

so business instead of consumers would carry the heaviest burden.

The property tax is another regressive state tax which the state relies on for substantial income. Property taxes are taxes on the assessed valuation of a piece of property. Assessed valuation is a specified fraction (Cleveland's assessment is one third) the actual appraised value of the property. In Ohio property rates have been steadily on the increase. In 1960, the average tax rate was \$30.38 per \$1,000 valuation; by 1970 it had risen to \$45.30 per \$1,000. The rates in Cleveland are especially high -- \$73.18 per \$1,000 in 1970.

As with other taxes, loopholes and other regulations help shift the burden of property taxation to working people. Over 26% of the real property in Cleveland is exempt from property taxes because it belongs to "non-profit" institutions - churches, schools, universities, foundations. The total assessed valuation of this exempt property is \$581 million, which at present tax rates would bring in over \$40 million of badly needed revenue. But instead of wealthy universities, churches, and hospitals paying this money, wage-earners must foot the bill.

Corporations must also pay property tax. Until 1966, they were, in fact, taxed at a higher rate than residential property owners. But in this year the courts ruled that both corporations and individuals should pay the same tax rates for property. Industries got the equivalent of a 9% or so reduction in their property taxes; the working people of the city got no reduction.

Regressive state and local taxes, across the country, have increased much more rapidly than the mildly progressive Federal taxes. Thus, in 1960, state and local taxes added up to some \$36.1 billion, only 47% of the \$77.0 billion the Feds took in. By 1966, the balance had shifted substantially; state and local governments took in \$67.6 billion, 58% of the Federal government collections of \$117.6 billion.

REGRESSIVE TAX STRUCTURE

When you take everything into account - Federal, state and local taxes of every kind and description, loopholes, and even the passing on to the consumer of various business taxes, it can be shown that the overall tax structure is actually regressive. For example, Table 2 shows the results of one such study, done in 1968. The source is the U.S. News and World Report, 12/9/68.

(See next page for table 2)

Table 2 - Taxes as % of income

<u>Family income (\$1,000's)</u>	<u>taxes as % of income</u>
less than \$3,000	34%
3,000-5,000	31%
5,000-7,000	33%
7,000-10,000	32%
10,000-15,000	31%
15,000-25,000	28%
more than 25,000	28%

None of the tax reforms of recent years have seriously affected this picture. For example, an AFL-CIO study of the 1964 and 1968 Federal income tax changes, the changes in the social security tax rate, and changes in local and state taxes, showed that these changes overall hit hardest at poor families. The net affect was to decrease after tax income for a family earning \$2,000 by 7.9%, to decrease after tax income for a family earning \$10,000 by 3.1% and to increase after tax income for families earning \$35,000 a year by 0.9%. (American Federationist, May 1969.)

Even state and local attempts to institute income taxes, to tap new sources of revenue, are having little impact on the regressiveness of the tax structure. In Cleveland in 1970-71, Mayor Stokes made two attempts to institute a 1.8% payroll tax. As sweetener for the package, he dropped the property tax rate slightly. On the surface a regressive tax (the property tax) was being replaced and augmented by a progressive tax (the payroll tax). But despite a huge barrage of mass media pressure, the voters of the city turned down the proposal in two separate referenda. The reason was clear: a flat rate payroll tax is in fact regressive, not progressive. A family earning \$5,000 a year, taxed at 1.8%, would have paid \$90 a year in taxes, a heavy burden for a family on the edge on poverty. Meanwhile, a family earning \$100,000 a year would have to shell out a hefty \$1,800. Hefty, perhaps from the point of view of people with average incomes, but after all, that leaves our wealthy friend with a mere \$98,200 to play with. (Moreover, he can deduct the local tax from his federal income tax. If he is in a 50% bracket, in effect his city payroll tax would be halved.) Small wonder that local business interests and their allies among the politicians and newspapers loved Mayor Stokes' tax proposal.

In the summer and fall of 1971, an effort was made to institute a state income tax. Up to that time, Ohio was the only major industrial state with no corporate profit tax. The new tax measure would place a graduated tax (up to 4% for income above \$30,000) on individual incomes and a tax of 4%-8% on corporate incomes. This is a small step in the right direction

as it is a moderately progressive tax. But the legislature has shown no interest in eliminating the exemptions and loopholes for corporations in the sales and property taxes. And it has shown no interest in using the graduated income tax as a way of reducing the regressive tax burden on working people. In fact, it planned to eliminate a major tax hitting the wealthy - the so called "intangible property tax" on stocks and bonds.

The result is predictable: the overall tax structure will be shifted imperceptibly in a progressive direction. But the basic nature of the tax structure in Ohio will remain -- a tax structure which takes more money from the poor and those with moderate incomes than from those with upper incomes.

THE FOULED ENVIRONMENT

Clevelanders live in one of the country's most polluted local environments. The air is foul smelling and discolored, laden with more than one million tons of sulphur dioxide, carbon monoxide, particulate matter and other wastes released by the factories in the flats, the power plants, cars, buses and other transportation equipment. And Lake Erie, once a source of beauty and recreation for Clevelanders, is all but dead, its waters filled with bacteria and sludge. The fish are dying off and the shore is littered with waste. The Cuyahoga River, choked with oil and debris, caught fire in 1969 and burned for two days!

The cost of pollution to Clevelanders is high -- in health, comfort and money. Air pollution appears to be one of the causes of many respiratory diseases, especially affecting infants and the elderly. It also means Cleveland residents spend extra time and money each year in doctor visits, cleaning their homes, rugs and draperies, painting the house and buying tires prematurely aged by pollution. A Senate committee several years ago estimated that it cost each and every American \$65 a year in such expenses related to air pollution. That means that Clevelanders pay a \$50 million pollution tax.

