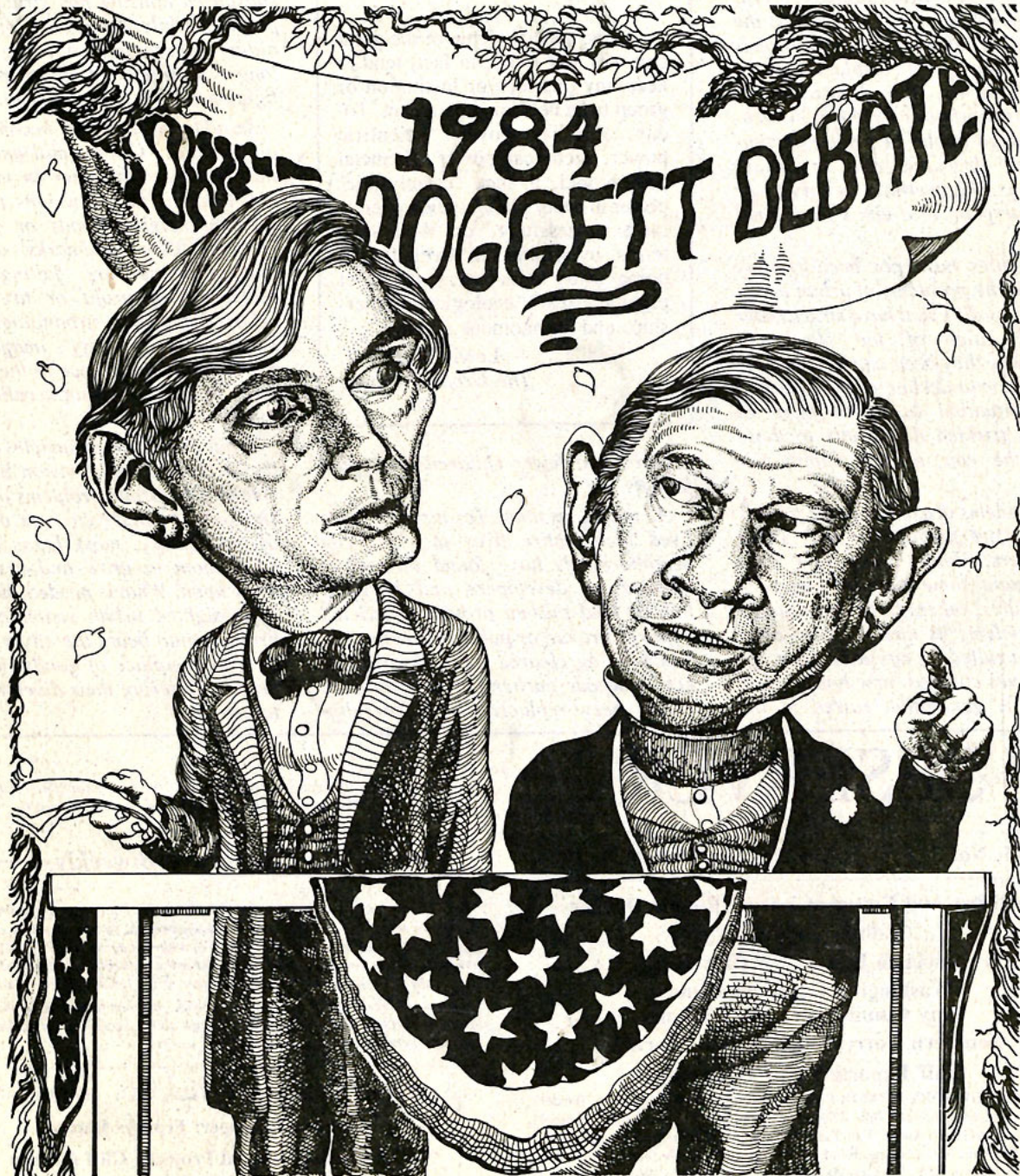


THE TEXAS OBSERVER

March 11, 1983

A Journal of Free Voices

75¢



Drawing by Kevin Kreneck

In This Issue:

Doggett Interview ☆ Urban Prospects ☆ Ray Marshall
Vassar Miller ☆ Rolando Hinojosa

URBAN PROSPECTS FOR THE '80s

The following articles address several issues common to most Texas cities: the gentrification of older neighborhoods and the subsequent displacement of former residents, the destruction of stable neighborhoods by the encroachment of large public or private institutions, the dramatic rise in tenant populations, the overhaul by private or public enterprise of a city's traditional image.

Texas cities have not been entirely immune to the problems of urban decay and overcrowding that have struck older industrial cities of the Northeast. Neither have they been entirely immune to the economic decline of the '70s and '80s, a situation in which financial relief has trickled down only to those few at the top of the supply-side pyramid.

The problems discussed in the following pieces are familiar to most Texas city-dwellers. While rising fuel costs have brought some suburbanites back into the cities, others have encountered urban problems as their suburbs aged or were engulfed by city expansion. As interest rates climbed, new house starts dropped. A generation raised in the

... the special virtue of the great city was that it did, in fact, tend to keep any one idea or institution or group from becoming dominant. Today, military power, scientific power, technical power, financial power, and, in fact, 'cataclysmic' power in every manifestation operate most successfully, on their own terms, by wiping out diversity and doing away with every mode of organic growth, ecological partnership, and autonomous activity."

— Lewis Mumford,
The Urban Prospect

suburbs had fewer children and opted for city life.

At the same time, Texans who have lived their entire lives in older city neighborhoods have found themselves invaded by developers and bargain-hunters and pushed around or evicted by large private or public interests. Urban housing cleared for renewal projects a decade earlier has not, in many cases, been replaced. New federally-

subsidized housing has virtually disappeared, while thousands of units of older government housing can no longer be inhabited. More people are fighting over fewer places to live.

In addition, land has become the real oil of Texas. Commercial and residential developer influence in most Texas city councils far outweighs that of individual neighborhoods or groups of citizens. City landmarks and older neighborhoods are falling to the bulldozers of profit or tax strategy, destroying what urbanologist Kevin Lynch calls, "the city's image," which gives spatial coherence to the lives of a city's residents — what is called a sense of place.

What the following articles point to is the lack of an urban vision in Texas to confront the urban problems of the '80s. Unlike many older cities in other parts of the country, most Texas cities still have room to grow and resources to draw upon. What is needed, however, is a far-sighted urban vision capable of bringing into being the city's ideal role as a marketplace of goods, ideas, and people, fostering their diversity and interaction. G. R.

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Selling Out Dallas Public Housing

By John Fullinwider

Dallas

ON JANUARY 14, 1983, the Housing Authority of the City of Dallas (DHA) signed a contract for sale with Baylor University Medical Center for the sale of a local public housing project called Washington Place. The purchase price is \$9 million. Baylor will pay \$2.1 million upon closing, which is expected by August of this year; within a year of the closing date, a second payment of \$1.5 million will be made to DHA. Thereafter, six annual payments of \$900,000 each will be made to complete the sale.

Baylor receives "full and exclusive possession of the property" after the first payment, including "the right to raze any and all of the improvements" — that is, the homes of some 200 low-income tenants. Their apartments are part of the 347-unit project built during World War II, now overshadowed by the adjacent Baylor hospital complex. The 1,300-bed facility is the largest medical center in the state and, like half the hospitals in Texas, is now owned by a health conglomerate — Baylor Health Care System — which operates five other area hospitals.

Baylor officials say they need the 17-acre Washington Place project for a long-range expansion program which, besides more beds, labs, and operating rooms, includes other "supporting services" such as "a Retirement Village . . . a new school of Allied Health Sciences, student housing, and a new Research Center, to name a few."

Washington Place tenants claim they need the project now — to live in. "It's time you consider that we are citizens of this country," testified Gwain Wooten, president of the Residents Council, at a recent DHA board meeting. "I'm concerned there is not enough housing for the poor in this city. . . . There are people sleeping in the streets."

DHA and Baylor have agreed to design a "release plan" which "will divide the parcel of land as nearly as practicable into

tracts of a rectangular shape." Under the release plan, Baylor may request that title to certain tracts be conveyed as they are paid off, prior to the full payment on the entire parcel.

If Baylor sells any part of the property purchased within ten years of the closing date to any third party "for uses and purposes other than street, utility, health care, medical care or medical research," the giant health chain must pay DHA half of the amount, if any, "by which the net proceeds of such unrelated sale exceeds (a) \$11.873 per square foot of property sold, plus (b) interest on \$11.873 per square foot sold from the date of the Closing" at the annual interest rate of 14%, according to the contract.

It is questionable whether the \$11.873 per sq. ft. selling price represents fair market value, especially considering the strategic inner-city location of the housing project, barely a mile east of the central business district and with ample frontage on a proposed \$40 million ceremonial boulevard connecting downtown with the Texas State Fairgrounds. But the deal is substantially sweeter than that — at least for Baylor. Not only has the U.S. Department of Housing & Urban Development (HUD) waived the usual requirement that public bids be taken, but DHA has agreed in the contract to owner-finance the sale at *zero percent interest* for seven years.

Before the contract for sale can be implemented, however, it is subject to a final review and approval by HUD. Moreover, it must survive a legal challenge filed November 29, 1982 — a class-action lawsuit filed on behalf of the tenants of Washington Place.

Intentionally Vacant

Washington Place is a multi-family public apartment complex owned by DHA and operated with federal funding, under the regulations of HUD. DHA is an independent quasi-public agency, with its five-member board appointed by the mayor of Dallas — *quasi*-public because the people most directly impacted by its authority, the tenants, have no representative on the board. (Following the 1972 opinion of then Attorney General Crawford Martin, the Dallas City At-



Drawing by Dan Hubig

torney advised Mayor Jack Evans last year that a public housing tenant could not be appointed as a housing commissioner because of potential conflicts of interest.)

The project is part of a racially integrated community in East Dallas, located at 421 N. Washington. The census tract containing Washington Place (22.02) showed the following racial makeup in 1980:

Total population	2,071
White	577 (28%)
Black	1,292 (62%)
Other	202 (10%)
Spanish Origin	276 (13%)
(figured separately)	

East Dallas as a whole had a population in 1980 that was 53% white, 20% black and 27% other races; the Spanish-origin population was 35% of the total.

The number of residents living in Washington Place has decreased steadily over the past two years, from 347 occupied units in January 1981, to 310 occupied units in November 1981, to 217 occupied units in February of last year, to the current figure of approximately 180 occupied units. In documents filed with the U.S. District Court in conjunction with the tenants' lawsuit, DHA admitted "that it has intentionally allowed one-third of the units at Washington Place [to] remain vacant."

Baylor Makes an Offer

DHA Director Jack Herrington has stated that Baylor has been interested in purchasing Washington Place for "almost 10 years." The feasibility of selling the project is the subject of a memo dated 6-7-79 from Sidney Miller of HUD's Housing Division to then Area Manager for HUD Irving Statman. (Unfortunately, HUD has refused to release this memo to the public despite a Freedom of Information Act request by the tenants' at-

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torneys; however, a list of the memos, their titles, and correspondence has been released.)

Baylor made its first formal offer to buy on November 4, 1980, in a letter from its President Boone Powell, Jr., to Herrington. Powell wrote:

Three years ago, we realized that the Dallas Housing Authority's property, or at least a portion of it, would be highly desirable to our long-range [planning] program. About the same time, members of your Board [DHA] in informal discussions with our Director had indicated an interest in the possible sale of this property.

Herrington passed along Powell's offer ten days later in a letter to Statman, having "concluded that the Authority would like to cooperate with Baylor in making the sale." There is no public record of any studies, analyses, or meetings with tenants or anyone else during those ten days, which might document support for Herrington's hasty conclusion.

Irving Statman sent a memo to HUD's Assistant Secretary for Housing, Lawrence Simons, on 11-20-80, which has also been withheld from the public. The subject of this memo, written *four days before* Herrington relayed Baylor's offer to Statman, is "Sale of Washington Place," according to HUD Regional Counsel Vernon C. Mayfield. Statman also discussed the sale with Simons in a memo dated 12-3-80, also unreleased.

Statman made his formal recommendation and request for approval of the sale of Washington Place in a memo to Simon dated 1-13-81. He recommended the project be sold because of the "deplorable condition" of the housing, cited by Herrington, and because of "the great benefits to be obtained by the community by the expansion of the hospital."

*... 136 units to be lost ...
have been replaced
with a piece of paper.*

Six days later the assistant housing secretary wrote back, authorizing Statman to approve the sale to Baylor. He waived two regulations governing the demolition and disposition of public housing:

- 1) the determination of the feasibility of rehabilitation of the housing units (the "primary criterion," according to the memo of 1-19-81);
- 2) the requirement for public sale or open public bidding on the property.

The assistant secretary did specify six requirements that had to be met before the sale could be implemented.

HUD's Conditions

As described in the memo of 1-19-81, Statman was ordered to determine that all requirements in 24 CFR 870 for the demolition and disposition of public housing not specifically exempted be met before the sale is finalized, including the following:

1. DHA must provide for replacement housing on a one-to-one basis, "to be constructed" within a time frame acceptable to the area HUD office.
2. 100 of the replacement units must be in the vicinity of the existing site.
3. DHA must "immediately notify tenants" of the proposed sale and solicit their comments.
4. DHA must submit to HUD's area office for approval a relocation plan for displaced tenants, to be successfully completed prior to the sale of the project.
5. The project must be sold at a price not less than fair market value at the time of sale.
6. Proceeds from the sale must be applied to the outstanding debt on Washington Place, with any funds remaining reverting to HUD for application to other current DHA debt.

The HUD area office was explicitly prohibited by the assistant secretary from waiving any of these conditions. By now, however, all of them either have been waived or substantially changed.

According to DHA Assistant Director David Morton, the tenants received official notification that the housing authority was "considering a very unusual opportunity" — selling out to Baylor — in September 1981. This was nine months after HUD ordered that tenants be notified "immediately," ten months after Herrington officially notified HUD of his intention to sell, and four years after DHA board members told Baylor they were "interested" in selling Washington Place.

The condition for use of the sale proceeds was changed to allow funds to be applied to the "acute modernization needs at DHA." A DHA request to use the money from the sale "to subsidize Authority [DHA] operations" in ways other than capital improvements to public housing was denied in June 1982; Herrington apparently wanted to use the money for a new administrative building.

Replacing Something with Nothing

The issue of replacement housing is a tricky one. The initial HUD requirement, as noted above, was that replacement housing units must be provided "on a one-to-one basis, to be constructed . . .

in addition to units currently in the Dallas Housing Assistance Plan."

The condition that replacement units be "in addition" to the city's current inventory of subsidized housing was "removed based on budgetary constraints which preclude additional unit allocation to Dallas," according to a HUD memo dated May 11, 1981.

By August 1981, the condition of one-to-one construction of replacement units was also waived. In a memo dated August 11, 1981, then General Deputy Assistant Secretary Philip D. Winn wrote

*"The Reagan Administration
wants to do away
with public housing."*

Statman, granting permission for "the use of section 202 as replacement housing." Section 202 of the Housing Act of 1959 provides direct loans at below market interest rates to public or private agencies, which agree to provide housing for the elderly and handicapped; since 1975, Section 202 loans are limited to projects that will ultimately receive Section 8 rental assistance. Winn granted this permission in spite of his own observation that "there is a greater local need for family housing than elderly housing."

On September 21, 1981, the Dallas area HUD office received approval of an additional 120 units of Section 202 from Washington. In this manner, 120 of the family public housing units at Washington Place were replaced by subsidized units for elderly or handicapped residents.

Even considering this dubious replacement, DHA still had to come up with 227 more units. HUD's initial conditions on the sale mandated that 100 of the replacement units be in the vicinity of Washington Place. DHA claims to have "accomplished" this by purchasing a 91-unit complex near Washington Place called Simpson Place. This complex, however, was "full of people" at the time of acquisition, in the words of DHA attorney Leila G. Alvarado. By acquiring a privately-owned low-income apartment complex already filled with tenants, DHA replaced another 91 units.

The other 136 units to be lost in the proposed sale of Washington Place have been replaced with a piece of paper. DHA's request for 127 additional units of assisted housing was denied in June 1982 by current Assistant Secretary for Housing Philip Abrams because of "budget constraints." Abrams suggested that using "the sale proceeds for modernization of many of DHA's 1700 vacant

and substandard units would return more units to the stock of assisted housing in Dallas than would be lost through the sale."

DHA's response to this was a resolution of its board, passed January 27, 1983, committing the Housing Authority "to construct or acquire 136 new assisted family housing units as soon as funding becomes available." In this manner, the last of Washington Place's 347 units were said to be "replaced": with 91 units already occupied, with 120 allocations for elderly housing, and with a DHA board resolution promising 136 units some time in the future.

Nowhere in the various documents released by HUD and DHA nor in interviews the author had with DHA's director, assistant director, or legal counsel was it suggested that the proceeds from the sale itself be used to construct replacement housing. If the Reagan Administration has its way with public housing funding, new units may never become available.

The President's 1984 budget proposal to Congress contains only \$515 million in the new budget authorized for all federally assisted housing programs. This is less than 2% of the \$30 billion provided in Jimmy Carter's final budget and only 2.1% of the \$24 billion proposed by Gerald Ford in his last budget message seven years ago. Reagan has proposed no money for new public housing units in his 1984 budget. While she is defending in court DHA's proposed sale of Washington Place, Leila Alvarado admits, "The Reagan Administration wants to do away with public housing. They really do."

