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Southern Exposure

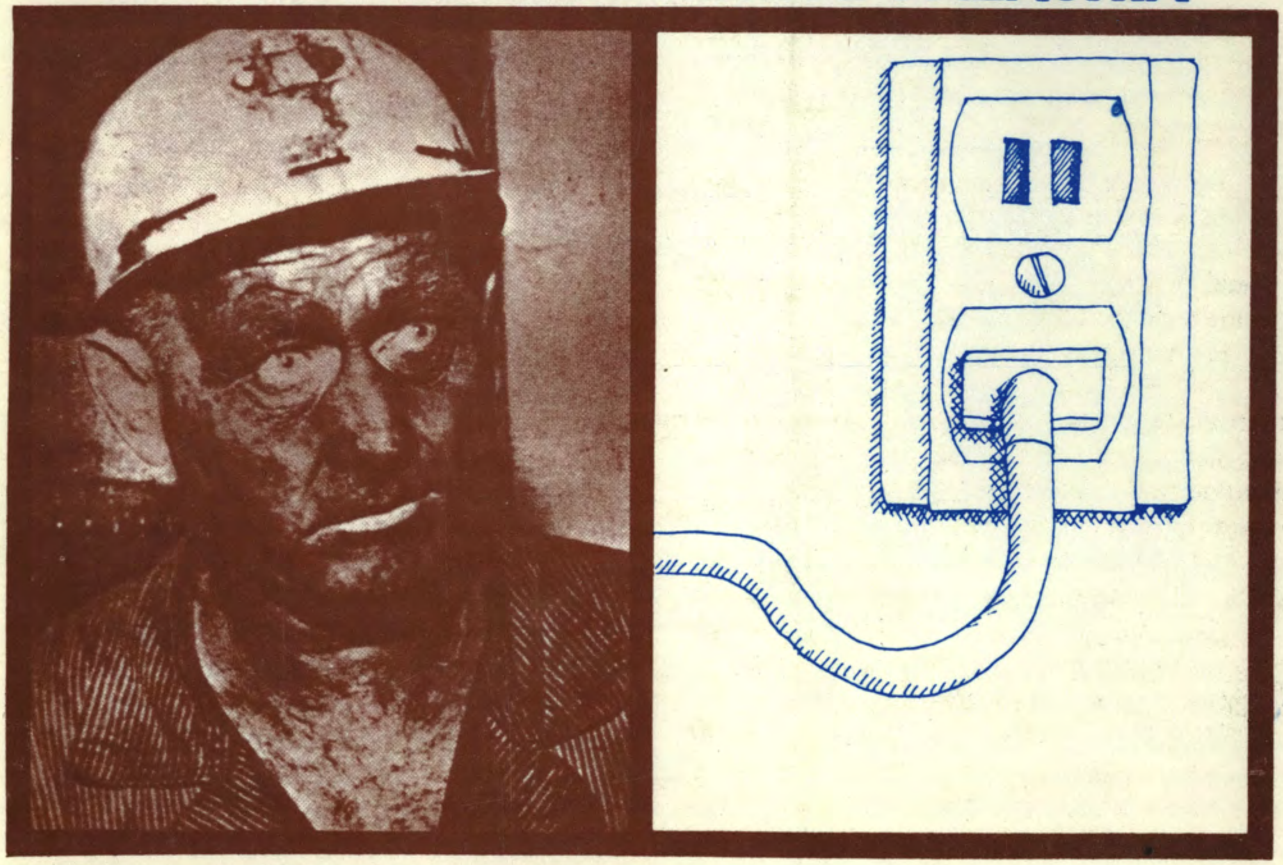
Solving America's Energy Crisis

The Southern Syndicate Behind Watergate

Florida: Love it or sell it

Electric Utilities: The Fight for Public Control

SPECIAL REPORT FROM APPALACHIA



There are some remarkable parallels between the Watergate scandals and the energy crisis—the two biggest front-page stories in recent months. Both are the product of a politics of fear and intimidation, a use of power to obscure public issues with scare words like black-outs and Black Panthers, while stealing Americans blind. In the name of law-and-order, the Watergate tricksters nearly stole the government. In the name of supply-and-demand, the energy companies would have us finance their attempt to further monopolize the world's energy resources.

But more of us are seeing through these kinds of tricks. On a national level, perhaps Television has produced a more sophisticated audience, one capable of discerning a second-rate used car salesman or a fast buck hoax in an instant. That's certainly ironic considering the way TV has become **the** media for presidental campaigning and the oil companies' good-guy apologies.