Water pollution, too, is costly and dangerous. Anglers already know that fish from Lake Erie may be dangerous to eat. The commercial fishing industry of Lake Erie, only 20 years ago thriving, is devastated. Many recreation areas have been abandoned.

Industry pours billions of gallons of waste water into Lake Erie every day: municipalities add millions of gallons of untreated or semi-treated sewage. The Federal Water Pollution Control Administration has estimated that the Cleveland area's share of the cost of a minimal cleanup job of Lake Erie would cost some \$310 million over the next five years, or more than \$110 for every person in the area in the decade following.

Why are we faced with this massive pollution problem? Who has so despoiled our environment? Why has the destruction proven so hard to reverse?

The answers are simple. So simple that some might doubt them for that reason alone. But the facts justify the conclusion: it is Cleveland's mighty industrial corporations-- companies like Republic Steel, Midland-Ross, Diamond Shamrock and Cleveland Electric Illuminating-- who have caused most of

the mess and who have refused to do anything about it. These companies know the damage of their wastes. Laws have been on the books for years telling the companies the people wanted a stop to pollution and a clean-up. But the companies have refused to clean-up or to stop polluting. They resist efforts by legal and lobbying efforts at all levels of government and subvert pollution control efforts. The companies also lobby forcefully against taxes that would enable cities to clean-up their sewage systems. The reason for all the obfuscation and delay: it would be costly and interfere with profit-making.

AIR POLLUTION

The leading air polluters in Cleveland, according to the Division of Air Pollution Control (DAPC) officials, are the electric power plants (CEI, Municipal Light and power plants owned by big companies such as Republic Steel) and companies that process raw materials, such as Republic, J&L, Cuyahoga Lime and DuPont. They produce primarily sulfur dioxide and particular material pollutants. Some 60 percent of the 300,000 tons of sulfur dioxide emitted here each year comes from industrial plants, most of the rest is from power plants. Some 75 percent of the 115,000 tons of particulates are from industrial sources other than power plants which by themselves contribute about 14 percent. Autos, which produce mainly carbon monoxide, are comparatively less important in Cleveland because of the great concentration of heavy industry right in the center city. In New York City, for example, for every ton of carbon monoxide produced, only 0.053 tons of particulates are emitted. In Cleveland, for each ton of carbon monoxide, 0.17 tons of particulates are emitted.

The state of Ohio has a law on the books which permits, but does not direct, the Ohio Air Pollution Control Board to set standards and regulations. The Board which local conservationists consider to have been pro-industry during recent years, choose not to make any such effort. At present, intense lobbying is underway as several new state laws have been proposed. The industrial suburbs of Cleveland have similarly not seen fit to scare away industry by enforcing air pollution codes.

Only the city of Cleveland itself has made any real effort to stem the tide of junk in the air. Back in 1962, Cleveland passed a law which regulated the amount of pollutants companies could release. Companies had plenty of time -- until 1967 -- to meet the standards. The law was never enforced, however; apparently the city commissioner who was responsible believed that there were loopholes in the law's legal language which would leave him open to personal lawsuits if he tried to enforce the law.

In 1969, a new city law was enacted. Many big local companies fought the law or sought to modify it. The steel companies, for example, fought for a provision exempting their coke ovens (a major source of pollution) from control. Republic Steel charged that the new city code would "put it at a severe competitive disadvantage" and complained that several other steel mill towns "have accomodated such operations or provided specific exclusions." (Cleveland Press, 6/13/69) But public opinion was aroused and for once, city council did not give in to industrial pressure. The law was passed, including tough emission standards for plants in the city, and the city administration appointed James Wilburn as new chief enforcer for the DAPC. Wilburn was given a small technical staff, but so far has been impeded by the Administration's unwillingness to give him adequate legal staff.

City air pollution inspectors soon found that the companies, on notice since 1962, had taken almost no action to reduce pollution. In 1970, it went after some of the biggest polluters (it left out CEI, possibly because the city itself was so vulnerable to criticisms for its operations of the Municipal Light Plant). Eleven companies, including Jones and Laughlin, Republic and Harshaw Chemical, were served with abatement orders. These orders in essence said "clean up to meet the city standards within 90 days or face penalties."

Republic Steel was the first company to receive an abatement order, and it set the pattern of resistance. Republic was cited for its basic oxygen furnace operation, which emitted a continual stream of red iron oxide dust. When served with the order Republic officials angrily claimed that control devices were to go into operation the very next day and that DAPC officials knew this.

The order, Republic said, was sheer harassment. Republic vice president Henry Hopwood in an interview, said that DAPC was under public and political pressure to attack Republic. "It's Republic that people are hounding." The company announced it would appeal the DAPC order and challenge the law. This resistance was clearly a matter of principal since, by the company's admission, it would have no trouble meeting the conditions of the abatement order, as early as the next day.

But, under intense public pressure, including the threat of a mass demonstration at the appeals hearing, Republic backed down and withdrew its appeal. DAPC officials deride Republic's claim that it's new control devices were about to go into operation. The company, say DAPC officials, has a pattern of recalcitrance and drags its feet all the way. In fact, it took the better part of the 90 day period allotted for Republic to get the control system for the basic oxygen furnaces installed and working, points out Wilburn.

Why did Republic appeal, when it clearly was able to comply with the order? Spokesmen for the TB and Respiratory Disease Association's Air Conservation Committee, a leading area environmentalist group, think that Republic was exercising its traditional role of leadership of the city's business community. "It just wanted to set a precedent," say these observers, "that a company doesn't take interference from environmentalist lying down."