Value and Price

As noted above, DHA and Baylor have agreed to a sales price for Washington Place of \$9 million. Two years ago Baylor offered to pay \$8,126,570, according to a letter from Herrington to Statman dated December 17, 1981.

In a letter to Herrington dated January 15, 1982, Statman informed the DHA director that "HUD calculations indicate Washington Place's current value at approximately \$10,235,000." Abrams wrote Statman that summer in a memo dated June 18, 1982, reminding him that Statman's own area office "indicated that the value of the project is much higher, possibly as much as \$14 million."

There have been at least four appraisals made of Washington Place, the most recent of which appears to be an appraisal done by James A. Freshman, Chief of HUD's Valuation Branch, and reported May 17, 1982. DHA has stated

publicly that two independent appraisers, presuming the buildings would "have no value to a prospective developer," had arrived at appraisals for the housing project of about \$4 million in 1981. The actual reports of these two appraisers, as well as HUD's own appraisal work, have not been released to the public. One of these private appraisers, who "worked on it jointly for DHA and the Baptists [Baylor]," told the author, "It was very secretive. We were threatened with even telling anyone."

Building Conditions

Washington Place is more than forty years old, having opened in 1942. It is, however, "structurally sound, better so than modern construction," according to The Vincent Association/Architects, which surveyed renovation needs of four DHA projects in 1978. Vincent found the buildings in no worse shape than the other three projects reviewed and analyzed and noted that they "are generally better than other buildings which we have been selected to renovate" (letter to DHA board, January 20, 1978).

When Jack Herrington first formally approached Statman about DHA's selling Washington Place, he wrote that the "project is in deplorable condition." And he added, "As a matter of fact, it should not cost a great deal more to construct a new project than to bring the Washington Place project to a suitable living standard."

Although the assistant housing secretary agreed to waive the requirement for a determination of "feasibility of rehabilitation" mandated by federal regulations, in a memo dated January 19, 1981, he pointed out to Area Manager Statman that "while the project is severely deteriorated, the cost of modernizing the project falls 31% below the published prototype cost limits for similar units in the area."

Herrington reversed himself on the question of rehabilitation in a letter to Boone Powell, Jr., on January 21, 1982, stating, "While the project is badly deteriorated, it can be made an excellent development for much less expense through rehabilitation than it would cost to build a comparable project in an equally desirable location elsewhere."

DHA has estimated that up to \$10 million would be needed to renovate Washington Place. In the absence of a genuine feasibility of rehabilitation study, however, this figure cannot be considered accurate. In the light of these conflicting statements and assumptions, the waiver of such a study is itself questionable.

Tenants' Challenge

Last November two Washington Place residents, Gwain Wooten and B. J. Ruffin, filed a class action suit in federal district court, seeking:

1. A temporary restraining order, preliminary and permanent injunction enjoining the sale and disposition of Washington Place.
2. A preliminary injunction mandating that the DHA immediately take steps to repair and maintain the units in Washington Place to a safe, decent, and sanitary condition, and to re-open all units being held vacant for occupancy.

Hearings were scheduled to begin on February 22, 1983, in Dallas but have been postponed pending HUD's final approval of the sale, which could come any day.

Very briefly, the basis of the tenants' complaint is as follows:

- A. DHA is acting in "blatant disregard of the Congressional mandate that public housing projects be sold only as a last resort," that DHA has not made "every reasonable effort to keep Washington Place within the low income housing inventory," as required by federal regulations.
- B. DHA is acting in a racially discriminatory manner in violation of federal law because the tenants to be displaced are predominantly black and will be relocated from an integrated community in East Dallas to racially segregated projects in other parts of the city, where community facilities and services are of a "much lower quality."
- C. DHA has ignored the requirements of the National Environmental Policy Act as it related to the disposition of public housing, has not involved the residents or taken into account their objections to the sale of Washington Place, and has not met other requirements for a sale of public housing mandated by federal regulations. (See conditions of HUD above.)
- D. The waiver of public bidding and "feasibility of rehabilitation" analyses is inappropriate, and the publicly stated selling price (\$8.1 million at the time of filing the complaint) is "below the fair market value of the property."

Low-income Housing Crisis

The sale of Washington Place is being proposed at a time of deepening crisis for low-income residents of the City of

Dallas. DHA currently owns and operates 7,500 units of public housing and administers 3,380 other units through HUD's Section 8 rent subsidy and Turnkey III (single-family houses) programs. However, more than 1,000 of DHA public housing units are vacant, so deteriorated that they are uninhabitable. Overall occupancy in DHA public housing units is merely 73% — the lowest occupancy level found among public housing authorities nationwide by a City of Dallas Task Force appointed to study DHA. The task force recommended in its January 1983 report that DHA "should retain a stock of assisted units equal to its current inventory of 7600 units."

Thousands of families are on waiting

lists for vacant public housing units. At least 43,000 households in the City of Dallas are in need of housing assistance, either because of substandard conditions or because their rent exceeds 25% of monthly household income, according to the most recent HUD Annual Housing Survey (1977). This is in addition to the 17,000-plus residents of public housing units.

Adding to these crisis conditions are the literally thousands of housing demolitions in low and moderate-income inner-city neighborhoods during the 1970s: 2,000 units in the South Dallas/Fair Park community; 1,900 units in the East Dallas/Lakewood area; 1,000 units in West Dallas. And these demolished units,

the result of aggressive code enforcement either acting upon disinvestment or inaugurating redevelopment, have not been replaced or else have been replaced with much higher priced units.

The sale of Washington Place to Baylor will facilitate the sort of institutional expansion at the expense of poor people not uncommon in local redevelopment politics, which have been conducted in a moral vacuum since the frame houses south of the Cotton Bowl were bulldozed during the late '60s and '70s. If the Washington Place residents and their supporters are unable to block the sale, an additional 347 units of affordable family housing will be sucked into that vacuum. □



HERITAGE FOR SALE

By Andrea Kirsten Mullen



Austin

"BE THE SECOND on your block" to purchase and fix up an old, rundown house with hidden potential, advises a popular urban life-styles magazine. The block in question is probably occupied by renters, most of them poor. Scattered litter, untended lawns, stalled cars, and vacant buildings provide evidence that the community is stagnant. Some of the very communities that are considered ripe for restoration today were teeming with vigorous activity and neighborhood pride just ten or fifteen years ago. Many of them were disconnected from the central business districts that inspired their creation when highway auxiliary lanes were laid in the early 1960s. Labyrinthine networks of tortuous entrance and exit ramps bisected many of these neighborhoods and effectively diminished contact among survivors. Healthy growth was curtailed and deterioration followed close on its heels. Property values in these areas are depressed now, but, once the community's old residents (largely minority) move away and a new middle-to-upper income group of residents (probably white) acquires and develops the district, values will increase.

Andrea Kirsten Mullen is a preservation consultant and has published articles in *Historic Preservation magazine*, *Americana*, and *Black Enterprise*.

It's risky being the lone pioneer, *Metropolitan Home* associate editor Michael Walsh counsels. Newcomers are occasionally met with hostility. Better to wait until the transition from an unsightly neighborhood to a chic, owner-occupied community of rejuvenated homes and businesses has begun. Take advantage of these opportunities, he counsels. Learn to identify "signposts" on the urban landscape that foreshadow neighborhood takeovers.

Metropolitan Home, in its earlier incarnation as *Apartment Life* magazine, was a treasured resource for city residents long on imagination and short on cash who frequented thrift shops and junk stores hunting bargains and one-of-a-kinds. Today's bargains are minority neighborhoods; the lucky finders, young white couples.

Since home ownership, the American ideal, has become a cause to rally behind, *MH* has come forth to guide the "me generation" in its search for the perfect house and the perfect neighborhood. Good detectives look for sportscars and 450SLs parked out front. Rehabs in progress, new construction, new pavement and parks, "for sale" signs and residents that "look and dress like you" are definite clues. One unexpected source of encouragement: neighborhoods populated with elderly residents. Local senior citizens "will soon be retiring to

Florida or nursing homes" or the grave, leaving their real estate for a new generation of younger owners. Like the neutron bomb, preservation is being hailed by these urban pioneers as the magic wand to erase undesirable life-forms from inner-city neighborhoods, making the way clear for middle-income whites.

With today's inflated housing market, whites shopping in minority areas can snap up bargain housing that quickly increases in value as "gentrification" sets in. Bank and savings & loan redlining effectively prevented minorities living in these transition zones from obtaining money to make their own improvements. But once the takeover begins in earnest, capital is widely available for restoration — and often at rates 6 to 10 percent below the prime — to the new owners of official historic landmarks. HUD's Section 8 and 12 housing repair subsidies have been replaced with the Economic Recovery Tax Act, a graduated tax relief program for the owners of historic commercial and income-producing structures, and a dizzying array of acronyms for new mortgage plans — GPMs, PAMs, RRMs, VRMs, FLIPs, and SAMs — not to mention Conventional Buy-Downs and mortgage Wraps. In addition to these programs, many preservation organizations have created revolving loan funds for the purchase and renovation of historic struc-

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The Disappearing Capitol

By Marcy Busick

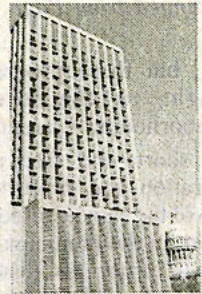


Photo by Keith Dannemiller

Austin

Thousands of Texans have had their first glimpse of state government in glimpsing a view of the State Capitol during a ride down Interstate 35, or in spotting the pink granite dome nestled among trees and the buildings surrounding it in downtown Austin. In recent years, however, a little neck-craning from the freeway has been necessary; from many places around Austin the view has been blocked for good.

A bill introduced by state Sen. Lloyd Doggett would require construction by the State of Texas to protect the view of the Capitol along at least two corridors. For years, city officials in Austin have claimed that without the state acting on the issue, any laws they passed would be useless. Now the problem is, with the City of Austin undergoing a major zoning ordinance revision, can the state set a precedent fast enough for the city to take the hint?

Doggett's bill, which originally listed three corridors, applies only to construction by the state, owner of most of the land involved. One protected view is from the LBJ Library area and the other is from the front steps of the University of Texas. Doggett originally identified a third area, a wide swath of land from the Waterloo Park area, east of the dome. That corridor was eliminated, however, when it was found to be the planned area for a multi-story parking garage. The cost of putting two or three stories under ground would have added \$2 million to the \$8 million project.

It is not clear what benefit the proposed garage will serve. According to Doggett's aide, Dan Brody, the nine to twelve hundred spaces the building will create are to serve existing employees. Brody says that Doggett is still trying to determine if the Waterloo Park area is the best location for that particular garage. If the employees are currently parking

elsewhere, how much is convenience worth? Brody says one estimate is that with \$8 million, each of those 900 or so employees could be paid \$30 to \$50 a month not to park there, for 20 years.

Meanwhile, back at the city, no definitive move has been made to act on corridors. Sally Shipman, former member of the Planning Commission, says that both in 1979 and 1981 the Commission unanimously suggested to the city council that the view of the Capitol be protected by law. Both times, nothing was done. In the words of current Planning Commission member Mary Ley, "It was like dropping a pebble down a well; there was no response."

With Shipman off the Planning Commission and Judy Fowler in her place, it may be that sympathy for such measures is no longer unanimous on the commission. Fowler has been heavily pro-developer during the bargaining stages of the current zoning ordinance.

One solution proposed is the transfer of development rights. If a property owner can build 200 feet into the air but is restricted to only 60 feet due to the capitol view, the remaining 140 feet of rights can be sold, or transferred, to another property. There are, of course, many problems with this idea. Should the sale of those rights be restricted to certain areas? Will this create a legal loophole for developers to exploit in order to build higher than zoning would otherwise allow?

Commissioner Ley is afraid that the proposed expansion of the high-intensity central business district has not taken neighborhoods into account. Nor has it addressed the view of the capitol. "Expanding the CBD as part of the zoning [ordinance] is a serious intensification of zoning without the protection of some of those rollbacks — so that's why I'm opposed to it," she argues. "[It will take] a public commitment on the part of council and a mechanism put

in place or you're just writing those neighborhoods off."

Ley maintains that neighborhood participation and public discussion as to what the expanded CBD would mean is needed. The effect it would have on existing views of the capitol should be addressed, too.

Shipman says other cities have taken measures to protect the views of their states' capitol. Denver purchased land to protect the view from the Colorado capitol to the mountains. Madison, Wisconsin, and Lincoln, Nebraska, have also protected their capitol along specified corridors. In contrast, the capitol in Columbus, Ohio, is overshadowed and blocked by the giant skyscrapers in the business district.

The Austin Planning Department has studied the corridors and is ready to propose ten identified views for council to act on. The proposal still must go before the Downtown Revitalization Task Force and the Planning Commission, as well as public scrutiny, before a vote can be taken. In the meantime, the proposed zoning revisions to allow more central building activity could be voted on at any time. The Planning Department corridors include the Waterloo Park area and the wide path it creates, which extends east to IH 35. In a February 8 speech to the South Austin Civic Club, Gilbert Martinez, current chair of the Planning Commission, said that ten corridors might be too many, but three or four would be more acceptable.

While city and state plans are still under consideration, construction in Austin has not ceased. The Westgate Building has blocked one formerly panoramic view to the southwest, and the Rust Building, a few blocks down Congress from the Capitol, is still being built.

"If, in fact, the City Council feels it is in the public interest to preserve the public view of the capitol, they should be specific," says Shipman. "More and more views have been obscured forever." □

Marcy Busick is an Austin free-lance writer.

(Continued from Page 6)

tures, but these programs are seldom brought to the attention of the neighborhoods' current residents.

In short, the free marketeering of restoration and preservation is having some of the same consequences that were evident in the municipal planning/urban renewal programs that minority communities fought so hard to dismantle. With or without the market, black people and a new set of victims — the elderly — are being pushed out of their neighborhoods at an alarming rate. Houston's black Fourth Ward residents have witnessed countless waves of evictions that have put friends and family members out in the street. Many of them feel powerless to reverse the conversion trend once developers step into the picture. The "Negro removal" days of the

'50s and '60s and the restoration-crazed '70s have changed the racial makeup of entire communities. Speculation, capitalizing on the success of the preservation movement, has caused blacks to be displaced from San Francisco's Haight-Ashbury, from Washington, D.C.,'s Capitol Hill and Boston's South End. On the homefront, blacks in Austin's Clarksville and Dallas' Freedman's Town, Prairie, and Little Egypt have long recognized that the only way they will retain ownership of their communities is through fierce and continuous struggle. The entire communities of Houston's Loving Canada, Bordersville, and Green Pond (originally a slave quarters serving what is now River Oaks) have been wiped off the map. And Fort Worth's Mosier Valley (near Haltom City) appears to have lost its battle to Bell Helicopter and the wave of industrial parks that predominate in the area.

In the same way, rural communities become victims of second-home purchases. Houston and Dallas residents in particular have long targeted the hill country and areas of Central and East Texas for their idyllic vacation havens. Sleepy rural areas located less than three hours from the primary residence (door-to-door) are optimal.

Lola Johnson, a lifelong resident of Blanco County's Peyton Colony, is self-appointed keeper of her community's archives, a collection that includes newspaper clippings about the century-old ranching settlement, news of members who have left Peyton, and photographs of prominent residents, like London City, an early mayor. Locally built architecture, like the once cooperatively owned lime kiln and Mt. Horeb Baptist Church (organized in 1874), are represented in her collection and in the church's centennial publica-

UT Moves In On East

By James William McCarver, Jr.

Dixie Connor has seen all this before.

Back in '67 the city of Austin condemned his home and sold it to the University of Texas. What used to be his land is now part of a parking lot 25 feet north of the left field fence of UT's Disch-Falk Field.

Connor scraped together enough money to move another house onto a nearby lot and fix it up. Now UT is buying property in that neighborhood and the 76-year-old resident is bracing himself for another move and condemnation.

"They come and they take what you've got," he grimly states, "and they give you something for it, but it's never as much as you had before."

Although Charles Franklin, UT's Vice President for Business Affairs, promises that the university will not use its power of eminent domain to take land in Connor's neighborhood south of Manor Road, the demonstration of those powers on the ten-acre tract to the north is too grim for residents to ignore.

James McCarver, writer and artist, is a resident of the Blackland neighborhood of Austin.

Bulldozers grind away each day in that sector, and each night another housing unit is hauled away by demolition crews — escorted by the flashing lights of Austin police cars.

But during this encroachment, Connor and his neighbors have done something they didn't do during the '60s turmoil — this time they have organized.

The Blackland Neighborhood Association was formed spontaneously in the face of UT's encroachment and has continued to press the university to respond to two questions: Does the university actually need the land? If so, why doesn't it pay a price that would allow owners to buy comparable property at current market values?

UT's Franklin notes that the university is acquiring land for future, non-specific purposes. "Instead of waiting until we're faced or confronted with having to have property, we asked the board [UT regents] for permission to buy property in this second tract [Blackland neighborhood] as it comes on the market — so when it is needed we will not have to use eminent domain procedures."

