WHAT'S IN A NEWSLETTER?

One of the purposes of the Union of Radical Political Economics is the dissemination of information to its members. To this end, both a bi-monthly Bulletin and a newsletter have been established. The Bulletin contains substantive articles of considerable length, much the same as a journal would. The Newsletter contains other material not considered "substantial" enough for the Bulletin.

This material falls into the following categories:

1. News

   a. News briefs--e.g. (i) follow-ups on stories, (ii) personal news--appointments, research activity, arrests, etc., (iii) coming events.

   b. Reports of URPE conferences.--This issue contains a report on the Mid-Atlantic URPE Conference held in Washington in January.

   c. Reports of organizing activity in economics departments and on campus. Next issue we hope to have an article on the organizing activity that has taken place at the New School for Social Research this past year. We are sure this type of activity is going on elsewhere and would like to report it.

   (continued on page 2)

Chicago, Chicago

Stephan Michelson
Harvard University

The 1968 AEA meetings were held, as scheduled, in Chicago. Mike Zweig was listed in the printed program as heading seminars of "The Radical Economics Group" on Sunday, December 30, at 4:30, and the next day at 2:30. A hasty organization determined the following presentation: after Mike's welcoming introduction, Jim Weaver read a short paper distinguishing criticism of economics, of economists, and of the economy. Mike then led some discussion of critiques of traditional methodology (or, perhaps more accurately, the use for policy purposes of conclusions from admittedly inadequate assumptions).

(continued on page 5)

Middle Atlantic Conference

Jim Weaver
American University

Because President Nixon had indicated a desire to bring us all together in Washington at Inauguration time, fifty members of U.R.P.E. came together at American University on January 18. U.R.P.E. members came from all over the Northeastern United States -- many to attend the counter-inauguration activities. A surprising number were employees of the federal government.

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NEWSLETTER (continued from page 1)

2. Analysis

a. Short articles of analytic content. Some possibilities are: (i) articles dealing with some economic problem or a short presentation of some interesting data, (ii) perspectives for organizing departments, or economists in general, (iii) good articles that you have seen in some underground paper of limited circulation that you think should be reprinted. Please obtain permission to reprint these articles before submitting them.

b. Abstracts of longer articles, or longer pieces of student research (see inside for more information on this.)

c. Book and article reviews--when you run across a book or article that you think everyone should read, write a short "blurb" and send it in. It can be somewhat analytic, like the notes by Larry Hirschhorn in this issue, or just a sentence, like Dick Dufoff's list. There is no reason why these have to be limited to the field of economics; there is going to be only one revolution (if any).

3. Description and miscellaneous

a. New course descriptions or radical approaches to old courses. For an example of this, see Jim Weaver's description of his Ec I course inside.

b. Description of work in the realm of "advocacy economics." In this issue Elliot Sclar describes his work with a community group in Somerville, Mass. We know of other economists who are working with Model Cities in New Haven, doing tax research for organizers in Boston, and working on a rent control campaign in Cambridge. We plan to include articles on these activities in future issues. We would like to report on similar activities from other places.

c. Good stories, parables, cartoons, etc. Any artwork will be appreciated.

d. Unclassified ads. We welcome ads from groups seeking economists and from economists seeking work, either volunteer or paid. Also requests for research material. No charge for ads.

e. Correspondence--we welcome letters in response to any articles, to the Newsletter in general, or to U.R.P.E.

The next issue of the Newsletter is scheduled for mid-May. All material for that issue should be sent to U.R.P.E., P.O. Box 571, Ann Arbor, Mich. 48107, by April 25. However, please keep the material flowing in; don't wait until April 24 to send it to us, nor refrain after that date.

THE STAFF
Unfortunately Professor Paul McCracken was not able to attend the conference and give the principle address. You will also be saddened by the news that no U.R.P.E. members were appointed to Nixon's Council of Economic Advisers.

The central issue discussed in the morning session was strategies for development -- or strategies for liberation. Discussion leaders and topics were:

1. Robb Burlage and Marty Wolfson of the Institute for Policy Studies--Appalachia
2. Gerry Humnus and David Torquist--Institute for Policy Studies--Yugoslavia as a model for decentralized socialism in United States.
3. Mike Zweig--SUNY at Stony Brook--Black Capitalism

The attempts to "develop" or "liberate" Appalachia or the ghettos were seen as defensive actions on the part of the residents. They are trying to defend themselves against strip mining, against high interest rates, against high prices, against further exploitation.