Republic's basic oxygen furnaces no longer emit red smoke continuously. They do, however, according to Wilburn, periodically emit puffs of smoke in violation of the city laws. And, he continues, at the end of 1971, tougher emission standards go into effect. Then, the Republic furnaces will be at best "marginally in compliance." And even Republic officials concede that some of their other units will not be in compliance at that time.

Several other companies, like Republic, appealed abatement orders. Jones and Laughlin flew in lawyers and experts from all over the country and contested everything from the validity of the law, to the effect on public health of its emissions, to the training methods used by the DAPC for its inspectors. Any loophole would do, J and L officials seemed to be saying. Ultimately the company used the strength of its importance to the community to get a time extension for compliance by saying that the plant would have to shut down, with loss of jobs and income, for months until the new equipment was installed, if the time schedule were allowed to stand.

More vigorous enforcement has not yet had much effect. With companies continuing to resist with tooth and nail, progress is slow. According to DAPC's Wilburn, over the last year or so, the height of the daily peaks of pollution in center city have declined. The average pollution level in the center city has not yet shown a statistically significant decline. On the outskirts of Cleveland average pollution levels are actually increasing.

WATER POLLUTION

The sources of water pollution in the Cleveland area are more diverse than those of air pollution. First, Lake Erie pollution comes not only from the Cuyahoga River outflow, emerging at Cleveland, but from such other outlets as the Maumee River (Toledo) and the Detroit River/Huron River (Detroit). Second, wastes are contributed to the lake by municipalities, large and small, as well as by industry. To a certain extent, each contributes different types of pollutants: phosphorus and bacteria come mainly from municipal sewage. Chlorides and

various suspended solids (many of them organic and oxygen consuming) and thermal pollution come from industry.

Control efforts for water pollution have been underway for longer than for air pollution. Both the state and the Federal governments have had a role. Some progress has been made, though limited by foot-dragging of municipalities and industry and lax enforcement, especially at the state level. Most enforcement activity has come from the Feds.

State and Federal laws provide for a set of water quality standards. To enforce the laws against an individual firm or town requires proof that either is significantly contributing to the failure to meet the standards (more difficult than proving they fail to meet specific emission standards). Indeed, Ed Cramer of the U.S. Environmental Protection Agency said in an interview, "The standards for Lake Erie are useless; much of the Lake already meets the standards."

Who are the big Cleveland area polluters and what has been done about them? George Harlow of the Cleveland Office of the Federal Water Pollution Control Administration, told an informal hearing in 1969:

At the head of the navigation channel [of the Cuyahoga River] in an area dominated by Republic, J&L and U.S. Steel, the river abruptly becomes a mixture of oil, debris, and a multitude of different chemicals and solids. The color also abruptly changes from murky green to chocolate brown and the odor to a combination of oil, tar, sulfide and ammonia. The water is normally lifeless... heavy black oil with entrapped debris is always present in great quantity, lingering in large patches, drifting about with the wind and creating a fire hazard. Gas bubbles constantly rise from the lifeless oil bottom muck.

In addition to the steel companies, U.S. water pollution control officials based in Cleveland identify Midland-Ross, Standard Oil, and Diamond-Shamrock as among other major Cleveland-based polluters of Lake Erie.

In 1969 and 1970 under the Federal Water Pollution Control Act, the Secretary of the Interior wrote letters to U.S. Steel, J&L, Republic and the city of Cleveland, among others, alleging violations of the U.S. water quality standards. Under the law, if adequate actions were not agreed upon within 180 days, the government could take court action. Informal hearings were held, and an interesting alliance developed between the companies and the state water pollution officials. The first hearing was on Republic Steel. The head of the

Ohio Water Pollution Control Board spoke: "[This meeting] is a waste of time and money... the Republic Steel Corporation is in substantial compliance with the planning and construction schedules adopted by the State and Federal authorities in 1965."

Republic officials took up the argument: Republic was under state jurisdiction, not Federal. It would not even answer questions put to it by federal officials and insisted that the hearing was unnecessary and illegal. A letter from Republic board chairman Thomas Patton was read into the record: "We are puzzled as to the intentions of the Interior Department in calling these hearings. We feel that Republic-- in fact the entire steel industry-- has received a degree of public censure in the past unjustified by its contribution to the water quality problems." Republic is listed by the U.S. government as the 2nd largest industrial contributor (other than utilities) of waste water to Lake Erie.

Federal officials rejected all these arguments. It might be true, they said, that Republic was meeting the 1965 schedule, but that was inadequate for meeting the law's requirements. A new schedule was decreed. But corporate resistance has apparently continued. At present, according to federal officials, the steel companies have not met the schedules agreed upon. The local office of the environmental protection agency has recommended court action against them to force compliance.

The Federal government has used one other enforcement tool-- the 1899 Refuse Act, which forbids discharges of waste into navigable waters. J&L, Republic, U.S. Steel, Diamond-Shamrock, Harshaw Chemical and several other Cleveland firms have had court actions brought against them under this act. The government alleges that the steel companies, for instance, discharged cyanides, phenols, ammonia, and suspended solids into the Cuyahoga River.

* * *

In the meantime, Republic and other companies brag about the contributions they've made to cleaning up the environment. "For more than 30 years," says a May, 1971 Republic ad in regional editions of Time and other magazines, "Republic has been installing sophisticated equipment to control the quality of water and air in the communities where we make steel." Republic claims to have spent \$44 million on environmental control facilities in 1969 and 1970. But in April, 1971, the U.S. government had to seek an injunction to stop the company from discharging cyanide, phenol and ammonia into the Cuyahoga. J&L also claims to be cooperating with clean-up efforts, but workers at the Cleveland plant claim they have been instructed to pump out wastes into the river at night when no one can see it. In February, 1971, J&L was fined \$3,000

for discharging 75 tons of solid wastes into the river.