Although Franklin's intentions may have been to lessen the impact of acquisitions in the area, the real effects of the policy have been profound. Speculators holding rental property or vacant lots quickly sold to UT, simultaneously reducing available rental property and the city tax base. (State land is not subject to municipal taxes. State agencies already possess 52 percent of the city of Austin's taxable land.) Several owners panicked and sold to UT's consulting realtor, Anderson Wormley, at prices far below market value.

At the time of this writing, approximately $\frac{1}{8}$ of the forty-acre neighborhood is owned by UT or is under contract for purchase. UT plans to remove structures on the purchased lots and maintain the area as lawns. The remaining residents are faced with the possibility of increasing isolation as dwellings are removed.

In an effort to retain some of the houses for low-income families, Austin City Councilman John Trevino has initiated a plan whereby the city would purchase condemned houses, restore them with federal

tion. "I've been gathering these things for as long as I can remember," she says. Mrs. Johnson's efforts are one step — a critical step — toward stabilizing rural black communities, but so much more is needed.

A handful of inner-city neighborhood self-help groups scattered across the country is beginning to turn the tide on the displacement wave. In Cincinnati, Baltimore, Pittsburgh, Savannah, Montgomery, and Memphis, black residents of historic districts are learning to tap corporate and foundation funds and use them to buy out absentee landlords in their area and make the improvements that they deem necessary. Groups like Clarksville's Community Development Corporation are mobilizing to oppose well-meaning but nonessential improvements that increase their property taxes and make the neighborhood more appealing to whites but do not substan-

tially improve the residents' quality of life.

The stories you hear more frequently, however, are about small pockets, like Weeping Mary and Cuney in Cherokee County, Elm Slough and Waelder in Gonzales County, where blacks are losing ground on land ownership. Or East Austin, where the University of Texas has announced its intention to purchase and level more than 20 blocks of the black community's residential, ecclesiastical and commercial structures. In the town of Ames in Liberty County, where many black and white families can be traced to the same patriarch, you find a wealth of significant historic architecture but no organized effort to keep the property in the family, let alone preserve it. In Houston, where several groups have formed to try to anchor the historic properties in the Fourth Ward, the eighty-block neighborhood situated adja-

cent to the downtown, it may already be too late. By far, there are more black-owned and-occupied areas in need of conservation than there are black or white preservationists committed to the idea of preserving buildings for their current occupants.

The assertion of a growing number of practitioners that the historic preservation movement is a genuine peoples' movement is premature at best. If this is to become a reality, mechanisms must be devised to deliver these communities to the people who currently live there. A word of caution — would-be preservationists may not agree with the set of priorities or the vision of itself a community wants to be preserved. From the inception of the preservation movement, the "gentler" folk have sought to preserve their past to the exclusion of everyone else's. It's high time they took a look at the other side. □

Austin

housing funds, place them on vacant city lots and offer them for lease or sale to low-income residents.

"All that would do is have the city and federal government underwrite the social costs of UT's encroachment," stated Katherine Poole, coordinator of the Blackland Neighborhood Association. "It won't help this neighborhood one bit."

If the university does need land, residents of the Blackland neighborhood question why alternative plans are not considered. K. C. Cerny, Blackland resident and assistant instructor in UT's Government Department, suggests the university might look into developing a satellite campus at its Balcones Research Center to the north. "UT is still operating under the Frank Erwin plan that calls for eventual acquisition of all the land over to Chestnut Street," stated Cerny. "Why not look into a satellite campus like other universities have?"

Any mention of such alternatives has been missing in public statements of Governor Mark White or Jane Blumberg, a former UT regent and prime candidate to replace one of Clements' midnight

appointments. Both individuals state a concern for affected residents but also accept the inevitability of UT's growth.

Does the growth have to be to the east into predominantly black neighborhoods? According to Franklin, that is the only feasible direction for the university to grow, the only area where land is still being sold. He sees the residents of the area as assuming the risk of eventual annexation when purchasing in the area: "... a prudent person knows that there is a possibility that a public institution will expand. So, when you settle in such an area, it's one of the possibilities."

But when Nora Hale's husband built her home 52 years ago on Leona Street the university was barely evident. "It was way over there, not even an Interstate ran through. Who'd have thought they'd ever come over this far?" she questioned.

In resisting UT's encroachment, Blackland residents have become painfully aware of the lack of legal power they can rally against a state entity: the eminent domain laws are vaguely worded and the burden of proof rests on the neighborhood, not

the state. State Sen. Lloyd Doggett is introducing a bill requiring that any major urban development go through a public planning process. This would necessitate considering the needs of affected residents prior to UT action. In addition, Blackland residents are discussing with the city council the possibility of Austin's suing UT for improper encroachment.

Cynicism informs the humor of the powerless, and there is little wonder that it so richly laces East Austin dialogue these days. It deeply colors the expression of Rosa White, who lives across the street from Dixie Connor and who was also uprooted and displaced in the late '60s. In reacting to the promise by university administrators that they will not take her land, the 86-year-old retorts, "Is that what *they say*? Well let me tell you what Poppa used to tell us kids. He'd come through the house and we'd all get down and quiet and when he'd walk by one of us would peep out and ask, 'Poppa, what is it *they say*? He'd duck his head and never stop or look to one side or the other — just keep going and say real low, 'Whatever *they say* is a damn lie!' " □

The Emergence of a Tenant's Movement

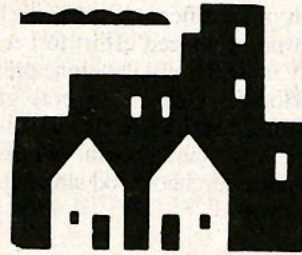
Between 1970 and 1980, Austin became a city of renters.

By Bill Groce

The runaway inflation of the mid-'70s doomed the home-ownership dreams of many middle-class Americans by driving interest rates, taxes, and the cost of single-house ownership out of reach. The US Census Bureau reports that the trend nationwide toward greater home-ownership has been reversed. In 1940, 43.6% of the nation's households were homeowners. That figure rose to 55% in 1950, 61.9% by 1960, and by 1970 the rise in home-ownership began leveling off to 62.9%. The peak of 64.4% was reached in 1980. By March 1982, there was an actual loss to 63.6%. Households represented by the decline are "those who would have bought a home if they'd been able. That's bad news," said a National Association of Realtors economist.

Joining this new class of middle-income non-owners was another significant group — the increasing population of elderly renters. Complicating the housing crunch caused by excessive interest rates and conversion of existing apartments to condominiums, the new renters — the elderly and the middle-class — were competing for available adequate housing and squeezing the poor into the remaining crowded, substandard apartments. With the free market at work, rents naturally spiraled out of sight.

Against this background of more expensive, less available rental quarters, tenants began to organize out of desperation. Renters in more than 200 cities (including San Francisco, Los Angeles, Boston, Washington, D.C., New York City and its suburbs, and more than 110 New Jersey communities) have successfully lobbied for rent-control laws. After thirty California communities passed rent-control laws, landlords in that state responded by sponsoring an initiative which would eliminate rent control in California. Even though outspent in the campaign 100-to-1, the grassroots organizing effort by tenants defeated the measure. Such confrontations have spurred activity by national political organizations on both sides in the past four years.



The first major grassroots-level tenant organization specifically designed to win political power was formed only a little over ten years ago. The New Jersey Tenants Organization (NJTO) combined a wave of rent strikes with election campaigns and legislative lobbying for long-term success in getting the most progressive landlord-tenant laws in the U.S. The success of NJTO on the state level was matched more recently by tenant groups in three cities — Santa Monica; Burlington, Vermont; and Cambridge, Massachusetts — where pro-tenant candidates were elected to public office. These direct victories are matched by successes in passing rent control ordinances. Following the upsurge of tenant activity around the country, large developers and apartment owners formed the well-financed National Multi-Housing Council (NMHC) in 1978. Then, in June 1980, 300 tenant leaders from 25 states met in Cleveland to found the National Tenants Union (NTU).

In Santa Monica, the renter population of the '70s increased just as inflation, gentrification, and condominium conversions were squeezing middle-income tenants and the soaring real estate prices (which fostered Proposition 13) made home ownership in Santa Monica impossible. Even with the 80% renter population, a 1978 rent-control initiative failed in Santa Monica, but it caught the attention of Tom Hayden and his Campaign for Economic Democracy (CED). Pointing to the grassroots rent-control issue as the common-

denominator, CED workers helped mobilize the city's elderly, liberals, neighborhood groups, and renters into the Santa Monicans for Renters' Rights (SMRR). In 1979, the SMRR coalition, guided by CED, engineered the nation's toughest rent control law along with a pro-rent-control majority on the city council and the Rent Control Board.

The National Multi-Housing Council has enlisted the aid of three Republican members of Congress to introduce legislation which would deny federal housing funds to cities with rent control. The unlikely combination of tenant advocates and conservatives who believe such a law would be unwarranted government intrusion into local matters has prevented passage.

"Tenants are the next big wave of angry consumers. They're one of the greatest under-utilized political forces in America," claims Massachusetts Democratic U.S. Representative Barney Frank.

The National Tenants Union has as its aim a federal tenant-landlord relations law similar to the National Labor Relations Act that protects union organizing. Landlords would recognize tenant unions if more than half of the renters voted to form a group to bargain over leases, rents, and housing conditions.

So far, tenants have organized only in those cities which have certain prevailing conditions. Excessive rents have been the primary issue, suggesting that rent control will be the center of future activity.

Cities that have enacted strong rent-control laws and have elected tenant-backed candidates to city councils and other deliberative bodies share certain characteristics. These cities shared a general public perception that rent increases were excessive, while other grievances persisted concerning shoddy maintenance, inadequate repairs, abusive practices in condo conversions, discrimination, and unjustified refusals to return security deposits.

More important for many tenants were the fears created by a dwindling supply

of rental units. Greater competition for available units placed renters at a further disadvantage. Some perceptive renters are expressing dissatisfaction at a tax system that liberally rewards homeownership but provides no breaks for renters. According to George Stone, director of the Austin Tenants' Council, "Landlords justify rent increases by saying they are only passing on higher property taxes which they must pay on the rental units. This just makes tenants more aware of the tax discrimination favoring owners, and renters are beginning to demand a 'renter deduction' if the renter has to pay the tax — as the landlords are saying." Possibly hoping to forestall more drastic action by lawmakers on behalf of tenants, the National Apartment Association is pushing legislation which would transfer from landlords to tenants

"Tenants are the next big wave of angry consumers."

the present federal income tax deduction for property taxes paid. Estimated at from 6%-8% of rent, it is not clear how many renters could take advantage of the deduction under present IRS filing rules.

Finally, one outstanding shared characteristic of cities in which tenant-backed candidates have been elected is that the majority of residents were renters. The combination of excessive rents, along with other grievances, and large numbers of renters started most large tenant organizing efforts. Large votes were initially produced in defense of recently enacted rent-control laws. But, it is important to realize that victories at the polls for the candidates, as well as the passage of rent-control ordinances, were the result of grassroots coalitions composed mainly of organizations already in existence.

By all criteria which describe a tenant-active city — the right demography, a history of grassroots movements, and increasing grievances — Austin can expect to hear more and more from its tenant population. One factor which apparently has been lacking is the leadership necessary to organize tenants and sympathetic groups into the coalition vital for political muscle. A dynamic candidate for mayor or the city council, recognizing the potential of a tenant-focused coalition as a political base, could be that catalyst.

Some time between 1970 and 1980, Austin became a city of renters, as the 50% line was crossed giving the city a majority (54.1%) of renters in its population. This gain represented a 6.1% in-

crease during the decade. The demographic pattern change came at a time when the University of Texas' enrollment ceiling was leveling off — indicating greater increases in tenant segments of the population other than students. Based on the slow-down in single-family construction and the extremely high occupancy rate of rental units, there is every reason to believe that the renter majority has continued its upward climb since 1980. The Austin apartment vacancy rate of less than 5% places it in the "emergency" category, and, as an income-property consulting firm was quoted in the August 9, 1982, *Austin American-Statesman*, "Austin needs at least 3,000 new apartment units a year just to keep up with current occupancy levels. However, only 2,522 new units are expected to be completed this year [1982]." The same newspaper reported two days later that "... occupancy rates across the city at the more desirable complexes are nearly 97%."

The Austin Apartment Association's executive director didn't see it that way. Ted Hendricks said that claims in local newspapers about 95% occupancy are highly exaggerated, that the "for rent" ads in the same newspaper would belie any shortage. "Of the approximately 65,000 units of four-plex or higher," said Hendricks, "there is generally about a 10% vacancy rate." He added that in Austin an estimated 4,500 units were available in 1982 and more than make up for the 3,500 needed. "In fact, it will be a soft market for a while, at least," he said.

Hendricks noted, however, that most of the new construction of multi-family units is in northwest and south Austin. This would indicate little relief for low-income areas as in east Austin, where "there just aren't any apartments available in this area that people can afford," according to Linda Phillips, City of Austin neighborhood worker. "There are people living in their automobiles, and this is not just transients, but women with small children."

But mere numerical superiority does not make the tenant population a political force or threat. Renters, without organization, have a notoriously poor voting record. The University area, with the highest concentration of renters, is a good example. In 1971, after a bitter court battle gained the right for UT students to vote in Austin elections, an aggressive registration campaign added 14,500 students to the voter rolls, and the University vote was considered the deciding factor in the next three elections. But then UT voting interest began to wane. In the 1981 and 1982 bond elections, for example, the two Jester dor-

mitory precincts turned out no more than 5% of their registered voters. But the potential is there, and with the reinstatement of the student government and renewed interest in campus politics, a significant turnout is a possibility. If students see themselves as tenants, rather than as students who are tenants, they may begin to vote. Harvard and MIT university students played a big part in placing a tenant candidate on the Cambridge town council.

Until very recently, apartment residents and other renters were written off as potential voters by political strategists. Renters were considered transients with no community ties or interest; they were said to be too busy making a living to be interested in politics; and many renters were hard to contact in apartment buildings with "no soliciting" rules in force. But this is changing. Renters are becoming more permanent as a group, and many tenants have been taking at least an average-citizen role in civic affairs. Recent computerized direct-mail successes have made person-to-person organizational contacts unnecessary.

In the United States, the numbers of individuals 65 and over increased 25% between 1970 and 1980. It is hardly surprising that the political strength of senior citizens has grown correspondingly. Because the large number of university students in Austin tends to skew Austin's age statistics, the local elderly population is slightly lower than the Texas average — but the elderly have higher than average voting interest. Austin's elderly, represented by groups such as the Gray Panthers, which has had a loud voice before councils and commissions, would be a ready-made component of a tenant coalition. As in the case of the students, the older voters must see

... rental grievances are increasing dramatically as the number of adequate rental units shrinks and rent goes up.

themselves as tenants who happen to be elderly.

Before the 1981 mayor-council elections, which introduced the neighborhood groups as a power base, the business community held dominant influence over the city's governing body. The 1983 election looms as a continuing struggle between these groups — with business holding the big bucks and the neighborhood associations influencing the vote. The best hope for adequate tenant representation lies with single-

member districts — a political possibility just waiting to be stirred up. Annexation, an important issue in the upcoming elections, may raise this issue of representation. If large areas of predominantly white residents are annexed, the provisions of the Voting Rights Act, which protects minorities from dilution of voting power, will surely be invoked. Council members would then have to be elected by district. Areas of Austin which have high concentrations of renters would have a good chance of electing their own representatives. There appears to be an increasing sentiment for single-member districts in Austin.

According to George Stone, renter grievances are increasing dramatically, as the number of adequate rental units shrinks and rents go up.

The Austin Tenants Council is getting more and more complaints — 30% to 40% are grievances about failure of the landlord to make necessary and timely repairs. Complaints about rent increases have gone up dramatically in the past year and are being combined with repair complaints. Tenants who previously accepted raises in rent have evidently reached their limit of capability to pay and are demanding that repairs be made if they are expected to pay the high rents. We get a lot of complaints by phone from the elderly, mainly about rent increases. Many of the older renters are on fixed incomes and have reached the limit of ability to pay. Some have to make critical decisions this time of year whether to “eat or heat” — the rent has to be paid. The same holds true for poor families with children — they must have shelter. . . . After rent increase and repair problems, failure to have security deposits returned is most frequent. Evictions, lock-outs by the landlord, and women worrying about security measures are also frequent complaints. Paradoxically, the one group you would expect to have the most complaints — the minority poor — don’t come in too often, mainly because they’re afraid of retribution. Being at the bottom of the economic ladder gives them less mobility than other renters, who can move if they’re unhappy with the situation. . . . During the past year we have started getting a lot of complaints from a new group of renters — middle-income, young professionals — the people who are most able to help themselves in controversies with landlords.

Linda Phillips and other neighborhood workers at the East Austin Multi-Purpose Center have seen a dramatic increase in the number of people with housing problems. “For example,” said Phillips, “in November 1981, we had practically none. This past November we had 185. It’s been running about 5 or 6 visits a day just for housing problems. And these are

people who have exhausted every other outlet for assistance.

“Mostly it’s simply the matter of minimum wage jobs not paying enough for the rents now being charged in this area. Most of the rental housing is substandard, and in some, there are no utilities. Such a place might still cost \$200 a month. But the people are afraid to complain; they have no place else to go.”

. . . tenants who previously accepted raises in rent have evidently reached their limit of capability to pay.

When asked if he believed Austin will see the tenants organize and become an effective political force, Stone said that two events could trigger a tenant uprising. “First, when middle-income renters resign themselves to non-ownership, realizing they will be long-term tenants, and then become determined to better their renter status, things will begin to happen.” The second, he said, is when the majority of renters reach a point of “outrage.”