Nixon's strategy for development seems to be Black Capitalism or Appalachian Capitalism. Project OWN of the Small Business Administration is the model. The question of Black Capitalism is "who is doing in whom?" Is there any real difference whether it's blacks doing in blacks or whites doing in blacks? Is a job at GM a step up or will it reduce people's hostility toward GM and remove the opportunity for radical change? What do people in Appalachia or the ghettos want?

Welfare has been the approach to social problems for thirty-five years. Now we have a new strategy. Business is now going to make profits out of solving social problems--with the help of tax incentives, SBA loans, etc. The question is--can the Nixon strategy be turned into a human, egalitarian system? Can SBA loans, HUD loans, and HEW grants be used to establish Community Development Corporations, cooperative housing, cooperative producing units, etc.?

Robb Burlage analyzed the four presently competing strategies for developing Appalachia as follows:

1. The traditional coal company--UMW approach--keep raping until the people stop noticing.
2. The national liberal economic development strategy--the Appalachian Regional Development Commission--which is to build highways and bring the United States to the hills through tourism.
3. The Louis Nunn Approach--alliance between racists, middle management, Republicans--using SBA loans, etc.
4. The Jay Rockefeller approach--bring the big corporations in, bring the Appalachian Volunteers and Vistas in, and form a coalition between the young, the poor and the rich. None of these alternative development strategies seems likely to produce a human system in Appalachia. (Nader's Raiders are going to be in Appalachia this summer.)

The Yugoslav seminar was mostly concerned with the question of whether or not a decentralized socialist economy can avoid the dualism or imperialistic relationships which occur in capitalist systems between "center" and "periphery" regions. Worker council control over plants in the depressed regions may partially offset the development of imperialistic interregional relationships. Also, the limited central planning still being done is concerned with the economic growth of the depressed regions.

The afternoon sessions dealt with reformulations of economic theory. Harold Barnett of MIT presented a paper in which he argued that the ghettos could be usefully studied through a combination of trade and development theory, allowing the selection of variables to be informed by the concept of colonialism. He pointed out the limitations of this approach but contended that this is really about the only tool economists have in trying to analyze ghettos.
MID- ATLANTIC (continued from page 3)

Herb Gintis of Harvard argued that neo-classical welfare economists limited themselves to an examination of the realization of a welfare optimum assuming tastes and preferences given and assuming a rigid division between institutionalized and market type decision making. These assumptions plus the assumption of independence of constrained utility maximization and behavior shaping the development of new preference structures were brought under critical analysis. Especially challenged was the separation of efficiency and equity, a fundamental proposition of welfare theory.

The last session was concerned with the role of political economists. David Brooks, Director of Economic Research for the Bureau of Mines, discussed government employment as an option for radical economists. He analyzed all the limitations one faces as a government employee, but argued that the opportunities for economists to bring about change as government employees were great.

There was great interest in employment opportunities for radical economists. One function of U.R.P.E. must be to serve as an information center for job openings. The following sources of information on job openings were discussed: Radicals in Professions, c/o Radical Education Project, Box 625, Ann Arbor, Michigan 48107; Vocations for Social Change, 2010 B Street, Hayward, California 94544; and Mr. John Thomas, Martin Luther King School for Social Change, Crozier Theological Seminary, 21st and Upland, Chester, Pennsylvania, 19013.

Chuck Wilber of American University argued that economic research was the area where we could have the most impact. He presented a paper on the meaning of political economy and how political economists approach research questions—-as opposed to economists who are merely technicians. His key point was that there are no purely economic problems. There are just problems. Man is a social animal whose arrangements for the production and distribution of economic goods must be, if society is to be livable, consistent with congruent arrangements for family, political and religious life. As a result, economic analysis must incorporate such non-economic influences as social classes, political power, cultural values, and the distribution of income.

Wilber argued that most action groups are desperately lacking in hard data on who owns what, who controls it, etc. Our comparative advantage lies in our ability to analyze these problems.

I maintained that teaching was the place to have an impact—-because university students are one of the most alienated groups in our society. There is a real possibility for change in America if students are presented with alternatives to the present system. College professors should be critics of the system, and of its underlying values. Students should be encouraged to be critical of the system and of their own values. Real alternatives should be discussed.

Radicals express great discontent with the principles course as it is currently taught. I have recently become aware of a study which should be reassuring to us. G.L. Bach cites a study (in J. G. Lumsden, New Developments in the Teaching of Economics) which tested high school social science teachers on their economic knowledge eight years after they graduated from college. Those who had taken no college courses in economics did as well as those who had taken a year or two of economics. So—no matter how crappy our present course is—it doesn’t do any lasting damage.
Then I gave an overly long presentation on income differences by race designed to show that, rather than just talk about different approaches to analysis, we intend to produce them.