Lake Erie is still a dying lake and the Cuyahoga River is still a fire hazard and a river so deadly that it cannot even support "low forms [of life] such as leeches and sludge worms which usually thrive on waste," according to A Plan for Water Pollution Control by the U.S. Department of Interior in 1968.

Yet officials of companies such as Republic Steel are still insisting that they are not to blame: "We are disenchanted with the willingness of the press to report what we've accomplished," Hopwood told an interviewer. "The pollutants which steel plants have discharged in the past to waterways, while perhaps unsightly, seldom have been really serious pollutants...." (Things like phenols, acids, oils? Unsightly but not dangerous?) Hopwood continued: "Anyhow, what is pollution? There is no real legal definition of pollution, you know."

WORKPLACE OPPRESSION

Cleveland's giant corporations wage a never-ending battle against the working people of Cleveland. Foul air and water, dilapidated housing, non-existent or exorbitantly expensive health services, fraudulent consumer practices, regressive taxes-- it is hard to be free of the oppressiveness of powerful companies and the powerful men who lead them. But it is as employers, perhaps most of all, that the corporations affect Clevelanders - day in and day out. Most people spend half of their waking hours in the workshops, factories, offices-- in the very heart of those institutions which, as we have seen, are destroying our city.

Who are the people who work in Cleveland? What do they do and what are their problems at work?

CLEVELAND'S WORKING PEOPLE

Cleveland is a manufacturing city, a "city of nuts and bolts and metal benders." Some 55 percent of Cleveland's families have members employed as blue collar workers. Even in outlying areas such as Parma, Brookpark and Euclid, 40 percent of more of the families are blue collar.¹ Some 40.2 percent of all the employees, male and female, in Cuyahoga County work in manufacturing while only 8.2 percent work in service jobs compared to 29.6% and 16.7% respectively for the U.S. as a whole. Most of the manufacturing is of durable goods with steel, auto parts, agricultural and industrial trucks and tractors, power transmission equipment, machine tools and metal fasteners, the major products.²

Much of Cleveland's industrial base developed at the turn of the century during the great waves of migration from Central and Eastern Europe. Immigrants flooded into Cleveland. Indeed, Cleveland remains a highly "ethnic" city. A foreign language is spoken in no less than 38% of the city's homes. The largest ethnic communities are the Poles, Czechs and Slovaks, Hungarians, Yugoslavs (Slovenians, Croats and Serbs) and Italians. Later, when World War I and then new laws cut off foreign immigration, the city's companies recruited in the American South and brought tens of thousands of blacks to the city. A third distinctive feature of Cleveland's labor force is the large number of women workers: 38 percent of Cleveland adult women are employed, compared to 28 % in Pittsburgh or 33% in Detroit.³

Most Cleveland manufacturing workers toil in large plants: 27% in the 20 largest plants alone, 40% in the 50 plants in the county employing 1,000 or more workers (see Table I). Four huge companies alone-- TRW, Republic Steel, General Motors and Ford-- employ more than 40,000 workers, close to one-fifth of the county's manufacturing work force. But about one-third of the manufacturing workers are employed in small factories of 200 or fewer workers.⁴

Table I: the 20 largest manufacturing plants in Cleveland

<u>company</u>	<u>product made in plant</u>	<u>number of workers in plant</u>
Addressograph-Multigraph*	office machines	3354
Alcoa	aluminum castings	3194
American Greetings Corp.*	greeting cards	3586
Cleveland Pneumatic Tool*	aircraft parts	1980
Clevite	motor vehicle parts	1985
Eaton Yale and Towne*	motor vehicle parts	2325
General Motors	tanks	2441
"	Chevrolet parts	7819
"	passenger car bodies	3501
Jones and Laughlin	steel	4305
Acme-Cleveland*	machine tools	2128
Republic Steel*	steel	7087
TRW*	aircraft parts	5125
"	aircraft parts	2200
Towmotor Corp.*	industrial trucks	2626
Warner & Swasey*	textile machinery	2565
White Motor*	motor vehicles	4072
Ford Motor Co.	automobile stampings	4300
"	auto parts	9235
Forest City Publishing Co.*	newspaper (Plain Dealer)	2271

(* indicates that the company is headquartered in Cleveland)
 Source: State of Ohio, Directory of Ohio Manufacturers, 1968

Cleveland is a union town, claiming some 235,000 union members. The largest of the unions are the Teamsters (35,000), the United Auto Workers (50,000) and the Machinists (20,000). For various reasons, however, the union's role in community and political affairs in Cleveland has been limited (e.g., the usually social activists UAW has the bulk of its membership living outside the city limits).

All these factory workers, the majority of Cleveland's population, have to face, every working day, economic exploitation, job insecurity, racial discrimination and neglected health and safety measures in the factories.

ECONOMIC EXPLOITATION - "Money," a steelworker told us, "is the name of the game." If so, then most workers in Cleveland are on the losing side. Between 1968-70 the gross average weekly income of manufacturing production workers in Cleveland rose from \$147.04 to \$155.16. But the cost of living went up much faster, so real wages actually declined by 5.5 percent (from \$141.11 to \$133.41 in 1967 dollars). The loss in earning power was especially severe in 1970 as the recession hit and many companies cut back on overtime; even earnings expressed in current dollars fell, from \$158.15 a week in 1969 to \$155.16 in 1970.⁵

The U.S. Bureau of Labor Statistics estimated that in the spring of 1970 a Cleveland family of four needed \$7,080 a year (\$136 a week) for a low standard of living, \$11,184 a year (\$215) for a moderate standard.⁶ Nearly half of Cleveland's manufacturing families were not able, through their own earnings alone, to meet even the lower standard, much less the moderate standard of "affluent" America. The unions have greatly improved living standards for workers over the past two decades, but they have been unable to deal with the rapid inflation of the last five years as companies have simply passed wage increases on to consumers (including their workers) in the form of higher prices.