Rents in Austin have increased steadily since the mid-’70s at about 12% per year. “At one time, 25% of disposable income was supposed to go for housing. That has gone up to 40% and over for many tenants, meaning the difference has to come from some other cost of living,” Stone said.

Hendricks doesn’t believe the tenant situation is critical enough to warrant any organizational attempt such as Santa Monica experienced. “First, Austin doesn’t have the large fixed-income population of Santa Monica. Also, the University students swell the tenant percentage out of proportion.”

He said there would be no renter candidate in this year’s city election. “There’s not enough time.” But he admitted that the current tax bills with their major increases, all levied at the same time, might cause a flurry of interest as the tax increases are passed on, many at the same time.

Whether a leader emerges from the tenant ranks to rally a coalition or a major candidate identifies with the tenant movement in campaigning for the city council, Stone believes the success of an Austin renters’ revolt will come from existing organizational skills among the tenants themselves.

“There’s a tremendous organizational talent within the groups,” Stone said,

“which would become a part of any tenant coalition. A good example is the Gray Panthers, who have a great number of renters in their group. Those people have the talent, the time, and are motivated. The new middle-income tenants include many young professionals, also experienced at working with organizations.

“At some point, the rent increases will clash with economic conditions, and tenants will say, ‘Enough.’ That point might come when tenants are paying over 50% of their income on housing; I don’t know. But it looks like it’s bound to happen.” □

Bill Groce is a graduate student at the University of Texas in Austin.

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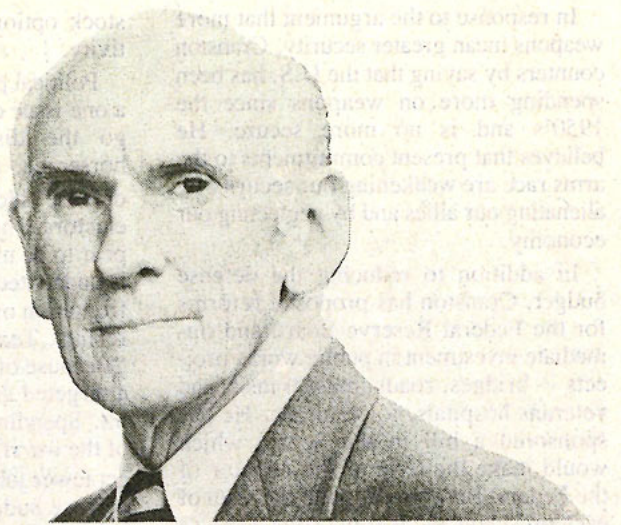
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Cranston Deserves a Serious Look

By Kay Gunderson



“[The arms race] is stifling the fair demands of justice. . . . It is leading us to abandon the aim of an excellent education for every young American. . . . It is causing us to violate the very continent — that fruitful soil — on which we built a country.”

Houston

From the mass of Democratic hopefuls chomping at the presidential bit, Senator Alan Cranston, D-Calif., has emerged as not just a dark horse, but as a horse of a completely different color. Cranston is a man with a relentless commitment to halting the arms race. His plans are those of a man of ideals — ideals not based on the moral sentiment that the arms race is inherently evil, or on a knee-jerk response to high defense spending, but on his more than 35 years experience with the problem of arms control.

On his first whistle-stop tour, Cranston told audiences on February 7 in Dallas and Houston that the time has come to end the “bellicose rhetoric” of the Reagan administration and achieve an arms control agreement with the Soviet Union. He addresses overwhelming public concern over the economy in the context of the arms race because he believes that is the dominant problem of our age.

“I believe that the feelings and apprehensions run more deeply and more broadly than people realize,” he told the *Observer*. “I realize that the economy is the number one issue with people because it’s so visible — you don’t have to imagine it as you have to imagine a nuclear war. I’m focusing my campaign on this issue because we need a President who is determined to deal with that issue. I do not believe that you can really straighten out the economy without tam-

ing the arms race.”

He goes on to talk about the children, the businessmen, the variety of people who have expressed their concerns and their deep fears about the escalation of the problem and the seemingly increased likelihood of nuclear war. Cranston has the presence of a conditioned athlete: his steady voice, clear eyes, and tanned skin belie his 68 years. Though not really charismatic, a quality which he claims Ronald Reagan has tarnished of late, he is convincing in his sincerity and his direction.

Cranston became involved in the issue of arms control in 1945, after the bombing of Hiroshima and Nagasaki. He is ranking Democrat on the arms control subcommittee and is recognized by both Republicans and Democrats as the expert arms control proponent in the Senate. He also has a reputation as a skillful problem-solver, with the ability to bring opposing sides to a compromise. There is no better evidence of this than his overwhelming successes in California, a state which sent a Socialist to the Congress and put Ronald Reagan in the White House.

Although his campaign is at least philosophically reminiscent of the 1972 McGovern campaign, Cranston, himself, manages to engender a public perception as a pragmatist — something McGovern was unable to do. “There can be no cure for growing unemployment, decreasing productivity, the diminishing opportuni-

ty for individual Americans to enhance their well-being, if we continue to pour a mounting portion of our national resources . . . into a race to build arms,” he said. “It [the arms race] is stifling the fair demands of justice — to provide equal opportunity without regard to race or sex. . . . It is leading us to abandon the aim of an excellent education for every young American — not just for the sons and daughters of the well-born. It is causing us to violate the very continent — that fruitful soil — on which we built a country.”

Rejecting the idea of unilateral disarmament, Cranston says that a workable arms agreement is not one which relies on mutual trust between the U.S. and the Soviet Union, but one which is based on verifiable procedures. Each country would have the means to determine for itself whether or not the other was reducing its weaponry. Acknowledging Russian repression in countries like Poland and Afghanistan, he nevertheless argues that the drain on the Soviet economy together with the spectre of nuclear holocaust will be sufficient incentive to reach an effective compromise. He stresses that his first task as President would be to contact the Soviet leadership, to meet with them “again and again” until an agreement has been reached.

Although not a pacifist — he supports, for example, the B-1 bomber — Cranston stands to capitalize on the momentum of the nuclear freeze movement, which calls for the priorities he advocates. In a recent interview with *Political Profiles* newsletter, he suggested that Reagan has done much to build support for arms control. “I never felt the issue of arms control and pursuing peace in the nuclear age became a viable issue until Ronald Reagan became President and terrified our allies by talking about winning nuclear war, surviving nuclear war, and limiting nuclear war,” he said.

In response to the argument that more weapons mean greater security, Cranston counters by saying that the U.S. has been spending more on weapons since the 1950's and is no more secure. He believes that present commitments to the arms race are weakening our security by alienating our allies and by neglecting our economy.

In addition to reducing the defense budget, Cranston has proposed reforms for the Federal Reserve Board and immediate investment in public works projects — bridges, roads, mass transit, and veterans hospitals, for example. He has sponsored a bill in the Senate which would make the term of the director of the Federal Reserve end with the term of each president and is supporting a House bill which would tie interest rates to 3% over the level of inflation. He would also like to see the Treasury Secretary sit on the board.

"If we can get the economy rolling again, through the combined effects of these job-creating reforms and cuts to the defense budget," he told the *Observer*, "we will have the money for the social programs and to reduce the deficit. For every million people you put back to work, you reduce the deficit by \$30 million. If we could get six million people back to work, that would take care of a big part of the deficit."

This would not only reduce the drain on federally-funded programs like unemployment compensation but would funnel more money into the country's ailing Social Security system. That, together with a gradual increase in the retirement age, should pull the agency out of its financial trouble, he said.

Cranston also advocates the revival of the Reconstruction Finance Corporation, an agency headed by Texan Jesse Jones during the Depression. The body would provide investment capital for heavy industries, like steel, rubber, and railways, and would open avenues for increased cooperation between business, labor, and government. The system resembles some facets of the Japanese economy, with an emphasis on cooperation and long-term growth rather than on reaping immediate, but short-term profits.

"We have aided companies like Chrysler, Lockheed, and New York City on an *ad hoc* basis in the past," he told the *Observer*. "I think we need a sustained plan. People don't often realize, but this would fill a defense need as well. We won't have to depend on other countries for our rubber and our steel. During WWII, we converted our steel plants to tank plants. If we had a war now, what would we do?"

The agency would also formulate incentive plans for workers, including

stock options and bonuses for productivity.

Political pundits have dubbed Cranston a one-issue candidate who probably can't go the distance in the presidential horserace, and in Texas with its huge defense industry and defense-minded electorate his support would at first appear to be minimal. Cranston, however, is undaunted and unwilling to avoid confrontation on the tough issues. "I am offering Texans *survival*," he said. "Because of its defense importance, it is a targeted area and would be first to be hit. Spending money on defense is one of the *worst* ways to provide jobs — you get fewer jobs per dollar. If trimming the defense budget results in cutbacks here, I would like to provide some reconversion programs, where those people might be trained to work in other areas, like auto manufacturing, railways, steel, and housing."

"I'm offering Texans survival. . . . Because of its defense importance, it is a targeted area and would be first to be hit."

Regarding the plight of the family farmer, Cranston said that he opposes the 23% cuts in Reagan's current budget proposal and favors providing price supports and federal aid in the development of soil and water conservation plans. "We have the best farmers in the world, and they should be able to produce all they can and make a fair profit. It is immoral and folly to keep our farmers from producing all that they can in this day when millions are underfed."

Although Cranston sticks to discussing the economy and arms control while on the campaign trail, he has taken stands on various other salient issues in the past, including opposing the death penalty and opposing the use of nuclear power for energy. He supports the equal rights movement and the need to protect the environment. He also supports maintaining loyalty to the Israeli government, stressing that any agreement with the Arab countries must not come at the expense of a strong commitment to Israel.

Though he is not one of the two front-runners, Cranston believes that he is in a good position to make a strong showing for the primaries. His campaign organization was rated second only to Mondale's by *U.S. News and World Report*, and he has a strong financial base. He has strong organizations in both Iowa and New Hampshire, where two early primaries will be held. While Walter Mondale backed Richard Daley,

Jr., and Ted Kennedy backed Jane Byrne, Cranston gave his support to Harold Washington, who went on to win the Democratic nomination for Chicago mayor. Cranston also comes from California, which constitutes nearly 20% of the total Democratic delegation. Most California Democratic leaders, including Assembly Speaker Willie Brown, former Governor Jerry Brown, and Assemblyman Tom Hayden, have endorsed his candidacy.

According to Cranston, his experience in the area of arms control together with his single-mindedness of purpose are the factors which distinguish him from the rest of the Democratic pack and which make him best qualified for the presidency. "A President must concentrate the powers of his mind and his office on one or two principal purposes, else he will squander his strength and his substance on the demands of the moment and the crisis of the hour, and his years at the center will waste away," he said. "I am bringing to this task my knowledge of arms control. I have devoted more time researching that topic than any other candidate in reach of the presidency. I also have a history of bringing people together and striking compromises."

In response to questions about his age — he is 68 now and will be 70 by 1984 — Cranston laughed and said, "I am younger than Ronald Reagan, and I will always be younger than Ronald Reagan! My age has given me experience and I hope that it has given me wisdom. If anybody doubts my physical fitness, I'd be glad to challenge any candidate to a 50-yard dash." Cranston has held a world 100-yard dash record for his age group and runs every day.

There are those who will say that Cranston's approach is not the correct approach. It is too idealistic, too drastic, too alarming. But there is a large group of voters who fervently want what Cranston is offering; last summer they were to be found marching in San Francisco and in New York. His success will lie in his ability to mobilize those who support arms control from every sector, not just those active in the freeze movement. If the oil executive and the realtor and the autoworker are truly concerned about arms control, as Cranston claims, their votes coupled with the support of nuclear freeze activists could give Cranston a decisive advantage next spring. His relentless emphasis on the issue will become palatable to the American public only to the extent that he can show that arms control is inextricably tied to the more visible problem of the sagging economy. If he manages this feat, next fall we could see Cranston emerge from the pack. □

Doggett on the Senate . . . and the Senate

Lloyd Doggett, the state senator from Austin and the 14th District since 1973, met the Observer in his Capitol office on Sunday afternoon, Feb. 20. "Sunday is my day to catch up," he said, and with phones ringing and several staffers working, there was a weekday hum around the office. Doggett, in suit pants and a white shirt, sat in a red leather chair with his feet propped up on his large, cluttered desk.

J. H.

Austin

Senator, we hear from our always reliable sources that you've been in Dallas recently, you're going to Fort Worth soon, exploring the possibility of running for the United States Senate in '84, and that you have decided to run. Is that true?

Well, I think that it is very likely that a progressive can be elected in 1984, and I would like to be a part of that effort. I think that a final announcement must await the conclusion of the legislative session.

What are the factors that you have to think about in making that decision?

I think, first of all, whether it is winnable. The office itself offers an opportunity to speak and to help establish the whole national agenda. The office also offers the opportunity to, perhaps within a few years, to be the senior senator from the state of Texas with all that that implies in terms of the impact on national policy, on appointments and the like. The first factor is that more than any office I can think of, it would fit in with my goals of having some effect on the world around me, but I think the second factor is, "Is it winnable?" because I'm not interested in being in a race that can't be won. I had not given a great deal of consideration to running for a statewide office until the November results were in and really have begun planning and thinking about this race only within the last few weeks.

When I see the commissioner of the precinct I live in being elected to state treasurer and the former editor of your publication as state agriculture commissioner and the other statewide victories, including an impressive victory by Gov. White campaigning on issues that I've always worked for up here, like utilities and education, and when I see beyond that the grassroots efforts that led to many good people being elected to the legislature and to local office around the state, and as I visit around the state and see what a good network of people there are who care about bringing some change in this state, I'm encouraged that it can be done. And I guess the other factor in that would be, what kind of financial resources can be put together to supplement what I think could be a very large number of volunteers.

You have some money that can carry over.

Yes, I'm fortunate that in my state senate race I accumulated a little over \$200,000 in the bank; it's there now, and I think that does provide a good beginning.

Are you concerned about the fact that you've never run a statewide race, about your name identification?

Of all the candidates that I've been hearing mentioned, all of them will have some work to do in terms of name recognition, and I think among those candidates, as far as people that have been involved in political activity in Texas, mine's probably about as recognizable as any, in having a record of ten years of work here in the senate in contrast to the four [years] that Bob Krueger had in Congress and Gov. Briscoe's term here. Certainly among the population as a whole though, I think all of us — Krueger not having been in office for six years, Briscoe not having been in office for a good while, and myself having served as a candidate for the Central Texas area rather than as a statewide official — would have some work to do.

Now Krueger did run a statewide race and essentially has been running ever since. Are those built-in advan-

tages that would make your race more difficult?

There are certainly some advantages that I think mean that I've got to come from behind on the two people whose names have been mentioned the most, and that is Gov. Briscoe and Bob Krueger. I have work to do to catch up with them and establish myself as a viable candidate; but as I go around the state, I'm convinced that that can be done.

What if Bill Hobby runs?

I'd be surprised if Bill Hobby chose to run for this office, and I would not think that would have a significant impact on the various groups that I would count on for my principal support.

Does the draw for a two-year or four-year term have any bearing on your decision?

I think that a four-year term would certainly add to the strength of my effort, but I don't think that an opportunity to serve in the United States Senate can be based solely on the luck of the draw. If I get a two-year term I'm still going to take a very serious look at this from where I stand in terms of the resources necessary to run a winning race. If I have a four-year term, I think that could have a positive impact not only on the money that I would raise, but the money that others might care to spend against me.

Now that we're four months past the November election that you mentioned where so many progressive candidates won, how do you assess that? Why did they win and what can you learn from those victories that you can apply to a possible Senate race?

I think for one thing we were able to form a coalition of many different groups working together, realizing that if you get enough minority groups — and I'm not talking about just blacks and browns — but enough minorities who care about working together for change that they can compose a majority. And I think that's what happened in the fall. I think that we were aided to a substantial amount by Gov. Clements, who was



Photo by Alan Pogue

With Hightower and Richards at United Farmworkers convention: Si se puede.

one of the best organizers and campaigners the Democratic Party's ever had. But I think that President Reagan, as he continues to follow policies that are completely separate from reality, may prove to be just as effective a campaigner and organizer, and certainly some of those around him like James Watt and Ann Gorsuch are good people to organize around.

Would you look forward to running against Sen. Tower or do you expect him to retire perhaps?

Based on some of the comments that he's made this last week, within the last few days in fact, I would expect that he would be the nominee. Certainly to the extent that there's even a need to inspire more enthusiasm, having Phil Gramm on the ballot would be an exciting prospect for all of us. But I think that John Tower will be ample competition and undoubtedly will have a substantial war chest. It's going to be a race that I think I can feel really inspired about, that it would really make a difference to have John Tower out of the Senate and a progressive person in the Senate.

Maybe this question is premature, but I'm sure you lie in bed at night thinking about what kind of Senator you would be . . .

No, actually of late I've been sleeping very soundly. I've been starting early and going late and usually get there so exhausted I have not had the opportunity to ponder these questions. [He laughs.]

Okay, in your rare moments of leisure do you think about what kind of Senator you would be? On questions like arms control, for example?