The Monday session was quite different. Many people returned from the Sunday session, and we prepared nothing for them. We sat in a circle, talked about course revisions, work in the field, the structure and purposes of URFE, etc. Some of that had occurred Sunday, at which session some people stayed till about 6:30 p.m. The Monday session must have lasted in some form till about 4:30 p.m.

The audience was of several types, which meant that whatever was done by "the leadership" displeased somebody. It may also have pleased somebody, but as usual, the complainers were the more vocal. We attempted to involve the people, and quite successfully provided an obvious and welcome contrast to the regular meetings. Some people came to talk about organizing URFE, to find out more about it, etc. To them our critiques were obvious and acceptable. Others came to see if self-professed "radicals" had anything interesting to say. To them our critiques were hasty and superficial -- necessarily so, since we were unwilling to take the time to bore the former group while proselytizing the latter group. In addition, some of the participants were not attached to academic institutions, and therefore not especially concerned with critiques of theory, revision of courses and the like. They wanted more research, more equal allocation of economists' skills among deserving projects, more communication and more people-oriented economics.

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The three of us presented a weird contrast, so that each of us certainly turned off some people, and presumably on others. Given the minimal organization, I'd say the two days proved very successful in creating interest in URPE, and in finding already committed people who had not been contacted previously. I think attending and participating in this way at AEA meetings should be a part of URPE's activities. Even stronger, I think it is an obligation to inform economists that there is a group which may interest them, to which they can contribute, from which they may -- if this word is allowable in a "radical" publication -- profit.

There are many dissatisfied economists. Some are willing to criticize what economists take as the subjects of their research, but not how those who investigate relevant topics do so. Others agree on criticisms of current research, but some of these see only individual examples of poorly chosen methodology, while some see in the consistent failure to ask certain questions (such as who benefits, and who pays the cost in an area-wide cost-benefit study; or can benefits and costs be calculated from market prices reflecting an unacceptable income distribution?) the failure of conventional economics itself. Some people feel that economists are free to direct their efforts anywhere they wish, and it is a shame that these efforts are so often mis-directed. Others feel that economists have such freedom only given current prices (in terms of promotion, prestige and job opportunities, as well as salary), and that these prices are controlled by certain interest groups, such as university administrations and the military. These are arguable points, and perhaps all would agree that they are not argued in any forum currently available to economists.

It was clear from the Chicago meetings that people are interested in these questions, want to discuss them, and need a not too formal means of communication. This Newsletter is URPE's response to that need.

SECRETARIAT (continued from page 5)

There are a number of negative externalities, however, which attach to growth which is too rapid (in addition to the all-night sessions put in by members of the Secretariat.) One is that we have been at a total loss in attempting to answer the tremendous amount of mail which comes into our office (one file drawer and borrowed typewriter and telephone) every day. Another we face is due to the abundance of mundane matters needing daily attention: the Secretariat has had little time for long-run planning. This Newsletter-Bulletin, in fact, has been the product of scattered bits of time stolen here and there during temporary lulls between mail deliveries. Hopefully as we adjust to the size of the URPE organization, we can begin a division of labor which will facilitate both the accomplishment of daily tasks and long-run program planning. Toward this end we are considering hiring a part-time combination secretary/bookkeeper/typist-office-manager/clerk responsible for the daily routine. This will allow the Secretariat staff to concentrate on publications and conference planning. In the near future, income permitting, we should discuss the possibility of offering an "URPE Fellowship" to a graduate student who would act as Executive Secretary of the organization for a full year.

The area which has suffered the most from our too rapid growth has been the program to establish viable URPE regions. The Philadelphia conference participants mandated the National Committee and the Secretariat to begin organizing individual URPE regions and local
organizations. Expect for the Boston-Cambridge area and Ann Arbor area URPE chapters, no conscientious regional organizing has been attempted. After we get out from under the morass, this will be a first order priority.

In order to facilitate regional and local organizing, the Secretariat hopes to be able to commit to computer cards the membership list of URPE. This can be done as soon as the membership list stabilizes. When complete, individuals who wish to begin local chapters will be able to get print-outs of local area membership lists and use these as a basis for organizing. Other members, interested in specific subject areas, will also have this service available. Hence, members wishing a list of URPE people involved in economic development studies, for instance, will be able to obtain one quickly at minimal cost. In this manner URPE can begin the all important task of serving as information broker for radical economists as well as contributing to the building of a reinforcement mechanism for lonely members caught out in Podunk Corners U.