While Cleveland's working people were having trouble making ends meet, their employers were managing somehow. Republic Steel president Willis Boyer gave himself a wage hike to \$239,000 in 1970, up from \$214,000 in 1969 for a \$25,000 raise, or about three times the entire salary of most of his employes. TRW chairman Horace Shepard's salary jumped to \$265,000 from \$229,000.⁷ Recessions don't seem to hit you as hard when you run the company.

JOB INSECURITY - More than a few Cleveland blue collar workers live a seemingly affluent life, with a house in Parma, two cars and a boat in the garage and a color TV. But the foundation on which this affluence rests is sand. With most of the luxuries bought on time and a mortgage up to his neck, the affluent worker lives in fear that one day the money will stop. His fears are justified: for many workers, the money has stopped. Manufacturing employment has not grown in Cleveland in the last decade. In many industries employment has actually declined. For example, in the steel industry where new technology (basic oxygen furnaces, continuous casting, automated rolling mills, etc.) has been introduced rapidly in recent years, employment in the Cleveland area has declined by more than 4,000 jobs (about 20% of the total) between 1959 and 1971.⁸ The steel companies brag that they have not laid off the workers who were made superfluous by change but have handled the decline in workforce through "attrition." In practice this has meant that older workers take early retirement on inadequate pensions,

that younger workers leave to look for jobs with more of a future, and that those workers too young to retire but too old to get new jobs must resign themselves to new work assignments at lower pay.

One steelworker in his mid-fifties told us of having to shift from a job in which he averaged \$7 an hour (with incentive pay) on the old open hearth to a job on the basic oxygen furnace at \$3.50 an hour. The story is not uncommon. The unions have tried to ameliorate the worst hardships through improved retirement benefits, supplementary unemployment benefits and the like, but since they do not control corporate investment decisions, they have been unable to provide real job security.

Even if technology doesn't eliminate jobs, the business cycle may. In the Cleveland area, the 1970 recession meant a net loss of 8,000 jobs. Some sections-- government work, service, wholesale and retail trade-- saw increased job opportunities. But far more jobs were lost than gained. Blue collar factory workers were hardest hit as 19,000 factory jobs disappeared.⁹ In addition to the 50,000 or so unemployed workers in Cuyahoga County, thousands of others were forced into "underemployment"-- part-time jobs, jobs at skill and pay levels below those for which the workers were qualified.

RACIAL DISCRIMINATION - Employers deliberately encourage racial tension so workers' grievances get blamed on their co-workers rather than the company and energy to pressure employers for improvements gets drained off in racial antagonisms. A united work force is potentially threatening to employers.

Black and other minority group members in Cleveland as elsewhere have the lowest paying, most unpleasant jobs. Table 2 compares the occupational distribution of black and white male workers in Cleveland, showing how blacks are disproportionately concentrated in unskilled and semi-skilled blue collar jobs, while whites dominate professional, managerial and white collar positions. The distribution of female workers by race shows generally similar results.

Table 2 - Occupational distribution, by race, male workers, Cleveland SMSA, 1960 Source: U.S. Census, 1960

<u>Category</u>	<u>White Distribution</u>	<u>Black Distribution</u>
Professional, technical	13%	3%
managers, officials,	11%	2%
proprietors		
clerical	8%	7%
sales workers	9%	2%
craftsmen, foremen	23%	13%
operatives	22%	32%
laborers	5%	18%
service workers	5%	12%
not reported	5%	10%
	<u>100%</u>	<u>100%</u>

Blacks also, on the average, have incomes 50% less than whites do, and a much larger percentage of blacks are unemployed than whites. On the one hand, blacks meet overt racism when they try to find jobs and in job assignments when they are hired. On the other hand, the unskilled and semi-skilled factory jobs which were the basis for the economic rise of so many other immigrant groups are, as we have seen, decreasingly available.

Many big companies as well as small, still practice overt discrimination. For example, a worker at U.S Steel's Lorain plant recounts how there were no blacks or Puerto Ricans among the 30 machinists apprentices recently appointed at the plant. Apprenticeship is an important method of gaining the skills needed for better paying jobs in the steel industry. "The best way to get into that apprenticeship program," he says, "is to have a dad who's a foreman." Not many blacks meet that qualification.

Even programs supposedly aimed at helping blacks and other minority groups can end up being used against them. Republic Steel, for example, glorifies in its government contracts to train the "hard-core unemployed" - largely black. But, point out local union officials, the company insists on a probation period for these workers of up to 18 months, instead of the standard 260 hour (about 6 weeks) probation period for workers hired through conventional procedures. The result, says Steelworkers Union district director Joseph Kender, is that the company has a pool of what's essentially non-union labor, whom they can fire at whim, and who have no real recourse if they have a grievance. The training programs provide a cheaper source of labor as well. In steel and in many other manufacturing occupations, the unions have achieved some gains for black workers, but in a time of increasing racial tensions, they have been unwilling to put themselves on the line to gain major changes. Resolving problems of discrimination is a secondary priority to which attention is paid only after wages and benefits are agreed upon.