Well, I would say that I would hope to be in Washington the same kind of Senator that I have been in Austin. And that is to try to see that people who can't afford a political action committee or a full-time lobbyist get some representation and that there's some balance in the process for all those who don't fall under any particular special-interest category. As far as some specific issues, I think that we are pursuing a policy in the arms area that has not brought us security and that we have got to place a very very high priority on bringing about significant arms reduction. That could well become an issue in the fall campaign; indeed it might be an issue in the primary: what a candidate is willing to commit to do to get reasonable steps taken toward disarmament. I think the Reagan administration,

"There's got to be a combination of approaches to provide reasonable access to the public in campaigns through the media . . . otherwise we're going to have simply duels between the super rich."

had it not been for a citizen movement for arms control, would have moved us further and further away from the prospect of reaching any kind of reasonable agreement on arms control.

Do you feel any sympathies for Sen. Cranston's linking arms control to the economy?

Well, I think that it is linked, and I

believe that Sen. Bentsen in his speech to the joint session here last week emphasized the connection between unrealistic commitments that President Reagan has made to increase defense spending and the amount of money that is available for other kinds of spending needs and how that impacts us in the state. So I think there's a great relationship between the spending priorities that the federal government pursues and whether we have a tax bill in the Texas legislature this session.

How do you feel, at this point, about campaign finance reform?

It's essential. I think that certainly the biggest hurdle that any potential candidate such as myself has to overcome is to demonstrate that the campaign is credible financially, and that has become all the more difficult over the years because of the large amount of dollars necessary for a media campaign to gain the name identification among the public-at-large that we talked about earlier. I think that it would be desirable to come up with some kind of program to, if not limit the cost of campaigns, which has some problems of bias toward incumbents, to have some kind of public participation.

Do you have specifics?

I know that Common Cause has advocated for some time a program of public campaign finance in congressional races. I'm not sure that's exactly the program necessary; I know that Sen. Bentsen has introduced some legislation concerning access to the media. There's got to be a combination of approaches to provide reasonable access to the public in campaigns through the media, whether it's paid for through public funds or through funds that are voluntarily contributed or whether some of that time is provided on a volunteer basis as a condition for a license, that will allow people to communicate public policy issues; otherwise we're going to have simply duels between the super rich.

So you would like to do something also as far as state races go?

I actually introduced a bill a couple of sessions back on public campaign finance for railroad commissioners to draw attention to the large amount of dollars contributed from the industries regulated by the railroad commission to those races. We saw cases at that time of around ninety percent for one candidate coming from those that they regulated. It would be desirable to pursue the kind of issues raised by Nina Butts in her article a few months back (*TO*, 9/17/82) and the current project that Texas Common Cause has on campaign

finance, but I must say that, at least at this point, I'm not sure that on the state or the national level that anyone has come up with the ideal proposal. There may not be an ideal proposal. It may be that this is one of those public policy issues that you try a solution on and then you have to perfect it when some of the shortcomings become apparent.

Of course, the PAC itself was a reform.

Right.

"I think the appointments battle that we went through . . . may prove beneficial as we move into more controversial legislation like utility reform."

Well, let's come back from Washington to Austin . . .

I was enjoying this. [He laughs.] Yeah, my kids were wanting to know whether they could take their rabbits and their guinea pigs and the fish and the dog. Okay, back to Austin.

In general terms, how does it feel working with a Democratic governor instead of working in opposition to a Republican governor?

Wonderful. I have said several times that I have been in the governor's office more in the last ten days than in the last ten years. For most of this session that's been true for any given ten-day period. I think that Gov. White has gotten off to a very good start. He has a very diverse constituency that forms that new Democratic majority we were talking about earlier, but I believe that to date through his appointments and through his legislative priorities, through his style in office and his spoken word, he has attempted to carry forth the mandate that he received in November.

Have you been surprised?

Well, I think that I was surprised, as many people were, by the emphasis that he placed in the campaign on utilities and on education, and I think maybe the surprise came more in the fall by the high priority that he developed then than it comes now. I expected him to keep his words, and I think he's fulfilling those pledges.

How about the senate itself?

I think the appointments battle that we went through, while it got us off to a

rocky and very fast-paced beginning, had a worthwhile by-product of having many members, particularly new members, working together as a team for a worthwhile goal at an early point in the session. That may prove to be very beneficial as we move into more controversial legislation like utility reform.

Did that whole appointments controversy function as a kind of test vote?

I think it did to some extent. It was a vote that Bob Slagle, chairman of the Democratic Party, and a number of other Democratic loyalists worked very hard on and made to some extent a test vote on whether we stayed as Democrats in this Senate. And it was very close, but in the main I think it has to be considered that we did.

Let's talk about some of those issues then. You mentioned utility reform. How do things look now and what do you expect?

I think that the utility issue and several others have the potential for getting us into a special session, just as the medical practice act was one of those issues in the last legislative session which took us into the summer. What I would hope would happen is that we would see some significant reform of the commission, and I think that utility companies are beginning to realize that a dream that existed this time last year of basically reconstituting the utility commission in the same form it is now is not going to happen. They are going to have to give and give significantly. The area they chose to begin yielding on first was the notion of some kind of rate-payer or consumer

counsel. It is very important how that is structured in order to be meaningful. When the water agencies were consolidated several sessions ago, an amendment was added on in the House, as a price for getting it out and getting some votes, to put a public interest section in the water department. That section has been of very limited use — it's been cut out of the appropriations process in the past; it's never had very much in the way of appropriations; it's been limited in what it can do. So it's not enough just to say we've got a public counsel or a rate-payers' representative that would be involved to balance the process. It's important how it occurs. I think the utility companies may have had in mind something that's more like what's at the water department than what I would like to see happen.

I think it's possible to make some progress on construction work-in-progress [CWIP], the device which has us paying for utility construction projects that may be operating very inefficiently. One of the most amazing things in the hearings that we conducted in our subcommittee before the session was the fact that the utility commission, once it determines that a given new investment — say the South Texas Nuclear Project — is necessary, never looks at efficiency of expenditures until that project is put on line; in this case, it might be ten or fifteen years. The rate payer who is called on to pay for the interim financing through construction-work-in-progress will ultimately be called to pick up the whole tab without there having been any kind of real evaluation of what management was doing. The commission takes the attitude that management knows best.



The long days of Lloyd Doggett.

Photo by Alan Pogue

The issue that is getting the most attention at the moment is elected versus appointed commissioners. I've never seen that as being at the very core of the debate about the commission. I introduced Senate Bill 5 the first day we could prefile to incorporate most of the major reforms, and I put in the elected commission idea because the appointment system hasn't produced very good commissioners over the years in terms of a good sense of balance between the needs of utility companies and rate payers. But I would not pre-judge what would happen at this point on elected versus appointed. I put it in the bill because I thought it was important to consider major reform of the commission and that perhaps the elected form would offer the best long-term chance for reform out there in the commission.

Now your bill calls for six members by single-member districts.

That's right.

Lloyd, could you speak philosophically about a regulatory commission. What is it supposed to do?

Well, a regulatory commission ought to be a substitute when competitive forces cannot produce adequate services and goods, and the best example is with a natural monopoly like a public utility. I see the job of the utility commission as being that of keeping rates sufficiently high to attract the investment necessary to meet the needs of a growing economy and provide dependable utility service, but no higher. When the utility companies in Texas consistently get these top-of-the-line, A-double-plus ratings from all the bond-rating firms, and the representatives for the rate payers with the Texas Municipal League give it a D rating in terms of rate payers, I think things are out of kilter.

Do you know of other states that have more responsive utility commissions?

On some issues I hear good things about the California commission, also about the office of public counsel in North Carolina. I'm not sure that I would necessarily draw a parallel or comparison to any one state. In fact, I remember just after we'd finished the work on the current Public Utility Regulatory Act of 1975 a survey that Common Cause did nationally showed that, in terms of the major reforms that they were interested in, our act ranked right up at the top in the country. We've learned now through six years or so of implementation that it hasn't performed; I guess it would be eight years now.

So you're saying that on paper . . .

On paper many good things are there now. It has not worked that well in prac-

tice, and from the practice we've learned of other things that need to be there. Many of the things that I want the commission to do they could have done within the current statutory framework. So I'm more desirous of getting changes in the law *requiring* them to do certain things.

And are you pleased with the two new appointees?

I heard Peggy Rosson before our subcommittee in December. I thought that she was articulate; she was familiar with the problems that El Paso rate payers have become entangled with — with a nuclear project out in Arizona that they've been funding through construction-work-in-progress. She was familiar with most of the other issues we were discussing and presented a statement that suggested she would take a pro-consumer view. Mr. Erwin brings some experience to the Commission. I visited with him briefly since his appointment, and I believe that both of these appoint-

"I hear so much about wasting tax dollars and I'm concerned also about wasting people in Texas. . . ."

ments will be helpful in getting support for legislative reforms such as that embodied in Senate Bill 5.

Let's talk for a minute about new sources of revenue.

I think that Gov. White has been correct in attempting to follow a policy that could hold the line on taxes. It's good to begin with the idea that we'll try to live within our means. I certainly have been pleased that during the ten years I've been in the legislature we've not had to raise taxes. But I hear so much about wasting tax dollars and I'm concerned also about wasting people in Texas. When we start looking at education, when we start looking at our criminal justice system and thinking about the waste in the ultimate cost to the taxpayer in those areas, it seems to me that if we can't fund the bare necessities in those areas through our current revenues, recognizing that those revenues have been significantly reduced as a result of Reaganomics and recession and reduced sales tax revenues, then we've got to look for some other sources. As far as where we look, I would be inclined to look first at taxes on natural resources as the appropriate place. It does seem to me that, as we sit here and have electricity generated by Montana coal that we're paying approximately 32% severance tax on, we're funding a good

deal of the cost of education and law enforcement and social services in the state of Montana, that we are buying high and selling cheap when we've made no adjustment in recent decades to our severance tax. I'm sure there would be significant opposition to changing that severance tax. That would be one of the first places that I would want to look for new revenues.

I have also introduced a bill which the senate passed last week concerning tax exemptions, and this is another concern that I have about federal policy. I think that even on what is a very desirable exemption, that one being on solar equipment that we have as state tax policy, that we sometimes fail to note that that is basically indirect expenditure; it's a tax expenditure that aids solar energy. We ought to have basically a tax expenditure that the comptroller prepares each year so that we look at what all the various tax exemptions are costing us. And it may be that there are some exemptions that should be changed in order to yield some of that revenue. By that I do not in any way imply that we ought to look at the exemption on food and medicine. I certainly don't think that exemption ought to be changed.

What would you like to see in terms of highway funding this time?

I would like to be sure that we not bestow such largesse on the highway department that we destroy our ability to meet other needs of the state. There's no doubt that we have some needs on bridges and on maintenance of subhighways, and we need to expand some facilities. One of the problems with the way we've done that traditionally in Texas is that, by placing it in the highway fund, it is restricted constitutionally to pavement and the ground to pour it on. We bias local decision-making. And finally you have more people, in Houston and Dallas particularly, recognizing that to remain viable cities they need to develop public transportation systems. Indeed much of the leadership has come from enlightened segments of the business community, recognizing that public transportation systems should already have been developed in those cities. And then we have someone like Mr. Dedman [Robert Dedman, chairman of the Texas Department of Highways and Public Transportation] coming along saying we'll fund the double-decking of the Central Expressway in Dallas, but we won't give you any money for public transportation, which was his position at least at one time during the course of that debate, though I understand that it changed to some extent after the election. I would want to be very careful about highway spending. There's one of the

most powerful lobbies in the state, the Good Roads Association, which is an amalgamation of many other powerful lobbies, that will *always* see that highways don't get shortchanged, and my job is to see that other important programs — perhaps more important than highways, like education — do not get shortchanged and that, when we provide money for transportation, we try to do it in a way that does not add to the existing bias against local decision-makers choosing public transportation modes rather than highways.

Are you familiar with Sen. Traeger's bill changing the funding formula? (TO, 1/25/83)

In general, and it concerns me. Again all of these programs get back to the question of fiscal responsibility. All of these programs that attempt to grab money out of the state treasury before we're here to look at needs and tax revenues and the like and make that choice, I find very troubling. That was one of the reasons I opposed House Bill 3, which set up the current formula in 1977, because it biased state policy; it tied the hands of the legislature to a significant degree. Under spending policies for the next session, and in each session since, the highway department has gotten more, and under Sen. Traeger's bill they would get an even larger amount. Also under his bill, there is no proposal as to how to pay for it. He's just going to take more money out, but there's no indication of where new revenue would come from to cover that or the other needs that money could be spent on.

Do you have a sense at this point about how much money is available for teacher pay raises?

I was very encouraged by Gov. White's comments that he would not fund education out of leftovers. I think it's vital that education be recognized as the first priority on state spending because it has not been a first priority during the time that I have served in the legislature, despite the efforts of myself and others. I think that there is money there to provide a substantial emergency teacher-pay raise and to provide some of the equalization that groups like COPS and United San Antonio are very appropriately pushing for. I would hope the governor's budget is being designed to begin with education and then to work out to other areas. In the past it's been education that's gotten anything that was left over; I would go just the opposite way.

What else, Lloyd, would have to happen this session for you to end your career in the Texas Legislature and hit the campaign trail with a feeling that

you have accomplished what you had set out to accomplish?

Well, as far as the campaign trail is concerned, I had hoped that would be a decision that would be deferred completely until after the session was over with. You never really know how the word circulating that you're considering another office is going to impact your legislative program. There have already been, independent of campaign activities, suggestions by other members that various people were scrutinizing pieces of legislation from the Senate over in the House based on what happened, for example, with the return of Speaker Clayton's nomination or the considera-

tion of Bubba Steen for the TEC, so I think I'm going to be trying to pursue the prospect of the U.S. Senate race at the same time I'm running in the Senate from one committee to another and from one piece of legislation to another, and to try to do as much as I've done in the past as far as promoting necessary new legislation. I hope that one of the things that will facilitate all that is, with the new composition of the Senate, some of the people or lobby groups that were promoting really onerous pieces of special-interest legislation last session were probably dissuaded from doing so this session because they know they face more opposition. □

Reaganomics at Mid-Term

By Ray Marshall

Austin

Reaganomics, a combination of supply-side economics and monetarism, has challenged Keynesian, or demand-side economics. Keynesian economics was designed primarily to address the problems of the Great Depression and emphasized the need for an active role for government to maintain adequate aggregate demand to achieve relatively full employment. It stressed the need for safety nets and self-help for workers and farmers in order to maintain aggregate demand and prevent depression, and for collective bargaining, agricultural cooperatives, unemployment compensation, agricultural price stabilization, social security, minimum wages — all to sustain purchasing power, aid economic growth, and redress economic inequality.

Despite problems, the Keynesian demand-management system worked reasonably well in preventing depressions in the U.S. and other industrial market economies in the immediate post-war period, when industrial economies operated at relatively full employment and stable prices. Average annual unemployment in the U.S. ranged between 2.9% and 7.8% during the 1950s and 1960s, averaging 4.5% during the 1950s and under 5% during the 1960s. The finest hour for Keynesian demand management undoubtedly was the Kennedy-Johnson tax cut of 1964, which was accompanied by a decline in

unemployment from 5.7% in 1963 to 3.5% in 1969. Inflation, as measured by the CPI, was less than 1% in the early 1960s, but accelerated to about 5% during the Vietnam buildup in the last half of the 1960s.

Despite its apparent successes (which prompted even Richard Nixon to declare that "we are all Keynesians now"), demand management became less effective in the 1970s world of intensified global interdependence, low productivity growth, "stagflation," and slow growth in total output. The Keynesians could not deal very effectively with structural changes, and their policies created inflationary biases in the economy. Because of their preoccupation with massive unemployment, the Keynesians gave inadequate attention to inflation, resources, productivity, efficiency, and sectoral and structural problems.

Supply-side economics begins with radical, regressive tax and budget cuts to stimulate savings and investment. According to the Joint Economic Committee in 1982, when the tax cuts are fully effective, families with incomes of \$200,000 will get \$30,000 in tax cuts while families making \$15,000 will get a \$385 tax cut. The net effect of spending and tax cuts by 1984 will be to reduce the net incomes of families with incomes below \$10,000 by \$220 and increase those with incomes of over \$80,000 by \$19,230. Taking into account bracket creep, social security taxes, and local taxes, families earning \$30,000 and less will pay more taxes and have less take-home pay under the Reagan program. Substantial reduction in business taxes are also provided, espec-

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ially the modified 10-5-3 depreciation schedule, which, along with investment tax credits, virtually eliminates taxes for many corporations and provides negative tax credits (or surpluses) for others. An ad in the *Wall Street Journal* stated: "If your company plans to pay taxes . . . you obviously don't know enough about the new tax law.

Monetarism is not original to the Reagan Administration. It was actually followed by the Fed during the mid-1970s and especially after 1979, but is nevertheless an important component of Reaganomics.

Reaganomics is based on unrealistic assumptions, lacking credible support in economic theory or the experience of industrial economics. It is inefficient, relying on the theory that tax breaks for corporations and the wealthy will trickle down to ordinary working people and the poor. It is regressive in its impact. And it is internally inconsistent — supply-side tax cuts have stimulated the economy while restricted monetary growth has limited expansion, and so far monetarism has been winning the struggle.

