providing through on-the-job training. If they want suggestions from us, we can talk about training people to deal with the mass of government regulations which businesses have to contend with. The businesses can acquire people with the latest dope on regulatory policies and with some knowledge of what to do before expensive hassles develop. The government can build a bridge to regulated businesses, based more on cooperation and less on an adversary process. (The policeman can still lurk in the background, on call if needed.) Hopefully, everyone gets more done in less time. And with more open communication, needlessly complicated and burdensome regulations can be more readily simplified. There is no end to the possibilities. Trainees can be placed with EDD, to learn how businesses deal with the Unemployment Insurance System; with the Division of Industrial Relations for California Occupational, Safety and Health Act enforcement; with the Insurance Commissioner; the Savings and Loan Commissioner; the Real Estate Commissioner; and so on and so on. At the end of the four-month program, the top 20 participants would be selected for a special year-long project to study how government regulations can be simplified to develop employment.

Unemployed teachers, social workers, and engineers are probably the best prospects for enrollment in the program, not only because they possess the necessary white collar skills but also because these professionals face continuing underemployment in the public sector. What a good idea Gnaizda has to diminish the demand for more bureaucratic jobs in the public sector by developing jobs for these same people in the private sector.

There is one limitation we should recognize. In order for the program to work, the people have to receive good training, and in order for that to happen, the agencies should take on only as many people as they can effectively work with. That means that this experimental program should be run over a one-year period, approximately 330 people going through every four months.

If the program works, then maybe we can talk about 5,000 guaranteed positions the next year.

III. THE MORE AMBITIOUS WORK PROGRAM

If and when the little job program is operating successfully, the Governor should make a dramatic offer which, to my knowledge, has never been made by a Governor. He offers 100,000 part-time jobs, paying

\$1,000 apiece, for people presently drawing unemployment insurance and/or welfare benefits. Made available on a completely voluntary basis and lasting no more than four months, the jobs would be recognized as a temporary palliative. But they could provide valuable re-training, self-sufficiency and a sense of community. They would furnish an income supplement of \$1,000 per person over and above the unemployment insurance received and/or in excess of the welfare grant, assuming the HEW waiver were secured. They would be run exclusively through unions, neighborhood organizations and other private groups, so as not to expand the government payroll.

The total cost of the project would be \$115 million, \$100 million for wages and \$15 million for overhead. The cities and counties should be asked to contribute another \$58 million (from their CETA funds) to extend 50,000 of the jobs for four more months—and thereby cover those workers who are not able to find full-time work in the private profit-making sector.

Since the jobs we are offering are part time only, program participants would be required to continue the search for full-time work—as a condition of receiving UI and part-time job wages.

IV. BEYOND?

The 100,000 job program is a short-term emergency effort, but with it we can establish themes which can be developed on a longer term basis. Plant the right seed in the proper place—and watch the forest grow. The setting down of roots should begin even as the 100,000 job program is commencing. For example:

(1) Part-Time Work. The 100,000 job program offers part-time work in order to multiply the number of jobs offered and to provide some non-work time for self-development. Why shouldn't the same technique be used by government and private industry for, say, 10% of the jobs being offered? If 10% of the state's 9,000,000 jobs were converted to half-time, 900,000 new half-time jobs would be created. Conclusion: The Governor should call a conference in late summer 1975 to explore the advantages and disadvantages of part-time work. We should also consider introducing legislation this session which would allow governmental employees to voluntarily convert 10% of government jobs to part-time work.

(2) Community Economic Enterprises. Some of the private groups participating in the 100,000 job program will continue their work. A few may want to expand it into ongoing businesses. (A UAW car repair co-op could develop out of the school bus repair project, for example.) Ongoing not-for-profit enterprises, such as consumer cooperatives, may decide to expand into new markets, such as solid waste disposal and construction of youth hostels. For all of this, technical assistance and capital will be required. Thus: a State Development Corporation, which provides the technical assistance and a State Bank, which furnishes capital.

Of course, this is the logical progression. The job program starts because of failures in the old for-profit economic order. To return to the old order, after this year's crisis is over, is simply to revert to the old problems, which will emerge two to three years from now, requiring a "new emergency" job program. A good employment strategy should involve something more: first the support of alternative economic institutions which have developed because of the failures of the old order; and second, support of their expansion and institutionalization in the economic mainstream.

This means the growth of not-for-profit enterprises, which are member controlled, be they members of unions, co-ops, or whatever. The consumers become producers, for themselves initially, and then for others. Here is the key to gaining self-sufficiency, not only personal, but also economic. People need to assume control of capital and learn how to manage, as well as how to garden, repair cars and mend their own clothes. Otherwise, they are still resigned to a nether world of powerlessness, much like that which the counterculture finds itself in.

The State Development Corporation and Bank should help not-for-profit enterprises because these are the enterprises which will best allow the consumer and worker the possibility of managing and controlling economic enterprises. And if a large number of people can "come of age" in the economic system, then there will be other benefits.

Enterprises which are controlled by working people are less likely to invest in labor saving machinery than is Safeway, which is concerned only with profit mechanization, and are less inclined to export jobs abroad than is the Rohr Corporation.