Finally, when the newness of URPE has worn off and the Secretariat has gotten back to its feet, we hope to aid in preparing material for local and regional conferences or "pow-wows". To aid this development we hope to be in the position to initiate a radical economics library containing the best of the Left economic literature.

All in all, we feel URPE has gotten off to a most auspicious beginning, filling a need felt by a considerable portion of "left" economists both in this country and increasingly in Canada, Latin America, and Europe. As the URPE income account grows, we can look forward to providing more and more services to academicians and laymen alike who wish to add a relevance and new direction to contemporary economics. And we can look forward to the day when URPE as an organization can begin to influence political discussions and political action.

Financial Statement
December 6, 1968-February 20, 1969

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ADVOCACY ECONOMICS

HOW A RADICAL ECONOMIST CAN WORK WITH LIBERALS AND STILL SLEEP AT NIGHT

by Elliot Solar
Salem State College

Somerville is situated on 3.93 square miles of Massachusetts real estate and borders on Cambridge and Boston. In 1950 it was reputed to be the most densely populated city in the United States with 26,044 persons per square mile. Although the situation has improved somewhat, it is still heavily populated with 21,967 persons per square mile in 1965. According to the 1960 census, Somerville was 99.5% white, with 66% either foreign-born or of foreign stock. Of these, 28.5% were Italian, 25.8% Canadian, and 21.6% Irish. The median years of school completed by Somerville residents was 10.8 (compared with 12.1 for the Boston metropolitan area.) 82% of those people in Somerville in the civilian labor force held jobs that could be classified as either blue collar or clerical. Median family income in 1960 was $6,024 compared with $6,687 for the Boston metropolitan area. 96.6% of Somerville's housing was built in 1939 or earlier, with 56.5% being one- or two-family units. Somerville also has one of the highest tax rates in the state, one of the worst school systems, one of the highest proportions of the state welfare rolls, and a municipal government second to none in "conflict of interest."

In a nutshell, Somerville is a typical white working class ghetto, a catalog of all those urban problems which the Movement in general and white radicals in particular must ultimately face. It is rife with race and welfare antagonisms (though welfare recipients are white), with many just close enough to the welfare line to despise those below it. Its residents are victimized by a system of state aid that benefits the wealthy cities and towns at the expense of the poor, a corrupt city government, and a conventional wisdom that tells them that there is nothing they can do about their problems. These problems of the white working class must be included in the program of any movement for social change working for a broad base of support.

While many Somervillians are apathetic about political realities, there have been fragmented efforts to attack particular problems. Since the early 1960's, committees have formed from time to time to press for specific demands. At the present, welfare recipients and public housing tenants are organized, and groups exist pushing for community schools, better public schools, and racial understanding. These groups could form the nucleus of a larger, multi-issue organization in Somerville. The major problem facing those interested in forming this movement is getting people to realize the amount of inter-connectedness among the problems of the city. Single issue fights may alleviate a particular problem, and are useful in organizing people for the larger battle, but the realities of the political situation require an attack on all fronts to bring about meaningful social change.

The Citizens for Participation Politics (CPP), the group with which I work, is the organization in Somerville that is closest to dealing with social problems in this way. Formed from the remnants of the Massachusetts McCarthy campaign, and organized by cities and towns, it concerns itself with local problems. Currently, CPP in Somerville is working with the Somerville Teachers Association in a referendum campaign for city charter revision. The teachers are involved because it is only through charter revision that they will be able to wrest control of the school buildings from the Public Works Department and place them under the jurisdiction of the School Committee. This will allow teaching conditions to be points subject to collective bargaining.

(continued on page 9)
ADVOCACY (continued from page 8)

The CPP, however, has yet to define its interest in charter revision other than a gut feeling that "anything is better than what we have now." Though their experience last summer with "democratic" electoral politics was disappointing, and they are now willing to listen to radicals, they still find it difficult to accept any alternative to electioneering. This presents a dilemma for a radical economist working with this kind of "liberal" group, particularly when it is the only grass roots political organization in the community in which he lives.

My response to this has been an attempt to provide the group with an analysis of the problems in Somerville that (1) gives them the information they need to carry out the campaign that they are waging, (2) demonstrates the interrelatedness of issues and problems, and (3) suggests reasons why electoral campaigns are not the way to achieve the kind of social change they desire. As chairman of the public finance committee, I was asked to look into the fiscal situation of Somerville. I took a broader view of this assignment and tried to draw a picture of how Somerville fit into the metropolitan area, and in particular tried to answer some questions I had about the high rate of taxation and low rate of social services.