The huge tax cut and defense spending increases caused record budget deficits. The idea that taxes could be lowered by \$750 billion, defense spending raised by \$1.6 trillion, and the budget could be balanced by 1984, required, in the words of A. N. Whitehead, "a temporary suspension of disbelief." In fact, despite rhetoric about balanced budgets, the Reagan budget deficits will be greater than the combined deficits of all Democratic Presidents since Harry Truman.

Budget deficits alone in the economic conditions of 1981-82 would actually be beneficial because the economy needs stimulus since it is operating at considerably less than optimal capacity. The trouble has been caused by the combination of continued prospects for large budget deficits for years into the future and restricted growth in the money supply. Investment specialists took the deficits into account because the tax cuts and military spending increases were announced for years in advance. The prospect that the government would require half of a restricted supply of loanable funds to cover its deficits caused high real rates of interest (i.e., the difference between the consumer price index and the nominal rate), which have remained high despite declining nominal rates. The real rate of interest was 3% in 1980, 10% in 1981, and 7% to 8% in 1982. The long-run rate is between 2 and 3% and the average rates during economic recoveries is 1.5 to 2%.

The consequences of high real rates of interest and limited availability of funds, especially for small businesses, farmers,

construction, durables and other interest-sensitive industries, were many.

They halted the recovery that was underway in 1981, causing the economy to go into a depression with unemployment over 10% and likely to continue to rise. The comprehensive unemployment rate is about 15%.

Since the U.S. real rate of interest has been among the highest in the world, funds are attracted to the U.S. from abroad, increasing the value of the dollar. While an overvalued dollar reduces import prices and helps with inflation, it causes American products to be overpriced in world markets, reducing exports, which deepens the depression. In fact, the overvalued dollar more than offset the stimulative effect of the tax cut.

High interest rates cause great difficulties for other countries, which are forced to keep their rates high, causing worldwide unemployment and destabilized product and financial markets.

Instead of stimulating investment as their policies intended, the Reagan policies actually have restricted private investment. The high real interest rates create disincentives to invest in plant and equipment since it is often more profitable for businesses to keep their money in high-yielding and fairly safe short-term financial assets. Similarly, economic uncertainty — aggravated by the Administration's radical, untried, and internally inconsistent policies — make firms unwilling to make job-creating investments. It is much more attractive to use loanable funds for mergers and acquisitions, which increased from \$44.3 billion in 1980 to \$82.6 billion in 1981. In fact, corporations tied up about \$70 billion in lines of credit for merger purposes, which tended to keep interest rates high.

The Administration's tax cut did not stimulate enough producer or consumer demand to prevent the depression. Indeed, the regressive nature of the tax cut stimulated the demand for expensive houses and luxury goods, but not for medium-priced automobiles, houses, and consumer durables, all of which are very sensitive to high real interest rates. The Reaganomics experience suggests the validity of a basic Keynesian principle — you will not get much investment unless there is demand for the output to be produced by those investments.

It was, in addition, always unrealistic to assume that tax cuts would do much to stimulate investment. There is no credible evidence to support this belief, and there is no credible evidence to support argument that taxes had impaired the incentive to save and invest between 1965 and 1980.

The Administration placed heavy emphasis on tax relief to stimulate physical investment, but its policies — aggravated by the need to reduce the huge budget deficits its policies created — actually have reduced human resource investments, which have been the real secret of America's economic success: \$5.1 billion was cut from education, training, employment, and social security in the 1983 budget.

Despite the Administration's assurance about preserving the safety nets for the "truly needy," the record suggests that many low-income people will be seriously damaged by the budget cuts: 70% of the 1982 budget cuts and 90% of those for 1983 affect the poor. With unemployment at the highest level since the Great Depression, public service jobs have been eliminated and the already underfinanced and understaffed Employment Service has been cut back. Medicare is being weakened and AFDC, food stamps for the elderly and disabled, and child nutrition programs are being cut. Only 40% of the unemployed were receiving unemployment compensation in September, 1982, the lowest proportion in any recession since the system was adopted.

Despite the cuts and rhetoric about getting government off our backs, government spending is not likely to decline relative to GNP below what it would have been without the Reagan policies; the main impact — if the Administration has its way — would be increased government spending, but shifting the mix away from domestic programs to defense and interest payments and from more equitable federal income taxes to more regressive state and local property and sales taxes. However, my guess is the Administration will not be able to cut domestic programs or to increase defense spending by as much as it has planned.

The Reagan Administration has rejected the long-held Republican belief that social welfare should be designed to help people help themselves. While creating huge and ineffective tax incentives for high-income groups, the Administration's welfare reform proposals put a 95% tax on the earnings of the average welfare recipient. It places faith in workfare, instead of economic incentives for people to leave welfare rolls.

There is growing concern that the Administration is encouraging a meanness of spirit, what Richard Munro, president of *Time Magazine*, termed "a decline in the ethic of common obligation . . . that makes our society a decent place to sustain family life, to reach our individual potential and to live at peace with each other." The National Council of Churches, censuring an Administration for the

first time in the Council's history, said the Reagan Administration's domestic and foreign policies "threaten the vision of America as the model and embodiment of a just and humane society."

On the positive side, the Administration's policies, especially monetarism, have contributed to the reduction of inflation. However, this conclusion must be modified by the following considerations.

The monetarist policies of the Federal Reserve started before the Reagan Administration and, contrary to the Administration's forecasts and candidate Reagan's 1980 campaign rhetoric, reduced inflation mainly by creating a depression and high levels of unemployment.

The Administration is not responsible for the other main causes of reduced inflationary pressures: lower food prices (which are disastrous for farmers) and lower energy prices, caused by the recession, the Carter Administration's energy policies, and the worldwide temporary oil glut.

Other than monetarism, the Administration has no anti-inflation policy. An effective anti-inflation policy must not only use monetary and fiscal policies, it must also be prepared to insulate the economy from external shocks (by intervening to prevent wide swings in exchange markets, developing oil and food reserves and international trading companies, and by cooperating with other countries to improve the operation of the international economy), to restrain domestic price increases unrelated to shortages, and to overcome bottlenecks in product and labor markets.

Free, open markets are among our most important economic assets, but markets cannot do everything and must operate within the framework of policies which can improve their performance. The true believers in completely free markets exaggerate the degree of competition that actually exists and tend to ignore the fact that interventions that would distort a perfectly competitive world can improve the one in which we live.

Despite 1980 campaign rhetoric about the greatest economic mess since the 1930s, the American economy actually was and is strong relative to those of other industrialized countries. Therefore, despite unnecessary suffering, the economy could improve somewhat in the months ahead. But without fairly dramatic changes in policies, it is not likely to enter a vigorous recovery phase any time soon. In fact, relative to its earlier optimistic forecasts, the Administration's policies already have failed — unemployment was *not* 7% by the end of 1982, nor will the budget be balanced by 1984 as originally forecast.

About the only thing traditional conservatives have in common with Reaganomics is the laissez-faire philosophy. In truth, Reaganomics is not conservative — it is a radical policy. Unfortunately, this radical experiment has caused great human suffering and considerable damage to American and world economies.

We must abandon monetarism and reverse as much of the damage done by supply-side tax and budget cuts as possible. We must concentrate instead on reducing unemployment and promoting fuller utilization for productive capacity. The economy now loses about \$400 billion from operating at less than optimal capacity. This full employment dividend would yield \$25 to \$30 billion to the federal budget for each one point by which unemployment is reduced.

The objective of policy should be to reduce interest rates to one or two points above inflation and hold them there — they are now about three times higher than they should be to promote effective recovery. The Congress should take the lead in bringing the Federal Reserve, the White House and Congress together in the formulation of economic policy. The Federal Reserve should set monetary policy to achieve realistic Congressionally-mandated economic policies; the Congress and the White House should not adapt their policies to meet the untried and undebated objectives of the Federal Reserve.

Some will argue that lowering interest rates might ignite inflationary pressures, but I do not think this is a serious problem because of the slack in the economy and the fact that inflationary expectations are not high.

Nevertheless, we must develop a more systematic anti-inflation policy that would supplement general monetary and fiscal constraints with specific measures to insulate against external shocks and contain cost-push inflationary pressures. This will not be easy, but it makes a lot more sense than the enormous human and material costs of depression and unemployment, which seem to me to be the only other alternative.

In addition, my suggestions for matters to be considered include:

Make the tax system less regressive by capping 1982 and 1983 tax cuts at, say, \$700 per family, saving \$20 billion and stimulating consumer demand for moderate and low-priced consumer goods.

Discourage unproductive mergers and acquisitions through moral suasion, and, if that doesn't work, through legislation.

Restore the cuts in human resource development programs and adopt a system to provide economic incentives

for welfare recipients to work — public works programs to build much needed infrastructures and greater effort to strengthen education, especially technical education, in which we lag behind countries like the USSR and Japan.

Give careful consideration to a comprehensive industrial policy to strengthen the competitiveness of American industry through better research and development and information systems, strengthen international trade policies and comprehensive adjustment policies to facilitate the adjustment of communities and workers to dislocation caused by economic change.

Consider also the creation of an investment bank modeled after the Reconstruction Finance Corporation, to coordinate federal lending programs and provide long-term investment funds to governments and businesses unable to obtain credit from regular commercial sources.

Strengthen government and cooperative relations between the public and private sectors. The Administration raises the wrong issue: it is not the *size* of government, but its effectiveness. The government needs to develop good management practices and simplify and concentrate. Contrary to Reagan Administration rhetoric, federal purchases did not increase relative to GNP, federal employment did not increase relative to total employment before 1980, and federal policies did not fail. The overwhelming objective evidence is that federal programs have had administrative problems, but were good investments for the country, cost effective, and improved the conditions of those they were designed to help.

Take the lead in developing mechanisms and policies to resolve international economic problems. Because of the growing internationalization of economic activity, we must take a broader view of national self-interest.

The alternative to Reaganomics I have outlined provides a much more solid and credible foundation for economic recovery.

The national government cannot emphasize certain kinds of freedom and forget others. Free markets reward those who have market power, but they do not improve opportunities for those who have little wealth or income. Creating the conditions for equal opportunity must therefore be a major responsibility of government. The federal government has increased freedom from want, from discrimination, from poor housing, from tyranny, from ignorance, and from economic exploitation. Freedom is indivisible. We cannot emphasize only those forms of freedom which benefit mainly the powerful. □

• POLITICAL INTELLIGENCE •

✓ When Mark White named Peggy Rosson of El Paso to one of the sudden and surprising vacancies on the Public Utilities Commission, he pleased a number of community activists in Rosson's hometown. On February 10, five days before the abdication announcements of Commissioners George Cowden and Tommie Gene Smith, Lt. Governor Bill Hobby met in El Paso with the El Paso Interreligious Sponsoring Organization (EPISO) to discuss their concerns about their community and about state policy on education funding and utility regulation. The group urged Hobby to push for Rosson's nomination to the PUC at the first opportunity.

✓ Senator Lloyd Bentsen called on the Texas Legislature to be prepared to "fix the safety net," so badly rent by high defense budgets, by passing new taxes and providing more services. In his recent address to a joint session of the legislature, he urged the state to be prepared to compensate for some of the programs which are being cut at the federal level in order to pay for hikes in military spending. He also said that Reagan ought to halve the 3rd year tax cut — to 5% — and implement new defense projects more gradually. "I've been a hawk all my life," he said. "I've seen the Soviets outspend us every year since the Cuban crisis. I have no illusions. But we ought to know that we can't do it all at once. We must spread that defense spending out over a period of years."

✓ Bishop Leroy Matthiesen of Amarillo was the keynote speaker at the Texas Council of Churches annual Legislative Breakfast, where he addressed clergy, church delegates, and legislators on the need to halt the arms race. Matthiesen called for a halt to nuclear proliferation and for the administration to begin classifying nuclear weapons as "dirty weapons." He also stressed that the arms

race is a religious question — "There must be a moral accounting," he said. "It's been said that the problem with this generation is that it thinks it is so important that in order to preserve its way of life, it will threaten to destroy the world and all who inhabit it. This is sinful."

The breakfast was the culmination of TCC's annual convention, at which delegates discussed the church's response to the recession, religious aspects in the area of public education funding, and efforts to get the State Department to grant political asylum to Salvadoran refugees.

✓ Senator Tati Santiesteban, D-El Paso, introduced the latest of the large number of DWI bills at a recent Senate State Af-

fairs committee hearing, where all DWI bills were discussed. The bill, SB 498, would take DWI laws out of the general statutes section of the legal code and insert them into the penal code. It would also introduce new levels of offense: drunk drivers who kill or injure someone or who are caught speeding more than 30 miles per hour over the posted speed limit will automatically face far greater penalties than DWI violators who do not speed or cause an accident.

The bill would not eliminate deferred adjudication, which is a major change proposed in the other legislation. Testifying in favor of the bill, Austin lawyer Roy Minton argued strongly in favor of

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the retention of deferred adjudication. "It's the strongest prosecutorial tool we have," he said. "Imagine a judge being able to hold sentencing over someone's head for two years — being able to call him in and sentence him to six months or to a year. No jury, no appeal. Deferred adjudication really doesn't make any difference as to final conviction, either," he added.

Department of Public Safety Director Col. Jim Adams, who also testified at the hearing, had to tread lightly in response to questioning from Senator Chet Edwards about the open container legislation. Edwards voiced the concern that a DPS officer, seeing an old beer can in someone's car, would then be justified in making a search of the entire car. This is evidently a valid concern, since Adam's only defense was that he didn't really think that enough DPS officers would be interested in abusing that potential to make it a serious problem.

✓ When Senator John Tower recently issued a challenge to the members of the Senate Armed Services Committee to "put up or shut up," he may not have expected such a positive response. Weary of the constant call for cuts to the military budget, he'd invited his compatriots to submit any cuts they wanted as long as they were for projects located in a senator's own state. Senator David Pryor, D-Arkansas, urged Tower to save \$158 million by cutting funds for the nerve gas production facility in Arkansas. He added that \$6 billion to \$8 billion could be saved by eliminating the entire binary chemicals weapons program. Looks like Pryor may have called Tower's Pine Bluff.

✓ John Thomas Henderson announced he will again be a candidate for the Railroad Commission in 1984. Henderson, who received over one million votes and the *Observer's* only Republican endorsement in the 1982 election, will fund his campaign solely on personal funds. "It is just a fact of life that, when a lot of money is contributed, somewhere down the line a favor is expected." Henderson is set on reforming what he feels are problem areas within the jurisdiction of the commission. He says that there is widespread discrimination in hiring practices and that the commission has transferred federal funds from one program to another — specifically that operation funds were used for giving raises and hiring temporary clerical personnel. Henderson also wants to remove the 3000 "illegal meter bypasses" which have been estimated to cost the state up to \$100 million in tax revenues.

✓ Senator Craig Washington has filed two bills which would change the penalty structure of Texas marijuana laws.

Current law holds that possession of less than two ounces of marijuana is punishable as a Class B misdemeanor, two to four ounces is a Class A misdemeanor, and over four ounces is a felony. SB 403 would raise the felony level to over six ounces and stipulate that two ounces or less would be a Class C misdemeanor. Washington's SB 404, which, reports say, he will push more strongly, would leave the level of felony possession at over four ounces but would make possession of less than one ounce a Class C misdemeanor.

✓ The U.S. Supreme Court declared in a 7-2 vote that a driver's refusal to take a blood-alcohol test does not violate the self-incrimination protections under the Fifth Amendment and can, therefore, be used against him or her in court.

Justice Sandra Day O'Connor, who wrote the majority opinion, said that a lawful request to take the test is not an instance of coercion, and a refusal is, therefore, not protected.

✓ Kenn George, Deputy Assistant Secretary of U.S. and Foreign Commercial Services for the U.S. Department of Commerce, told an audience at the Texas Lyceum in San Antonio, "Texas is acting like a Third World Country, concentrating on the development and exportation of a single product upon which the local economy depends. We could be seeing our future in the Pennsylvania coal mines and the Detroit auto factories." The Lyceum is an annual conference where wealthy and powerful Texans gather to assess whether or not they will continue to be wealthy and powerful. Among the speakers were John Connally, Dolph Briscoe, and Henry Kissinger, who expounded at length on the domino theory and the correct technique for dealing with guerrillas in Central America. In her turn, Mary Grigsby, board chairman of Houston First American Savings Association, told the audience, "The really good citizen is the one who owns his own home." □

The Foxx Report

In Which Wiley T. Foxx Learns About Political Pressure.

So there I was on a Tuesday night in the South Austin apartment of the most beautiful woman I've ever laid eyes on, and I was miserable. Miserable because it was not the woman of my dreams curled up beside me on the couch that I had my eyes on, but her widescreen TV and a Betamax tape of me and Shoogy Red, my prized Allen Roundhead, and the Chief at a cockfight on the banks of the Colorado near Webberville. What I was seeing was Shoogy Red dispatching a Pflugerville fowl to that great nesting place in the sky and the Chief, a great big grin on his face, collecting a roll of bills from the old man sitting at the rickety card table near the pit, and then the Chief popping open a cold one before climbing behind the wheel of his 68 Coupe de Ville for the drive back to Austin. What I was seeing was the Chief's career in state government going down the tubes, not to mention my own.

If I'd told him once, I'd told him a hundred times, "Don't go out there; you don't know but what Ronnie Earle himself'll be there." But he wouldn't listen. "Wiley," he said, "the burden of government weighs heavy on these old shoulders, wide though they be. I need

a respite." So he went to Webberville. Ronnie Earle, the Travis County D.A., didn't show up, but Kim Sing Lee did; we would have been better off with Ronnie Earle.