NEGLECTED HEALTH AND SAFETY - Nationwide, some 14,000 workers will lose their lives in workplace accidents this year, and more than two million will receive injuries at work which will disable them for at least a day. Separate figures are not available for Cleveland, but we can estimate injury rates by using the national rates of injury for each industry and the distribution of Cleveland workers among the various industries. This suggests that about 50 Clevelanders are killed in workplace accidents every year, that more than a thousand are permanently disabled, and that about 13,000 are temporarily disabled every year. In the last decade, the rate of workplace injuries has grown steadily worse-- from 6.1 injuries per million man hours worked in 1963 to 8.1 per million man hours in 1969.¹⁰ The

companies make it clear to workers who complain that production and profits take first priority, health and safety are secondary. Few workers need to be told of the hazards which await them at work. As one Republic Steel strip mill union grievance committee-man wrote in his list of grievances to be resolved in the 1971 negotiations: "Not enough safety; nuff said."

Accidents are dramatic, but just as deadly are the more subtle hazards of the workplace-- fumes, noise, dust. A Jones and Laughlin worker says: "It's dirty, it's damp, it's cold, it's dusty....The old guys, guys that are fifty or so, they walk funny, sort of slow and stooped down, they cough a lot.... The job, it just decomposes you." And a worker in another plant complains that his fellow workers are exposed to chemical fumes: "[They] are having trouble breathing, loss of appetite, nose bleeds and nausea so bad that they have to go to the dispensary." Still another tells how when he comes home "if we want to listen to the radio or television, we got to turn it up, you know, and my wife says it's too loud."

* * *

THE MYTH OF THE CONTENTED WORKER

Faced with a job that's insecure, with low pay and high inflation rates, with a job that's tedious or dangerous or both and with unions which have been increasingly unable to deal with these problems, many workers, especially younger workers, express their frustration and anger. "Some parts of management treat us like machines," complains one man. And the possibility of slow advancement no longer holds much allure. "You've got to wait your turn to move up and you wait and wait and wait... and when you do get somewhere, you're too old and you're still not really making any money."

Unlike the cases of taxes, housing, health, pollution and the like, where you've got to do some digging to find out who's responsible, when it comes to workplace grievances, every worker knows who's responsible: the boss.

FOOTNOTES

1. Cleveland Market Profile, 1969
2. 1969 Economic and Market Data, Greater Cleveland Growth Association, Statistical Abstract of the United States, 1970.
3. Cleveland Market Profile, 1969; U.S. Census, 1970
4. State of Ohio, Directory of Ohio Manufacturers, 1968
5. Employment and Earnings of the Labor Force, May 1971
(Bureau of Labor Statistics; Monthly Labor Review, May 1971.
6. U.S. Department of Labor News, Release 11-206, Dec. 21, 1970.
7. Business Week, 6/19/71
8. Ohio State Employment Service, Labor Market Information,
various dates
9. Bureau of Labor Statistics, Employment and Earnings, May 1971
10. Injury rates from Bureau of Labor Statistics Report #360,
Injury Rates by Industry, 1966 and 1967; occupational dis-
tribution for Cleveland from U.S. Bureau of Census, County Business
Patterns, 1968

CONCLUSION

Clevelanders are finding it is more and more difficult to survive at work and maintain a decent standard of living at home. On the job, they have to contend with hazardous conditions, the possibility of being laid off, and real wages which are lower now than they were in 1965. When they go to spend their shrinking paychecks, Clevelanders learn that they must buy low quality goods and services at inflated prices. As rents and sale prices go up, housing deteriorates. As medical fees soar, prompt, adequate medical care becomes more difficult to get. As the price of a new auto rises, GM, Ford and Chrysler make cars which are less durable and still pollute. In order to afford these goods and services, many consumers find that they must borrow money at exorbitant interest rates. To make things even worse, Clevelanders must pay a sizeable portion of their wages to the government, which then uses most of this money not to provide better education, housing, health care, and a cleaner environment but to subsidize defense contractors, the space program, urban renewal speculators, wealthy farmers who withhold land from cultivation, and banks who've lent the government money at high rates. On top of all this, Clevelanders must put up with water which is barely fit to drink and air which soils property and assaults the lungs.

Who or what is responsible for this mess? Many conservatives and liberals blame individuals, other ethnic groups, poor planning, or inadequate resources. Yet, these answers fail to get at the root of the problem, namely that our economic system encourages the growth of profits and waste instead of production to meet real human needs, encourages greed and self-seeking rather than cooperation, and alienation rather than the attainment of real freedom.

Some people argue that the deteriorating standard of living in cities like Cleveland is the fault of those individual who are afflicted by this deterioration. They blame "greedy" or "gullible" consumers for consumer problems, "dirty" and "disorderly" tenants for the housing crisis, consumers who drive cars or use detergents for pollution, "careless" workers for industrial accidents, and "stupid" or "lazy" people for poverty.

The preceding chapters, however, suggest that these explanations are false. They indicate that profit-hungry business and financial institutions deserve far more blame for deteriorating living conditions than industrial workers and consumers. Manufacturers and retailers who make and sell low quality goods at inflated prices and financial institutions

that subsidize this exploitation as well as charging consumers exorbitant interest rates to borrow money are mainly responsible for consumer problems. Slumlords that "milk" rent and tax benefits from dilapidated housing, real estate speculators that drive up the price of land, and most importantly, financial institutions that refuse to lend money at reasonable rates to prospective home-owners and builders deserve most of the guilt for the housing crisis. Manufacturers, especially the auto companies, who do not want to spend extra money to clean up their factories and products are mainly to blame for air and water pollution. Large corporations that are trying to cut costs are most responsible for industrial accidents. And poverty results mainly from low wages and lack of jobs. Individuals are victimized, not to blame, for urban deterioration.