Briefly let me summarize some of my findings. First, I looked at the way in which the deficits of the Metropolitan transit system are financed. In 1969, Somerville will pay $10.05 of its property tax towards this deficit, while the wealthy suburbs of Lexington (1959 median family income of $9,043) and Wellesley ($11,478) will pay $.48 and $.15, respectively. As many Somervillians and few Lexingtontians and Wellesleyites use public transportation, this is obviously based on some idea of direct benefit taxation, ignoring any externalities. But real externalities exist. Providing (uncomfortable) mass transportation for Somervillians allows Lexingtontians to drive in relative comfort in their private automobiles to work and have a reasonably good chance of finding a place to park. Mass transportation brings employees to work and consumers to shop in businesses that are (probably) owned by those who live in the wealthy suburbs, and also helps to maintain values of the property owned by the absentee landlords.

I found that Somervillians subsidize suburbanites in two more ways. Insurance rates for each town are set by the state by the number of accidents that involve residents of that town. Suburbanites drive through Somerville every day on the way to work thus increasing the chances of an accident of a Somerville resident, but Somerville residents rarely drive through the suburbs. The basic insurance premium in Somerville is more than double that of Lexington and Wellesley. Another subsidization is through the maintenance of commuter routes. Some of these are maintained by the state, with each community being assessed by the number of miles of such roads within it. Other, non-state, routes are maintained totally by the community in which they run. Thus again, Somerville pays for roads that are used by residents of the outlying suburbs, without reciprocity.

Thirdly, state aid to education is figured on a matching fund basis. Lexington, with a lower tax rate but far lower metropolitan and state obligations, spends more on its schools than Somerville ($412 per child in Lexington and $243 in Somerville) and receives more in state aid ($148 for Lexington compared with $122 for Somerville).

In addition, with all these expenditures required of the city of Somerville, little is left over to provide other necessary social services, resulting in
far higher rates of infant mortality, tuberculosis deaths, and suicide.

This type of analysis allows me to talk about where the power lies in concrete terms rather than abstractions. These data show in a simple form not only that some people are wealthy and others poor, but how the wealthy use the power that wealth brings. They also show that the answer to Somerville's major problems are not within Somerville itself but must be solved in a larger context, and that the existence of wealth and power in the suburbs will prevent these changes from coming through the "normal" channels of state government. Thus, when CPP is unsuccessful in bringing about the kind of change that they want, I already have an analysis that will provide them an answer other than the usual liberal response of personal inadequacy. Hopefully I can show them that their response should not be just to work harder at the same, limited approach, but to recognize the bankruptcy of their methods. $
STEERING COMMITTEE MEETING

prepared by Ted Behr
Massachusetts Institute of Technology

Decisions of the URPE National Steering Committee, meeting in Boston the weekend of March 14:

NATIONAL CONFERENCE: The next URPE National Conference will be August 22 through September 1. We are trying to get a camp or campus for the meeting in the Michigan-Wisconsin-Minnesota area. The reasons for this lengthy and secluded gathering are: 1) to provide sufficient time for thorough discussion of issues without the pressure of time and other obligations, 2) to minimize the conflict of topics and seminars that would necessarily accompany a shorter, more compact conference, 3) to allow URPE people time to get to know each other, and 4) to structure the conference so that anyone who cannot come for the entire ten days can profitably spend a weekend or part of the week. The program at this time is still unformed. Any suggestions for seminars or any papers for presentation are welcome. More details on place, cost, and program will be included in the next issue of the Newsletter.

EXECUTIVE SECRETARY: Ted Behr, graduate student at M.I.T., was hired as full-time Executive Secretary of URPE, starting June 1. The decision to hire an Executive Secretary was based on the rapid growth of the organization and the volume of work that have been generated. He will be responsible for handling all office work and correspondence, serve as chief editor of all URPE publications, hold organize regional conferences and local chapters, and raise funds. A minimum, guaranteed salary of $5000 per year with a maximum of $10,000 was agreed upon. The exact amount will be decided by the Steering Committee depending on the financial condition of the organization.

BULLETIN/NEWSLETTER: It was agreed that quality is more important than a schedule in the publication of the Bulletin/Newsletter. Thus, we will try to publish each on schedule, but if good material is lacking, we will hold up publication until such material is forthcoming. Disappointment was expressed at not having received more papers for publication in the Bulletin. Please submit papers you would like published. An editorial board for selecting papers for inclusion in the Bulletin is being set up by the Steering Committee.