And the night had started out so nice. Me and the Chief and a couple of other politicians were at the Broken Spoke Saloon — we go there most every Tuesday night — huddled around a cold wet pitcher of Lone Star, listening to Tex Thomas and the Dangling Wranglers, and talking about user fees and highway funding and sending Texas prison inmates to Washington D.C. The Chief had just been urging me to tell about how I had infiltrated the Sons of Brann up in Waco (TO 2/11/83) when I noticed out of the corner of my eye someone walk up beside me. I turned to see a big brass armadillo belt buckle at eye level, and then my eyes drifted slowly upward toward a beautiful olive-skinned Oriental face. That was Kim Sing Lee, although we didn't know it at the time. Her black eyes were like nothing I had ever seen, unless, for anyone who knows coon hounds, it was the eyes of a proud little Black-and-Tan fyce with spark and sass and fire. She turned those eyes on the

Chief, and I turned mine on the blouse — white silk and open to the armadillo. Over it she wore a suede vest, burnt orange with lots of fringe.

She held out a long and lovely hand to the Chief, and he took it, like he was hypnotized, and together they walked out to the dance floor, only she glided like her feet didn't quite touch the floor, and she was floating in slow motion. I noticed her hair, like liquid ebony cascading down past her waist, and I saw how it swayed against the white, very tight, silky-looking pants she wore. She also wore boots, what looked like white doe-skin.

Tex and the Wranglers slid into "If I Said You Had a Beautiful Body, Would You Hold It Against Me?" and, like a cobra coming uncoiled, Ms. Lee began to slink and slide and sway about the Chief, and when the Wranglers kicked up the tempo with "Faking Love," she began prancing like a pony, tossing her shiny black mane and kicking up her white-booted heels behind her. Catching the beat, the Chief ripped off his wide yellow Mexican hand-painted cockateel tie, slung his coat around his head and across the floor, and began grinning and galloping in little circles around his fine and frisky pony.

Still higher went the Wranglers with "I'm Goin' Huntin'," the Hank Williams, Jr. number, and the other dancers backed off to give the Chief and his lady room. The Chief's two-toned wingtips were a blur, his hair flopping across his face, when quick as a wink, Ms. Lee flipped into a handstand right there in front of the Chief. Her hair pooled onto the floor at his feet and somehow — it was the damndest thing I've ever seen — she hooked her heels over his shoulders, slithered down his back and ended up flailing and writhing on the floor between his legs. "Is she having a fit?" I asked the fellow standing next to me. "Naw man," he said, "she's doin' the Gator. They do that over in Loosiana."

Well, the boss was grinning and sweating and swaying at the knees like a limbo dancer and pretending his fingers were little pistols firing at the writhing woman on the floor; it looked like that silly thing Butch Johnson does when he scores a touchdown for the Cowboys. Then all of a sudden, his mouth fell open like he'd shot himself, and he started pulling at a black-bordered fluorescent orange label that had somehow ended up on the front of his white shirt, only while he was pulling at the label, he made it seem like it was part of the dance. Then without ever missing a beat, he changed his hand jive so that he was pointing right at me, back and forth, back and forth. If

you didn't know the Chief, you wouldn't know what he was doing, but I knew. I'd seen that look of distress before. He was saying, "Come on out here, boy, and get me out of this mess."

I started snapping my fingers, and I got my neck gyrating in one direction and my hips in another, the way I'd seen a guy do one night at an S.P.J.S.T. dance in Schulenburg, and I strutted like Shoogy Red onto the floor. As the Chief boogied past me out the door, his eyes looking wild and scared, I read the label on his chest; "Don't gum up the works," it said. Ms. Lee had somehow put it there when she went over the top, and soon I found out what it meant.

What Kim Sing Lee — Tokyo Rose, the Chief calls her — told me that night after she had showed me the tape she had secretly made at the Webberville cockfight was that she was trying to save her family, and that she had tried to win her way into the Chief's heart, but that when he escaped, she had to resort to plan two. Her step-mother, a brother, and three aunts, she said, all worked at a gummed label factory, the largest employer in the Chief's district, and, not incidentally, the biggest contributor to his campaign. You see those labels they make just about everywhere, but it just so happens that the biggest gummed-label customer of all is the alcoholic beverage industry.

"My dear Mr. Foxx," Ms. Lee said as she rested her hand on my shoulder, "even you and the Chief can understand the consequences of this ill-advised DWI legislation, particularly the open-container proposal and raising the drinking age. Beer sales decline, the gummed-label business goes kaput, and my beloved hard-working family ends up on relief. Even you, who once picked up litter alongside the highway, know the importance of the beer industry to this state. Without beer cans alongside the highway, what would people like you do? Your Chief, of course, will vote against such legislation."

"But that's blackmail," I shouted. "You know that MADD and SADD and the Women's Christian Temperance Union and the PTA have the Chief's district covered like a blanket. For him to vote against DWI legislation would be political suicide. There's no way!"

"Oh I think there's a way," Ms. Lee said. She slid off the couch, glided over to a book cabinet, and unlocked the door. There were two shelves of what looked like video tapes. "I call these 'Peccadilloes Preserved for Posterity,'" she said, smiling. "You see your Chief is not the only legislator whose behavior is not always above reproach. Care to view one?"

I told Ms. Kim Sing Lee I had seen enough, and when I walked out the door of the most beautiful women in maybe all of Austin, I knew she had the Chief by the short hairs. Whether to believe her about the other lawmakers, I didn't know, but I had been around Austin long enough to know she was right about what she called "peccadilloes." In just two months, I had seen peccadilloes abounding.

I sat outside the trailer in the moonlight that night and talked to Shoogy Red about the future. I figured I could go back to driving the highway department litter truck if I had to. Old Wiley Hanna, my supervisor, told me I had a job anytime I wanted to come back, and there are worse jobs. But what about the Chief? What would he do if he weren't in the legislature? What *could* he do? Shoogy Red burrowed his beak beneath a wing and cackled quietly, and I figured I wouldn't worry. The Chief, I had learned, was like Shoogy Red. He would survive. □

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Five Poems

By Vassar Miller

RAIN STORM

*Bad symptoms ever:
summer sputters, coughs,
has a sneezing fit,
wheezes, howls, loses
control completely
tears up trees, roofs, streets,
drowning mostly,
defectives, the weak,
old folks, babies — then
guiltless, along with
politicians, whistles
through cicada teeth.*

AT A PERFORMANCE

*I stifle amid this desert of people.
Cacti, their elbows have sprouted around
me.
Their shuffle and breathing prickle my
skin.
Up in front the couple clings to each other
less like lovers than like snails on a damp
wall;
the old man beside me has a wet nose.
Help, help! Get me out of here, but to
where
save to multitudes of silence, to throngs
of aloneness, to the chatter of quiet
in the buzzing chambers of my eardrums
echoed through the busy veins of my
body.
I have changed my mind, my friends and
my strangers.
Keep me company, please, while time
meanders,
since none guarantees us leisure for
conversation
by way of the jounce and jostle of worms.*

MEDITATION ON A SICKNESS

*I get used to the scent of my own urine,
who knows might even come to like it,
tho I somehow doubt it.*

*When I'm undressed I take off my shame
too,
might be turned on with the right nurse,
since the hardway beats nothing.*

*The shock of pallor on my healthy skin
begins to make terror a bore,
tho that's just temporary.*

*Still, all this sets me to considering —
every tiny twinge whittles me down:
my coffin will fit nicely.*

AFTER READING OF HELEN KELLER

*Mind, unworthy of tragedies that befall
us,
holds up to the hurricane its twelve inch
ruler
snapped immediately and bourne away.
Love, now, none of your pale-eyed
professors,
who have their uses, but not here
when the patient would die while they
debate,
jumps over the puddle of questions and
answers,
gets straight to its work wrenching the
cross
the odd shapes of salvation.*

SAME DIFFERENCE

*After the light's turned off,
you're always camping out,
like old Orphan Annie,
making your bed of pine needles,
eating as catch-can,
your faithful Sandy near,
upon some canyon's lip,
till, waking up for water,
you bump into your life,
same damned cat-burglar dream,
same dingy furniture
before the light's turned off.*

*Vassar Miller is the one Texas writer for
whom Larry McMurtry has "an un-
equivocal admiration." She has published
six volumes of poetry and lives in
Houston.*

¿Quién es Rolando Hinojosa?

By Ed Garcia

RITEs AND WITNESSES

By Rolando Hinojosa

Houston: Arte Publico Press, 1982, 122 pp., \$7.50

Dallas

I AM TALKING to my mother on the phone.

"Your uncle has a new book coming out." Or "Your uncle just won a prize for the best Spanish-American novel of the year."

I try to keep up with the literary scene. I read *The New Yorker*, *The New York Times Book Review*, *Harper's*, *The Texas Observer*. But if I want the latest news about Rolando Hinojosa, I have to go to his sister, my mother.

The back cover of his latest book tells me he "is considered the foremost Chicano novelist," but when I searched Larry McMurtry's notorious *Observer* article on "the failure of Texas literature" (Oct. 23, 1981), I found Allen Weir and Madison Cooper along with Humphrey, Graves and Lea, but no Hinojosa.

And A. C. Greene's list of 50 favorite Texas books (*Texas Monthly*, Aug., 1981) doesn't happen to contain any of Hinojosa's.

Hinojosa is a Texan, lives in Texas, writes about Texans, but he does not even get to be a footnote to the "failure" of Texas literature.

Who, then, is Rolando Hinojosa and why don't (apparently) Larry McMurtry and A. C. Greene know anything about him?

When I asked Hinojosa about McMurtry's article, he referred me to McMurtry's *In a Narrow Grave*: "He doesn't know anything about the Valley. He doesn't know Mexicans."

Certainly McMurtry's drive through the Valley doesn't suggest a thorough knowledge of that part of Texas and one

description of Mexicans he remembers encountering as a boy is unfortunate — "four greasy and mirthful Mexican cowboys." But the simple reason for Hinojosa's being ignored is that until recently he has written primarily in Spanish.

His latest book, however, is written in English — *Rites and Witnesses* (Arte Publico Press). The previous one, *Mi Querido Rafa*, was about two-thirds Spanish and one-third English, and a current project is a re-creation in English of his best known work, *Klail City y Sus Alrededores*. So it is now increasingly possible to get a first-hand experience of his art.

Rolando Hinojosa is not unknown — he professes like crazy all over the Americas from his base as a UT-Austin Professor of English: papers, speeches, workshops, readings, "consultantships." He has published six books, several articles, a couple of dozen short prose pieces and poems. He is the only Mexican-American to win the Casa de las Americas Prize for the best Spanish-American novel of the year (1979). He is listed in Manfred Brauneck's *Welt-Literatur im 20 Jahrhundert*. ("H. repräsentiert mit sienem Oeuvre eine Besonderheit innerhalb der Chicano-Literatur.") Recently a section of *Klail City* has been translated into French and published in a volume called *Anthologie de la Nouvelle Hispano-Americaine*, along with Garcia Marquez among others.

(And yet Larry McMurtry . . . Oh, why go on about that?)

Like most of Hinojosa's work, *Rites and Witnesses* is a collection of short pieces — vignettes and interviews about life in the Rio Grande Valley town of Klail City in the county of Belken, a few miles up the river from Jonesville. It is hard to say that this thin volume (112 pages) is a complete novel, but taken together with the other volumes of the "Klail City Death Trip" series it is certainly part of one. The series also includes *Estampas del Valle* (in Spanish), *Klail City y Sus Alrededores* (in Spanish),

Korean Love Song (a narrative poem in English), and *Mi Querido Rafa* (in English and Spanish).

More than anything else, these books record the voices of the people of the Valley: the earlier works concentrated on the Mexicans of Belken/Hidalgo County. In *Rites and Witnesses* Hinojosa turns his attention to Anglos, primarily those whose decisions run the economic and political life of the Valley. In Hinojosa's world, both groups cannot (exactly) be said to be *obsessed* with ethnicity, but *no one* ever forgets who is Anglo and who is Mexican. That seems to me an accurate reflection of the place and the time; but the distinctions are even finer: no one forgets whether an Anglo is from a new family or an old one, whether a Mexican is from this family or that.

Hinojosa's mixture of Spanish and English records the language pattern of the Valley, especially twenty years ago and earlier, when his novels take place. The older Mexicans certainly know English even though they may be loath to use it. Anglos who have been in the Valley for years know Spanish and are likely to work it into their conversations. And the "younger" generation of Belken (those who were in their late 20s in 1960) tend to shift back and forth depending on the situation and the subject. In the epistolary parts of *Mi Querido Rafa*, Jehu Malacara writes to his hospitalized friend Rafa Buenrostro in a typical mixture:

Te acabo de llamar, and as always, nada, and so I'll write. (Te llame anoche, despues de la *cena*, pero sin resultado. What the hell kind of a hospital are they running up there?) . . .

It's a good thing I've got a private office at the bank, and one more thing: a little Christian charity, cousin. Escucha: si sigues riendote, burlandote asi, a carcajadas, se te va a caer al parche del ojo, y luego, ¿que vas a hacer? Anyway, thanks for the call this morning.

So far Hinojosa has taken his saga up through around 1960, which is about the time he finally left the Valley for graduate school. As he moves toward the present, his writing has become in a sense more political — and more English — because

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his central theme is the changing Valley and essentially the Anglicization of the Mexicans. The central figures of the last two books are Jehu Malacara and Arnold (Noddy) Perkins. Jehu is an educated young Mexican, making it in an Anglo bank (and with the boss's daughter). Perkins is a land developer, political schemer, and banker working on behalf of himself and the old Anglo family he has married into. The family is used to a paternalistic view of Mexicans:

"What do we have at the Ranch? Three hundred [Mexican] families, is it?"

"Closer to five."

Hinojosa records with a certain admiration Perkins' political machinations as a controllable young Mexican is maneuvered into being county commissioner and owing everything to Noddy. "Our Mex," they call him.

In *Rites and Witnesses*, Jehu (whose name is finally un-Anglicizable) is drawn into the Anglo world as a banker and is allowed to see Anglo power to control the lives and the fortunes of the (mostly) Mexican people in and around Klail City. In *Mi Querido Rafa*, written earlier but taking place slightly later, Jehu finally quits the bank and the Valley, leaving Mexicans and Anglos alike to speculate why he has given up his great opportunity. Another young Mexican, the politician Ira (EYE-ra) Escobar, is gratefully playing out his "success" as orchestrated by Noddy Perkins.

Jehu's decision, no doubt, has its roots in Hinojosa's own experiences as an "acceptable" Mexican. He is fair and blue-eyed. His English is carefully accent-less. As a UT undergraduate he was PiKA and in Tejas Club. As a professor at Trinity, Texas A&I, and Minnesota, and as dean and vice president at A&I, he has been one of the educated ones, one of those who made it. The lure of power, of being an insider — the brandy and cigars treatment — must have been strong. And yet something stuck in the craw, and Hinojosa spits it out in his novels.

The strongest criticism, the broadest ridicule is reserved for those Mexicans who long for Anglo success, like EYE-ra and Polin Tapia, who is thrilled to be asked to help out with Ira's campaign: Tapia says to himself:

Polin! Polin! You're in the bank! The bank! What are those fools looking at? Just who do they think they are? Just who the hell do they think I am? I am Polin Tapia, goddammit. . . . That's who, and I work for Noddy Perkins. You got that? Wait'll P. Galindo hears this Shit. I'll buy the first round. First? Second and third, goddammit. This is the big time, and it feels good.

On the other hand, Hinojosa's strongest characters are the generation of

old (in 1960) men who know who they are and know how to act. One of them, don Aureliano Mora in *Klail*, voices what I take to be the central theme of Hinojosa's fiction. Mora turns himself in to a policeman, don Manuel Guzman, because he has taken a crowbar to a plaque with the names of all the Klail City boys who fought in World War II, erected by the Ladies Auxiliary of the American Legion. The plaque contained the names of two of Mora's sons, one of whom was shot down by an Anglo deputy in front of the J.C. Penney in downtown Flora. When the deputy goes unpunished, Mora does what he feels he must and then goes directly to don Manuel's house, crowbar in hand. As don Manuel drives him home rather than to jail (don Manuel, too, knows how to act), Mora says, "It's that we're like Greeks, don Manuel. Greeks in the homes of Romans." He means that the Mexicans of the Valley are like conquered Greek slaves, with a language and culture of their own, forced to serve the invaders who are merely more powerful. Mora longs for the day when *la raza* will be able to live in their Valley the way they did before the Anglos came. But of course that will not happen. Rather the language and culture don Aureliano Mora loves will be Romanized/Anglicized.

That is the lament of still another of Hinojosa's old men, Echevarria, in a widely anthologized prose piece called "Con el pie en el estribo" (With one foot in the stirrup). The Valley is disappearing, he says, with old friends dying and young people who don't know Spanish and don't know how to act. The problem is the Anglos — "los bolillos" — with their properties and banks and contracts, who don't recognize a handshake as legal. And the *raza* who are willing to screw their fellows — for the fun of it — who are willing to sell themselves at election time. For Echevarria there is little time left in his world — the Valley and his cursed/loved county of Belken.