Others attribute the decline in their own standard of living to other ethnic or racial groups. Whites blame blacks for lousy schools, the decline of property values, lack of safety and rising taxes. Many black people hold white groups responsible for the lack of jobs, rotten housing, and powerlessness. White ethnic groups and black people who blame each other for their own misery are not stupid or irrational. When low income blacks move into their neighborhood, white people perceive that property values usually fall. On the other hand, blacks are aware that many white people try to keep them out of white residential areas and a fair number of unions.

Corporate neglect and exploitation are directly responsible for two problems that have tended to encourage polarization between racial and ethnic groups-- the housing crisis and the shortage of well paying jobs. Recently banks have refused to make much capital available to builders and prospective home-owners, especially those who want to build and buy homes in low income areas, because they have found it more profitable to lend money to corporations and consumers. By preventing the supply of housing from growing as rapidly as the demand, these financial institutions have made it possible for "blockbusters" and other real estate speculators to encourage racial antagonisms and pick the pockets of white and black working people.

An important reason for the shortage of decent jobs is that corporations invest part of their capital in stock, currency and real estate speculation as well as in other ways which fail to create jobs or the goods and services people really need. Business institutions also benefit from this shortage, however, for the scarcity of decent jobs holds down wages and provides a reserve labor supply that can be tapped during periods of full employment.

Many liberals argue that there just aren't enough resources to go around, so "everyone's going to have to make some sacrifices." These sacrifices usually take the form of

regressive property, sales, state income, and city wage taxes, which hit lower and lower-middle income wage-earners the hardest. Here in Cleveland many liberals have pushed for a state income tax that is only slightly graduated, a higher city wage tax, more bond issues which will mean higher property taxes in the future, and higher bus and rapid transit fares. Hard-pressed working people pay a higher percentage of their shrinking paychecks to the government while corporate liberals reap most of the benefits of government spending.

Of all the popular explanations for urban deterioration, the lack of resources is the most fallacious. There are plenty of resources in the nation which could be used to rebuild Cleveland and other cities. Six percent of the labor force is unemployed, another 6% work only part-time, and 2-3% are so discouraged that they aren't looking for a job and thus are not counted by the government as unemployed. Most of the labor power of these people goes to waste. It could be used to build and staff new schools, construct and operate cheaper, more efficient mass transit systems, or make consumer goods that people really need. Factories and machines as well as labor power are under-utilized. Plant and equipment now operates at only 75% of capacity. These things could be used to build the steel and machine tools which would enable better houses, cars, mass transit systems, and health care equipment to be produced at cheaper prices.

More importantly, billions of dollars in the nation and millions in Cleveland are spent every year on things which fail to meet real human needs and improve the quality of life. Working people and the unemployed fail to benefit from the enormous sums of money spent on defense, space exploration, real estate and stock speculation, advertising, exorbitant executive salaries, consumer loans at high interest rates, unnecessary duplication of products, changes in auto design, and repairs on autos and appliances which are unneeded or improperly performed. It is true that workers are paid to make guns and bombers for the defense department, but this spending pumps dollars into the economy which are not backed up by consumer goods and services and thus tends to depreciate the value of the dollar, i.e., produce inflation. This defense spending and other non-productive investment could be used, on the one hand, to produce socially useful goods and services that could be offered at lower prices, and, on the other hand, to pay workers higher wages which would not be eaten away by inflation. Cleveland and the whole nation has a great deal of resources; the problem is that a large portion of these resources are either not used or they're wasted.

Liberals have also argued that poor leadership and bad planning are responsible for urban decay. Recently, they have not laid too much stress on poor leadership for Johnson in Washington, Lindsey in New York, White in Boston, and

Cavanaugh in Detroit, Lee in New Haven, Hatcher in Gary, and Stokes in Cleveland all failed to check urban deterioration. But they are still confident that the rationalization of urban planning will solve many urban problems. They are certain that the introduction of regional planning or the reorganization of government bureaucracies will improve living conditions in Cleveland. Within the existing system, however, these "technical solutions" are doomed to failure. They fail to come to grips with the real problem, namely that different levels of government do not command many resources and that a large portion of these resources are used to aid corporations, not the average workingman. Big business controls most of the resources in the nation, but allows the government to take only a small and shrinking part of these resources as tax revenue. Through spending on defense, urban renewal, health-care, debt amortization, and services like sewage disposal, an important part of government expenditures is used to aid business institutions. Administrative changes will do nothing to alter the control and use of these resources monopolized by big business. In fact, regionalization in Cleveland has been proposed by the oligarchy as a means of retaining their control over inner city areas and the municipal government, both of which potentially threaten large corporations whose factories are in the Flats.

What then is responsible for the deterioration of Cleveland and other cities? More than anything else, it is the fact that in our economic system, business and financial institutions monopolize resources--money, labor power, machines, raw materials, buildings-- and use these resources not to meet real human needs, but to maximize profits. Throughout the nation, a relative handful of men dominate the most powerful political, economic, and civic institutions. These men function as a ruling class. In the first chapter of The Cleveland Papers, an effort was made to identify those members of the Cleveland ruling class that control the largest business institutions in the area. These men were called the business oligarchy. Members of this oligarchy not only control most of the largest industrial and financial institutions in the region; they also dominate the city's political and cultural life. By sitting on the boards of directors of universities, hospitals, museums, foundations, and by strongly influencing the mass media and political institutions, these oligarchs dominate the non-economic life of the city. In large measure, the power of these oligarchs, as well as the corporations to which they belong, derives from the fact that they function as a unit. Not only in the office, but also in the Union Club and at the country club, the oligarchs plan strategies to hold onto and expand their control over the resources of the city. Although there have been disputes between oligarchs and between the Cleveland oligarchs and other ruling class groups around the country, all these business leaders are committed to the same goal, namely, that business institutions and their leaders preserve and expand their control over resources

in the area and in the nation. Conflict between members and groups within the ruling class results from disagreement about the means of attaining this goal, not the goal itself.