SECRETARIAT: Barry Bluestone updated the Secretariat report included in this Newsletter by telling us that URPE income now exceeds $3000. The book (Conference Papers of the Union for Radical Political Economics, Philadelphia, December 1968) is paid for with over $1300 left in the bank, and will be ready for distribution in early April. So far, book orders have paid for half the expenses; if we sell all 1000 copies, we will have a "profit" of over $1000. It was agreed to push book sales, and also to push for more members. The question of "fiscal year" was raised, and it was decided to operate on a calendar year basis. Memberships will run from January 1 to December 31 regardless of when they are submitted. A person joining in the middle of the year will receive all back issues of regular URPE publications for that year. All memberships will then be renewable on January 1 of each year.

Finally, it was decided that the Secretariat should be where the Executive Secretary is, and therefore will be re-formed in the Cambridge area starting June 1.

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SOUTHERN ECONOMIC ASSOCIATION: Jim Weaver of American University has received a request for URPE to participate in the SEA meetings in November. The form of our participation is up to us. We decided to take this opportunity to talk to other economists, and put on an informal program centered around the question "What Is Radical Economics?" This will be divided into three parts: 1) the role of the radical economist, 2) what is URPE, and 3) a substantive paper demonstrating radical economic research. Anyone wanting to participate in this presentation, especially anyone wishing to deliver the substantive paper, should contact Jim Weaver, Department of Economics, American University, Washington, D.C. 20016.

NEW UNIVERSITY CONFERENCE: The question was raised of URPE's relation to NUC, the radical faculty organization. It was suggested that, as the role of professional caucuses within NUC is still undefined, we could not discuss the role of URPE as an organization, though individual members can certainly be active in NUC. This question will be raised at the NUC National Convention in June, with the last day of the conference devoted entirely to meetings of professional caucuses. All radical economists are urged to attend. More information can be obtained from your local NUC chapter or from New University Conference, 1307 E. 60th Street, Chicago, Illinois 60637.

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ANNOUNCING URPE'S 1ST BOOK

CONFERENCE PAPERS OF THE UNION FOR RADICAL POLITICAL ECONOMICS,

PHILADELPHIA, DECEMBER 1968

A full-length book containing ten diverse articles:

"American Fascist Democracy" - Daniel Fusfeld
"A Marxist View of Economics" - Victor Perlo
"A New Left Critique of Economics" - Michael Zweig
"On Income Differentials by Race: An Analysis and a Suggestion" - Stephan Michelson
"The Economics of the Urban and Racial Crisis" - Daniel Fusfeld
"An International Negative Income Tax" - James Weaver and Leroy Jones
"The Human Costs of Economic Development" - Charles Wilbur
"Advocacy Economics" - Rick Wolfe
"Organizing in the University" - Tom Standish
"The Role of the Radical Economist" - James Weaver 185 pp. $2.50

Published by: The UNION FOR RADICAL POLITICAL ECONOMICS
PO Box 571
Ann Arbor, Michigan 48107
POLITICAL FIRINGS: This has been a recurrent topic of discussion at past meetings of URPE and other radical academic organizations. It is high on the list of discussion topics for the NUC Convention, and it was decided to include it for discussion at our National Conference. We need data on actual cases of political firing, refusal of tenure, etc., from those who have been personally involved or know of such incidents. Please send us any information of this type that you have; we will collect it for the National Conference and print the most infamous tales in the Newsletter.

REGIONAL AND AREA ORGANIZING: Currently we have people covering the following areas for URPE organizing: West Coast – Judith Shapiro, University of Washington, Seattle; Mid-west – Barry Bluestone, University of Michigan; Detroit – John Weeks, Wayne State University; New England – Herb Gintis and Stephan Michelson, Harvard; New York – Mike Zweig, Stony Brook; and Middle Atlantic and South – Jim Weaver, American University. Those are extremely large areas for one person to handle, and all these people are already active in URPE and other Movement activities. We would like to split up the work of organizing, and we need people who are willing to do it. If you are interested in organizing for URPE in your area (campus, city, state), please write us for more details.