It is the world that Rolando Hinojosa knows very well and is driven to recreate. By the time we have met and heard the literally hundreds of characters in Hinojosa's Valley, we know from the inside a life that no one else has written about. The stories are universal in the sense that they are about fools and heroes, about borders between cultures, between languages, between generations. But they are also unique documents of the languages spoken in one place, at one time.

That Hinojosa's writing should be so little noticed by the Romans is, I suppose, to be expected. I am reminded of one of his last Witnesses, a widow named Rebecca Ruth Verser:

And I'm not saying they're *all* like that . . . don't get me wrong. But you know what I mean . . . it, it . . . it gets to you after a while; it gets to *me*. My God! I've walked into the Kresge's-and-what-all, in and out for fifty years; and the girls? They *still* speak Spanish, Oh, they'll speak English to you all right, but just as soon as they're through waiting on you; there they go, right back at it again. . . . It's bad manners is what it is. And you think *they* care? And now? Now, they go on to school and even graduate sometimes, but they still go in that Tex-Mex of theirs. . . . Thank goodness there are some educated ones finally.

A very different voice, Echevarria's, asks rhetorically, "*Valle, Valle, ¿quien te ha visto y quien te ve?*"*

Well, Rolando Hinojosa, for one. □


*"Who has seen you and who sees you now?"

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Excerpts from *The Valley**

The age of seven may be a mite early to meet Death head on, but that's when I first met her; it happened of an early evening when I finally arrived home from school by way of the estuary and the canal, stopping for a long swim in each. The women of the neighborhood were standing in the middle of the street waiting for me: Don't go home, now, Jehu; we'll call you. In the meantime, you go on over to Gelasio Chapa's barbershop. You wait there, now. And I did; I knew what was up, knew it right off, and I cried the better part of the night until they came for me; I was then fed and tucked but not in our house.

I'd forgotten all about Pa, and when I did ask, I was told: Well, he's been drinking for the last two days, see. He's over at Cano's place, but it'd be better if you let him be for now. And I did that, too.

We, Pa and I, buried Mama not too far from San Pedro, and then Pa and I'd go over there once a month until he, too, one day — and I mean, one-two-three, just like that —, when one day, as I said, he died as he was telling me a joke; a joke which now, some twenty-five years and two wars later, I've not been able to recall for the life of me.

I was about nine when he died, and it was by mere chance that a knockabout carny troupe pulled in to Relampago on that same day.

It was a small affair, the carny was; it included a fair to middling Big Top, and the main attractions were the high wire and the trapeze acts. The wire'd be strung out the length of the eighty-foot tent and a man (made up to look Japanese or as if drunk or something) or a girl sometimes dressed up in a one piece bathing suit would show up and each one behind the other would then wend their way from one end of the tent to the other and back again. The wire was strong and tight enough, all right, but it wasn't too high off the ground.

Now, right behind a cotton curtain, a five-man ensemble played

whatever had been agreed upon before the start of the show, and then the curtain would drop, the instruments would be set aside, and the musicians, dressed and painted up as clowns, would come bounding out to meet the public. They wouldn't come out empty-handed, either. Each one carried a basket jammed with boxes of caramel candy; the boxes were not always hand filled to the top, but they were attractive: when flattened out, the customer had himself a Mexican flag as a souvenir.

At other times, other men, or perhaps the same ones, depending on the size of the troupe on any given trip, the men, as I was saying, would stand in the middle of the main and only ring and localize their jokes, that is, they'd joke about actual people or characters from Relampago or from any of the other neighboring Valley towns. They'd carry on so that the Relampagans, a dour lot, would smile in recognition, nudge each other and, finally, burst out laughing — but doing this was hard work 'cause Relampagans are hard to please.

The thing is that once we buried Pa, and I was brought back to town, I was left alone there, in the park, and the people went off to work or, as we say: they went off to live, *a vivir*.

Well, I walked around a bit; I thought about school somewhat, but then decided to call on my Aunt Chedes on the chance my cousins would be there. (Aunt Chedes never attended funerals; it was her fear that if she did, then everyone there would die. Everyone, she said, and so she always stayed home, ironing).

When I stepped in the house, I almost bolted out the same door I came in because, truth to tell, her crying made me uneasy, ill at ease. Although I missed Pa very much, and I did, I used to look at him as an older brother, one I never had. The point being that my memories of him must've been quite different

from those of Aunt Chedes' and of that I am certain.

After a while she stopped her crying, but, and again as always, she had a case of hiccups. And there she was, breathing in and breathing out, when she stared at me for the longest time; she turned to the wall for a moment as if looking for something and then she looked at me again. Well, I figured she was fixing to faint or something, but she was frightfully absent minded, too, and then looked past me, and I thought she was planning to go off in one of those trances of hers. I stopped her by walking right to her, and asked: "Where's the kids?"

She recovered, was about to explain this end of it, when she stopped her ironing, placed her middle finger — all of it, to the hilt — inside her mouth. She then placed the iron on the trivet and, finger in mouth, she turned, opened the walnut ice box, and proceeded to fill a tall glass of water.

The house was quiet, and she hadn't said a word in about five minutes. Placing the glass on the iron board, she dipped that middle finger in the cold water, made the sign of the cross in the air and then on my forehead: Drink this, she said, drink this whole glass of water, Jehu. All of it, now, and don't stop till you do. While you're doing that, I'm going to say an Our Father backwards for today's the day you're to meet your new Pa.

I looked at her, but she wouldn't start until I started to drink. Standing there, mouth agape, I didn't know what to do, but — just in case — 'cause you can never tell, I took the glass and began to drink as she half-hummed, half-sung out: Amen, evil from us deliver and . . .

☆ ☆ ☆

In the Valley, there are families from around Klail, Flora, and Bascom who have known each other for some six-seven-eight generations, and many are blood related,

The New Economic Agenda

By Gar Alperovitz

American Income Life Insurance Company is pleased to have the author's permission to publish this position paper for the perusal of Texas Observer readers. Dr. Alperovitz is the Director of the National Center for Economic Alternatives, 2000 P St. N.W. #200, Washington, D.C. 20036, and Professor of Economics at Notre Dame University.

The only way out of the wilderness of our economic crisis is one step at a time. We must be guided by a vision of where we wish to arrive. We must establish an agenda for the economic reconstruction we wish to achieve. And we must pursue that agenda with a sense of pragmatism and flexibility.

The single most crucial element for bringing about economic reconstruction in a country as large and diverse as ours is achieving the coordinated efforts of our economic institutions. If we are to reach agreement on broad goals for economic reconstruction, and if we are to have forceful and coordinated action consistent with these goals at national, regional, and local levels, the adversarial relations that have characterized economic decision-making in this country for many years must be put aside.

To move us forward, we need a spirit of collaboration between business, labor, educational institutions, and government at all levels. New directions for our economy and economic institutions cannot be set by one sector in isolation from the others. The policies and programs necessary to impel both old and new industries forward cannot be imposed by Washington or extracted by coercion of one sector over another. These methods simply do not work in our society over the long haul.

Collaborative economic decision-making is not a panacea for meeting all the economic challenges we face, but effective forms of mutual consultation and consent are the only means by which we can move forward with the coordination and force required. Our corporations, labor unions, educational institutions, and government will need people devoted to this style of leadership, and skillful in its execution.

New Conditions of Economic Life

We are in a period of economic change of the first magnitude. Most of our economic institutions did not anticipate these changes. Now that the new realities are upon us, many of our economic institutions have not yet successfully adjusted. The larger part of our economic difficulties derive from pervasive changes in our domestic economy and the global economy.

1. The American economy is tied in a thousand ways to the economies of other nations. The world has become so economically integrated and mutually dependent that cycles of growth and recession supercede all national boundaries. No one country can readily increase economic growth while other nations' economies are contracting. World-wide economic stagnation is currently so powerful that it has been a major force in intensifying our domestic recession; our high interest rates and economic down-turn make recovery more difficult for economies linked to ours. As a result of all this, revival of our domestic economy will be virtually impossible without taking steps to produce recovery on a much wider scale.

2. Lower-priced imports have in recent years come to dominate major portions of American domestic markets. Many of our industries have succumbed to competition from foreign producers in our home markets for a variety of reasons, but the final result has been lower sales by some of our greatest industries: steel, automobiles, aircraft, electronics. Declining sales and production, in combination with shortages of money to invest in new industrial capacities, have created a spiral of decline.

3. Overseas, our exports have increasingly been unable to compete

with similar products produced by other nations with greater efficiency and sold for lower prices. Meanwhile, some of our trading partners use a variety of practices to shield their own markets from penetration by American business. Further hardship for American industry and labor has resulted from the erosion of our competitive edge in a wide variety of traditional and world markets.

4. The means of production in many industries are being radically changed by technological innovations, such as robotics, and by changing management and labor practices. Those industries and nations that have moved most rapidly into more efficient methods of production have gained the competitive edge, in many cases over American businesses.

5. Entire new industries have been rapidly emerging in the world economy. Others are on the near horizon. "High-tech" and "information" industries — computers, biotechnology, telecommunications, space applications — will account for more and more growth and sales in world markets. Many of the technologies on which these growth industries are based had their origins in the United States, but we have on the whole been slow to exploit their potential through intelligent capital investment, improved productivity levels, and aggressive marketing. We will be engaged in fierce competition with Japan, France, West Germany and other nations over dominance of expanding high-tech markets. A weak American economy, plus insufficient longer-range planning and investment, have undercut the creation of new ventures, and once markets are lost they are difficult to recover.

6. As these structural changes in our own economy and the world economy were gaining momentum, and while other nations stepped up competition for markets we had previously dominated, inflation became a corrosive force in our economic life, ignited by our tragic conduct in the Vietnam War. Additional shocks hit our economy, such as the vast increases in OPEC oil prices, and we became even more deeply locked in a costly arms race with the Soviet Union. During a period in which creative responses to major changes were badly needed from our economic institutions, they were instead caught up in confusion, short-term interests, and diminishing capacity to respond.

7. The economic policies of the Reagan Administration, rather than helping to lift us out of recession and reconstruct our economy, as promised, have plunged us deeper into crisis. A primitive supply-side doctrine of economic growth along with tight money policies have failed to stimulate recovery and have savaged the lives of millions of citizens. The cost and danger of the arms race have peaked with the Reagan Administration, swelling government deficits and draining precious resources in the private sector from activities desperately needed to expand the competitive capabilities of our economy. Worst of all, the Reagan doctrine has done very little to bring about the necessary adjustments in our economic institutions — or the spirit of cooperative planning and coordinated action — needed to meet the new realities and challenges that have shaken our sense of mastery over our economic destiny. Blaming government for our economic crisis is only a distraction from coming to grips with the new conditions of our economic life.

We can revive and reconstruct the American economy to meet effectively the new conditions and challenges we face. Our history illuminates a record of meeting other great crises and challenges. However, a new and better framework of policies and actions by government, business, labor, and educational institutions is required.

The President of the United States has very little direct power over the American economy or over business and labor, but the President can lead in helping to define our national economic goals and creating a new spirit of collaboration.

(To Be Continued)

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◦ SOCIAL CAUSE CALENDAR ◦

Notices on upcoming events must reach the *Observer* at least three weeks in advance.

WOMEN'S COALITION CONFERENCE

On **March 12** the National Organization of Women will hold a workshop on the government and will initiate a coalition of women's groups; Sheraton Spindletop Inn, Beaumont, 10 a.m.-4 p.m. Area women invited; \$5 fee; RSVP 833-9966.

ANTI-NUCLEAR DOCUMENTARY

The Maryknoll film, "Gods of Metal," which documents Christian anti-nuclear weaponry activism, will be shown **March 16**, 7 p.m., St. Julia Catholic Church, Austin. The film will also be shown in other Austin parishes; call local churches for date and time.

PEACE BENEFIT

The Austin Peace and Justice Coalition will have a benefit Italian Dinner and Auction, **March 18**, 7-10 p.m., Unitarian Church, 4700 Grover. Auction donations welcome; call 454-7198.

CORPUS CHRISTI PROTEST

Peace groups will protest the docking of the nuclear submarine "City of Corpus Christi," **March 20**, Corpus Christi harbor. Call 884-6699 for time. Those interested in traveling with a group from Austin to Corpus may call 478-4577.

PEACE FILM ON PBS

The American Friends Service Committee's anti-war film, "The Time Has Come," will be shown **March 21**, KLRH, Ch. 18, Austin, 7:30 p.m.; and, **April 3**, KNCT, Ch. 46, Killeen, 2 p.m. It features the New York June 12 disarmament demonstration as well as Amarillo and Austin protests.

CENTRAL AMERICA WEEK

Memorial services commemorating the assassination on March 24, 1980, of El Salvador's Archbishop Oscar Romero will be held during Central America Week, **March 18-27**. In Austin, a Mass and interfaith service with Latin American music, poetry and Nicaraguan religious speakers will be **March 24**, 7 p.m., Dolores Catholic Church, 1111 Montopolis Dr. The San Antonio Interreligious Task Force will hold its service **March 27**; call 432-1125 for the time and place. Contact Campaign for Peace with Justice (1747 Connecticut Ave. N.W., Washington, D.C., 20009) for information on U.S. intervention in Central America.

HUMANITIES LECTURE

Charles L. Black, Jr., legal scholar and activist, will speak about the relationship between the humanities and social goals on **March 25**, 8 p.m., Woodlands Conference Center. This 1983 Texas Lecture on the Humanities is free and open to the public. A one-day Institute on the Humanities will

follow on **March 26**. Call (512) 473-8585 for information.

Progressive Organizations

The *Observer* has built up lists of organizations in Texas we regard as progressive. The editor invites communications recommending organizations for inclusion. We will generally run the listings for Austin, San Antonio, and Houston in one issue followed by Dallas, Fort Worth, and Around Texas in the next.

DALLAS

ACLU, 651-7897; ACORN, 823-4580; American Indian Center, 826-8856; Amns. for Demo. Action, 368-8931; AMIGOS, 339-9461; Amnesty Intl., 361-4690; Armadillo Coalition, 349-1970; Audubon Society, 341-2534; Bois d'Arc Patriots, 827-2632; Bread for the World, Joe Haag, 741-1991x298; Brthhood of Viet Vet., 224-9750; Brown Berets, 337-4135; Casa America Libre, 942-9413; Citizens' Assn. for Sound Energy (CASE), 946-9446; Citizens for Comm. Health, 363-2979; Ctzn. Party, 630-5765; Clean Air Coalition, 387-2785; Comanche Peak Life Force, 337-5885; Cmte. in Solidarity with the People of El Salvador (CISPES), 375-3715; Dallas Friends Service Group, 321-8643; Dallas Gay Alliance, 528-4233; Dallas Inter-Religious Task Force on Central America, 327-8370; Dallas UN Assn., 526-1853; Demo. Socialists of America (DSA), 299-5408; E. Dallas Nghbrhood Assn., 827-1181; Fellowship of Reconciliation (FOR), 370-3805; Frederick Douglass Voting Council, 426-1867; Gray Panthers of Dallas-Fort Worth, 227-8332; Ground Zero, 692-3646; Human Ecology Research Foundation, 620-0620; Humanists of North Texas, 387-5559; Lawyers' Alliance For Nuclear Arms Control, 43 Charles St., Suite 3, Boston, MA, 02114; Love Field Ctzn. Action Cmte., 526-8481; Low Income Housing Security Cmte., 748-5861; Nghbrhood Info. & Action Service, 827-2632; Neighbors United for Quality Ed., 823-6713; N. Tx. Abortion Rights Action League (NTARAL), 742-8188; NOW (Dallas Cty.), 742-6918; NOW (North Dal.), 690-8971; N. Lake Col. Solar Club, 659-5254; Physicians for Social Responsibility, 688-2699; Progressive Voters League, 372-8168; Proyecto Adelante, 941-3784; Resistance Cmte., 942-4236; Sierra Club, 369-5543; Save Open Space (SOS), 750-9736; S. Central Civic League, 375-5038; S.E. Dal. Nghbrhood Club, 421-7931; Sound Transportation & Rapid Transit (START), 321-6960; Txns. for Handgun Control, 528-3985; Tx. Cmte. on Natural Resources, 352-8370; Tx. Tenants Union, 823-2733; Urban Affairs Center (Bishop Col.), 372-6801; War Resisters League, 337-5885; W. Dal. Nghbrhood Group, 631-1586.

FORT WORTH

ACLU, 534-6883; ACORN, 924-1401; Bread for the World, 924-1440 (Dist. 12), 923-4290 (Dist. 6); C.O. Awareness Cmte. (COAC), 457-6148; Citizens for Education on Nuclear Arms (CENA), 926-3827; Ctzn. Party, 293-7129; Coalition of Labor Union Women, 469-1202; Dist. 10 Demos., 535-7803; Dist. 12 Demos., 457-1560; First Friday, 927-0808; Ft. W. Task Force on Central Am.,

921-0419; Ft. W. Tenants' Ccl., 923-5071; IM-PACT, 923-4506; Mental Health Assn., 335-5405; NOW, 336-3943; Precinct Workers Cl., 429-2706; Sierra Club, 923-9718; Students Against the Draft (UTA), 261-1935; Tarrant Cty. Demo Women's Club, 451-8133, 927-5169; Tx. Coalition of Black Demos (F. W. chap.), 534-7737; Women's Political Caucus, 336-8700.

AROUND TEXAS

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