This oligarchy, and the ruling class of which they are a part, hurts Clevelanders in two main ways. First, by controlling most of the resources in the city, it prevents Clevelanders from controlling their own lives and the life of the city. As workers, as consumers and as citizens, Clevelanders do not exercise meaningful power. Workers not only lack control over the production process-- how goods are made-- they have no assurance that they can even keep their jobs. In theory, consumers decide what goods and services will be produced. Consumers decide what products they want, then corporations make these goods or face declining sales. In reality, powerful business institutions decide what is going to be produced, then spend billions of dollars on advertising to try to convince the public that this is what it wants.

Finally, citizens lack control over Cleveland's political institutions. Wealthy businessmen exert enough control over politicians through a wide variety of means, including campaign contributions and threats of moving their corporations out of the city, to ensure a favorable climate for business, i.e., low business taxes and government subsidies which aid business. In the meantime, they use some of their resources to create a "private government" which is not accountable to the voting public, but exerts tremendous control over the city. Institutions like the Cleveland Development Foundation, the University Circle Development Foundation and the Greater Cleveland Associated Foundation have been part of this private government.

The oligarchy also hurts people by misusing the resources that they control. Cleveland businessmen do not use their resources to provide jobs for the unemployed, to eliminate work hazards, to pay workers a decent wage (wage hikes are offset with price rises), to clean up the air and water, to build adequate housing which would be rented or sold at reasonable prices, to provide decent health-care, to make high quality consumer goods that would be sold at low prices, to make credit available at reasonable rates or to shoulder a significant portion of the tax load. Instead, they use a great deal of these resources to make money and expand the institutions they control by paying high salaries and generous expense accounts, by building new office buildings like those in Erievew, by producing goods for the defense department, by building hospitals which serve only the rich, by advertising, by lending money at exorbitant rates, and by trying to "buy off" community leaders that threaten the continued control of these businessmen.

Why do business leaders allow Cleveland to deteriorate? Primarily, to make money. Secondarily, to accumulate prestige

and power. Banks find that it is more profitable to lend money to consumers at high interest rates than to finance the construction and ownership of low and lower-middle income housing. Realtors know that it is more lucrative to speculate on urban renewal or to "blockbust" than to help provide decent housing for poor people. Manufacturers are aware that they can make more money by dumping untreated wastes into the environment, by skimping on expenditures for industrial safety, by advertising, and by making design changes in products than they can by treating or recycling wastes, by making factories a safe place to work, and by improving the quality of goods.

Business leaders also know that the best way to accumulate power and prestige is to make a lot of money. Money enables businessmen to strongly influence politicians through campaign contributions, newspapers through advertising, working people through the production process, and community organizations through the Greater Cleveland Associated Foundation. Money also gives businessmen the opportunity to gain admission to the Union Club or the Chagrin Valley Hunt Club or to prestigious positions on the boards of directors of Case Western Reserve University, the Cleveland Foundation, or University Hospitals. Of course, business leaders who occupy these positions are expected to make financial contributions, but these contributions hardly dent the vast store of resources they control. In fact, membership on some of these boards allows them to expand their resources and power. Here, it should be noted that the desire for prestige is an important reason that health care services are deteriorating in the city. Doctors and researchers who control most of the money that is spent on health care are usually more interested in acquiring prestige through sophisticated research or dramatic treatments, like open heart surgery, than they are in providing services that people really need like preventive medicine or free clinics in low income areas.

At the present business leaders monopolize wealth and power in Cleveland. By controlling and squandering resources, these corporate leaders, however, create problems that eventually threaten their monopolization of wealth and power. When they misuse resources, the city decays - housing deteriorates, health care worsens, pollution increases, and services offered by the city government break down. When they monopolize political power by setting up a "private government" and by exerting pressure on city hall, Clevelanders discover that they really don't hold much political power and begin to demand a greater share of it. Dissatisfaction because of deteriorating living conditions and political impotence has generated the Hough and Glenville riots, militant consumer action and the growth of support for Wallace.

Business leaders have even failed to keep their own house in order. In their single-minded pursuit of profits, these leaders have not only angered many of their employees;

they have also threatened the future growth of the economy. When businessmen began pouring huge sums of money into defense production, advertising, design changes, real estate speculation, and corporate take-overs, they made alot of money. But when these wasteful, non-productive investments helped produce inflation, international monetary crises, the loss of foreign and domestic markets to Japanese and European-made goods, and a continuing recession, these businessmen saw their profits fall and grew less confident that the economy would continue to expand. Profits have shrunk, corporations have tried to cut costs by making use of the speed-up and stretch-out, by skimping on expenditures for industrial safety and by raising prices. But making work more difficult and cutting into wage gains has angered workers. Their response has been to go on strike more frequently or to sabotage the production process in less overt ways.

Business and financial institutions are not invincible. One man, Ralph Nader, has sparked a movement which has given the largest corporation in the U.S., G.M., ulcers; militant consumer groups like the Consumers' Education and Protective Association have wrung concessions from some of the most powerful businesses in Cleveland like National City Bank and Beneficial Finance; striking workers have shut down production in the plants which are owned by the most powerful businessmen. Big business, however, is powerful enough to defeat the attempt by any individual or minority group to make substantial changes. Only an alliance which includes blacks and whites, workers and the unemployed, students and many professionals has the power to end the exploitation and waste of business institutions. If these groups work and fight together, they can win control of the resources which business now squanders and use them to meet the real needs of Clevelanders.