The following members of the National Steering Committee attended this meeting: Stephan Michelson, Harvard; Ted Behr, M.I.T.; Herb Gintis, Harvard; Judith Shapiro, University of Washington; Norm Glicksman, University of Pennsylvania; Mike Zweig, SUNY at Stony Brook; Jim Weaver, American University; and Barry Bluestone, University of Michigan. Also attending some of the sessions (all URPE meetings are open and decisions are taken collectively) were Art MacEwan, Harvard; John Weeks, Wayne State University; Matthew Edel, M.I.T.; and Ralph Pochoda, Harvard. (Schools listed for correspondence purposes only.)

Become an URPE Member
This year URPE is planning:

1. Four issues of the URPE Bulletin, containing substantive articles of research, methodology, ideology, etc.

2. Four issues of the URPE Newsletter, containing news of URPE events, articles on advocacy economics and student organizing, research abstracts, course outlines, etc.

3. A ten-day National Conference in August.

4. A National Office in Cambridge, Mass, with a full-time Executive Secretary

Yearly Dues: $7.50 for low-income, $15.00 for high-income

The UNION FOR RADICAL POLITICAL ECONOMICS
PO Box 571
Ann Arbor, Michigan 48107

Help Build a Radical Alternative to Establishment Economics
RESEARCH ABSTRACTS

One of the functions of this Newsletter will be to keep URPE members informed of current research. Projects often generate interesting and valid information which is not "publishable" by general standards. For example, we have Gini coefficients by race (white and non-white) and by state (48 only) for 1940, 1950, and 1960, calculated by a student at Harvard, spring, 1968. This information—which involves tedious calculation from Census material—allows easy testing of some hypotheses about inequality of income which otherwise might not be attempted.

The Newsletter will publish such items of interest, and abstracts of student papers, if they are sent to us. Hopefully, we can organize them so that two or three abstracts and other sources of data on a common subject can be published together.

If someone compiles all published estimates of effective property tax rates by income class, for example, we could publicize this fact, perhaps reprint his bibliography, and abstract his general conclusions.

The following abstract was prepared by an honors student at Harvard, describing his research on costs and benefits to education in Boston. Those interested in Norton's work and results should write him at 69 Green Street, Cambridge, Mass.

THE REDISTRIBUTION OF INCOME IN A PUBLIC SCHOOL SYSTEM

W. Norton Grubb

The purpose of this thesis is to determine how income is redistributed through the public education system—that is, to determine who bears the costs and who receives the benefits of public education, by income and race (white and non-white). A secondary purpose is to improve on the methodology of previous cost-benefit studies by measuring benefits in terms of outputs (increment to income), not inputs (amounts spent). The city of Boston is used as a case study; Boston is presumed to be a typical enough city so that the results are valid for a number of other cities. The data used applies to 1960 because of the availability of 1960 Census data.

The cost burden is measured by the incidence of those taxes which support public education, including the Boston property tax, state taxes on personal and corporate income and on various consumer goods, and Federal taxes. Several tax shifting assumptions are considered. Under the assumption taken as standard, total taxes for public education (for both elementary and secondary education and for state-supported higher education) are markedly regressive for both whites and non-whites, with non-whites paying a lower percent of their income in taxes than whites in each income category.

The benefits of education are measured by the increments in expected lifetime earnings which are due to education, using the expected lifetime earnings of those with 0-4 years of education as a base. School attainment data by income, sex, and race is derived from the city of Boston and the U.S. Census. Expected lifetime earnings by sex, race, and educational attainment are calculated from Census figures on income, labor force participation rates, mortality statistics, and earnings-income relationships.
ABSTRACT (continued from page 14)

Data limitations force the assumption that social class origins do not influence the future earnings of people given their years of school. The total costs of educating the age-20 cohort are calculated on the basis of per-pupil costs over time and attendance rates, then distributed according to the incidence of taxes supporting public education. Net benefits are calculated using discount rates of 0.5%, 10%.

The analysis is being performed for grades 1-12 (considering some option value for higher education as well), and for all levels of public education (including higher education). The results indicate that the net benefits as a percentage of income are regressive (pro poor) for both whites and non-whites, and more regressive for whites than for non-whites; income is redistributed from non-whites to whites. This implies that public education does improve the distribution of income, but also that whites benefit at the expense of non-whites. The benefits per person, which is an index of "equal educational opportunity," are regressive (pro rich) for both whites and non-whites, and the benefits per person for non-whites are markedly lower for non-whites than for whites. This affirms the suspicion that even within a school system, there are consistent, strong biases in the benefits of education.

The implications of these results for "equal educational opportunity" are discussed, along with such questions as the sensitivity of the results to the assumptions, and alternative ways of measuring benefits.