Also, community enterprises have to be more scrupulous in maintaining acceptable wages and working conditions—precisely because they are more susceptible to community pressure. But at the same time, since they don't have the power to tax, they are superior to government in that they don't have the resources to allow never-ending wage increases.

Furthermore, because member-participation organizations break down if they grow above a certain size, community enterprises contain a built-in check against unreasonable growth.

If the community organizations which receive public subsidies are not-for-profit, then the revenues of the enterprises can be socialized, as well as the costs—thereby providing the taxpayer with something he has seldom obtained with government subsidized private enterprise: a return on his tax investment. We would thus be able to signal an end to the worst excesses of the present system, where the public subsidizes private enterprises through direct subsidies, government contracts, tax loopholes and government-sponsored price fixing, but receives few of the economic benefits. (No wonder federal, state and local governments are running out of money.)

There is a final benefit in supporting community economic enterprises. In those markets where a not-for-profit enterprise functions

alongside profit-making businesses, the non-profits can serve as a "yardstick" which can measure the efficiency and the "fairness" of profits made by profit-making institutions. If, for example, the state suspects that various private insurance companies are ripping off the public through malpractice insurance, then the state can establish a public, not-for-profit insurance company, just as British Columbia has done. Not only would the state be able to measure private profits better than it could by ordering the private companies to comply with various reporting requirements (which can always be circumvented), the state would also be exerting pressure on the companies to shape up. Parallel public enterprise can thus function as a more effective form of government regulation.

I would suggest the Governor call a special session of the Legislature to consider the employment program. Bills creating the State Development Corporation and Bank could then be considered.

(3) Tracking and Controlling Private Capital. To affect the number of jobs, we have to affect the flow of capital, within the state at least. But in order to do so, we need to know something which we do not right now: where and how private banks, insurance companies, and savings and loans are investing their money. We should draft legislation requiring such information to be reported to the Business and Transportation Agency. The mere asking of the question will encourage California businesses to invest more money in California.

Also, we should introduce legislation requiring all pension funds to invest 1% to 2% of their assets in state building construction, just as the carpenters' and electricians' pension funds now bind themselves to do. Releasing \$200 million to \$400 million for state building construction, mortgage investments could be insured by the State Housing Finance Agency for a General Fund cost of no more than \$20 million per year.

(4) Training Stipends Paid by the UI Fund on a Permanent Basis. Instead of benefitting only the top 20% of the working population by approving an increase in maximum UI benefits, as provided in AB 91, and instead of allowing a never-ending increase in an unemployment system which does not produce a single new job or trains a single new recipient, we should provide a \$15 per week increase for all UI recipients who participate in approved retraining plans sponsored by private organizations. Retraining benefits would be limited to 12 weeks. Assuming 300,000 UI recipients participated in any one year, the cost of the program would be \$54 million in retraining stipends—or about the amount that we have already approved (but can rescind) for increased UI benefits. If another \$26 million were paid to teachers to provide the retraining, 2,600 teachers' jobs would be created at \$10,000 per job per year. What a good way to begin changing the educational system. But note: Control in the system would shift. Instead of the suppliers (the educational monopoly) deciding what is best for people to learn, one of the reasons why schools are so out of phase with employment needs, the consumers would decide, control the money, and contract with various public and private schools to provide the teaching services.

Either the schools would shape up in the market place, or lose business. In the public sector, the market may be the best regulator.

Does that mean that the new employment program is making the public sector more like the private sector, and the private sector more like the public? Yes.

(5) Change the Welfare System: Provide All New Welfare Increases as Training Stipends. What can be done with the UI system can also be done with the welfare system: no new welfare increases for doing nothing; all welfare increases should be in the form of training stipends. But that's only the beginning. We should move to amend federal and state law so that all welfare recipients who do not have ongoing childcare responsibilities should work on a part-time basis, rather than receive the check for doing nothing. If a smaller version of the 100,000 jobs program can be maintained on an ongoing basis (see section 6 below), then part of this job money can be paid to welfare recipients as an additional incentive for working.

(6) An Ongoing Part-Time Job Program as a Counter-Cyclical Device. Despite what we do, the business cycle will operate like a roller-coaster. Probably the unemployment rate will go down in 1976, an election year, but will rise again by 1977 or 1978, just as it has over the last decade in years following elections, when the economy has to go cold turkey to compensate for the "quick fixes" which have been ministered during the election years. Are we going to design from scratch another short-term emergency job program in 1977? I think we should plan now.

Drawing from the General Fund after January 1, 1977, the state should set a contingency job fund of, say, \$50 million, which would begin to create part-time jobs as soon as the state's unemployment rate rose above, say, 9%. This is what Sweden does. The job preferences are developed and held in reserve and the jobs "vest" as soon as the unemployment rate hits a certain level. Note that this approach would serve as a second line of defense behind the UI training stipend, which would continue to operate regardless of where the unemployment rate was.

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From the Reader of the Conference on Alternative State & Local Public Policies held June 13-15, 1975 in Madison, Wisconsin. The reader was edited and compiled by Derek Shearer and Lee Webb.

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