Notes on Radical Writings

Larry Hirschhorn
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Many articles have appeared on the French near-revolution of May '68, all suggestive as to the role of the working class in the "confrontation" with "neo-capitalism". Ernest Mandel writing in the December issue of the New Left Review sees the revolution as evidence of the radical role that the working class can and will play. His perspective is undeviatingly Marxist. He sees capitalism shot full with contradictions, cycles and the like, and believes that such contradictions must in the end intensify and polarize the class struggle.

Mandel is convinced that worker demands during the revolution went beyond the confines of economic gain. He admits, however, that these few cases are not evidence of the motivations of the majority of workers.

The American reader is tempted to look for similarities in the American labor movement, but an article by George Ross in the Winter issue of New Politics is an implicit warning against such analogies. Ross notes that at the factory level the communist unions were extremely weak. The elemental rights that American workers take for granted--job security, seniority privileges, grievance procedures--were not enjoyed by vast numbers of French workers. One wonders if the revolution did not have its sources in such primitive conditions at the factory level.

Equally puzzling are these conditions themselves. The communists are politically strong but could not, or did not, see fit to organize for rights in the factory. Is such reluctance or failure related to ideological constraints, or is it a function of the development of the French economy itself? These questions must be answered if we are to draw on the French experience in analyzing the working class America.

(continued on page 16)
One must also be puzzled by Mandel’s general assumption that the revolution was a strike at the new “neo-capitalism”, the society of complete “integration” and affluence, the society that was to render class struggle obsolete. This writer believed (subject to revision) that the French economy was still in its modernization stage, a process begun after the war and given impetus under De Gaulle. The strike may represent a response to the pressures of modernization and urbanization rather than a blow at the new “Neo-Capitalism.” (The French peasants have yet to be wiped out, as their American counterparts already have been.) France is not yet America, and the standard of living of a proletarian in Paris is rather low by Western standards.

* * *

There is a most fascinating article by A.H. Raskin, the labor journalist, entitled “Squeeze on Unions,” in Labor and the National Economy, edited by William Bowen and published by W.W. Norton. Raskin presents a case for the declining economic power of the unions and, by implication, the industrial working classes. Automation stands at the center of the process, and the demise of the miners union was the most vivid demonstration of its power. A low income elasticity and increasing productivity led to a half million drop in employment in the soft coal industry since World War I.

Automation has enabled the corporations to withstand the economic impact of strikes. Despite the 116-day steel strike of 1959, the industry came away with earnings of 816 million dollars, a rise of 5% over their 1958 profits. The recent Bell Telephone and Con Edision (New York) strikes made no visible impact on the level of services provided. One would imagine that the fundamental forces of low income elasticity and increasing productivity are operative in all branches of manufacturing and that the power of unions, and the class they represent will continue to decline.

Gross statistics from the Manpower reports tell us the same story. From 1955 to 1965 total blue collar employment in manufacturing increased only 125,000 while white collar employment increased by over a million. The ratio of non-production to production workers rose from 27% to 34% over this same period. In 1965 production workers in manufacturing represented only 18% of the labor force. To be sure, the workers might be able to bring down certain sectors of the economy, but technological trends do work against them. As in the recent longshoreman strike over “containerization,” job security in the face of automation will become the critical issue over the next decade.

All these developments are critical to the radical perspective. The working class is the revolutionary class only to the extent that it holds power within the industrial process, and revolutionary consciousness is the awareness of this power. To this writer this was the fundamental reason for Marx’s faith in the working classes. Crises and contradictions could insure it. When technology works against the worker, when the worker becomes conscious of his insecure position within the industrial process, of his expendability, then crisis and contradictions are much more likely to generate a fascist rather than revolutionary consciousness.

* * *

Some readers may have missed the articles on Litton Industries that appeared in the November issues of Ramparts. While strong on the facts it is rather weak on analysis. The muckraking penchant that characterizes so much of Ramparts’ work leads its writers to focus on greed as the determinant of Litton’s behavior. But presumably we can find greed anywhere in the economy and it hardly explains that unique phenomena called Litton.

A more interesting approach would be to ask what kind of entrepreneur is favored when profits are a function, not of success in the market, but rather of political infighting for government contracts. With the growth of government contract industries we may see a shift from the entrepreneur as creative innovator to the entrepreneur as hustler. (Certainly government grants have turned much of academia into a hustling operation.) God knows what this implies for the future of politics. (This raises an interesting question: is there any economic rationale for calling certain industries “conservative” and others “liberal”? Why is Xerox the “good guys”, and the oil companies the “bad guys”?)
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