Of course, Southerners should have a slight edge in spotting a fraud. After all, we've had decades of demagogues and statehouse gangs telling us what was best for "the little people." Not that we've had a monopoly on such corruption. Nationally, the worst enemies of democracy and free enterprise consistently prove to be those who claim to be those systems' protectors.

Still, the South has a special relation to these latest crises. And that's what this issue of our journal is all about. There is increasing evidence that the cronies and the cash that made Watergate a Nixon policy came from the southern USA. Kirkpatrick Sale explores this thought in his analysis of the emerging political clout of what he calls "the southern rim."

On the other hand, the South still seems an economic colony in terms of the region's capital accumulation and industrial development. Joseph Persky lays out a model for viewing the South as an internal and somewhat favored colony of Yankee capitalism. The theme relates directly to the energy crisis, for parts of the South are fast becoming energy reservations. The oil fields of the Southwest have at least created their share of millionaires within the region, even if many of them are joining the aerospace tycoons and others to form the backbone of a new reactionary "southern rim." (Some of those others are the real estate speculators that set the stage for Steve Cummings' humorous article, "Florida: Love It or Sell It.") The story in Appalachia, where a region's wealth is literally carted away, is more bleak. John Gaventa and James Branscome provide two perspectives on the colonization by the coal companies of the mountains of Kentucky and Tennessee, which now threatens to destroy a people and a land.

But the Watergate and energy crises need not be depressing experiences. On the contrary, they represent the decay of stale political and economic ideologies, the crumbling of systems which have failed to provide real "order" or to satisfy real "demands." There is tremendous opportunity for people with imagination and organizational know-how to fill the resulting vacuum with alternative systems and styles. In this vein, James Ridgeway offers a few suggestions for slowing down the energy crisis—and the pace of life.

One of the best places we know of for organizing around alternatives is the electric utility industry, a "natural" monopoly that is closely linked with the energy crisis and with control of southern economic development by a few northern banks. Everybody hates their local power company, but few realize the incredible sums of money that public ownership of these companies could yield for community prosperity and economic development. Perhaps it's time to revive some of the populist slogans and channel that feeling people have of not being in control of anything, into a campaign around public control of utilities—and then, maybe, the railroads, and then . . . . The special supplement this quarter provides some words and figures as a resource for such a campaign: (a) an essay on the precedents, rationales, and current efforts at utility fighting; (b) a guide to investigating and starting to challenge your local power company; and (c) charts of the directors, stockholders, and basic statistics for each large electric utility operating in the thirteen southern states.

The next issue of **Southern Exposure** will be a special on the struggles of Southerners in the 1930's and 1940's based largely on oral history interviews. We still have copies of the first issue which focused on the South's military-industrial complex.

If you're engaged in research on historical, political, cultural or economic aspects of the South, drop us a note and let us know about your work. We'll send more detailed information on the Institute, and perhaps we can help each other. Address all correspondence related to the journal to Bob Hall, editor, 17 Davie Circle, Chapel Hill, N.C. 27514.

Southern Exposure

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photo by Tom Coffin

THE SUNSHINE SYNDICATE BEHIND THE WATERGATE

By Kirkpatrick Sale

It has been a long time coming, but the South is rising again. This time the weapons are economic and political, based upon the natural resources of the South, the population boom in the sun belt, and the largesse of the federal treasury; and this time the war looks like it will be won.

Perhaps it has been won already—at least for the wealthy few who are beginning to flex their muscles at a national level. The ascendency to power of Lyndon Johnson and then Richard Nixon has solidified a position for the South in the corridors of power beyond anything the nation has seen in recent years, and if Nixon now remains relatively undamaged by the Watergate disclosures, it seems likely that this power will increase in the next three and a half years. I would go even further: if Nixon remains undamaged, the political base which the South has so far built will continue on beyond the present administration and will assert itself for the next political generation at least. Whether the next president is Connally or Reagan, Howard Baker or Governor Askew, or even Agnew or Harris or Mondale, he will be in debt to the power of the South and will serve in those interests.

Now I should say right away that power of this magnitude is not confined; it must be shared. In this case, it is shared with the Great Southwest, into which the South blends so naturally, forming a power belt from Southern California through Arizona and Texas down to the Florida keys, a geographical area which I have called **the Southern rim**. Of course the Eastern Establishment continues to have lots of power. But something is clearly shifting in our national "power structure," and awareness of the old and still potent centers should not blind us to the major role of new and expanding components.

Kirkpatrick Sale is the author of the just-published book **SDS** (Random House). His articles have appeared in such newspapers and magazines as the **New York Times**, **The Nation**, and **The New Leader**. He has taught history at the University of Ghana, and is the author of **The Land and People of Ghana.**

The power of the Southern rim is built—to oversimplify just a bit—upon oil, aerospace, defense, real estate, and tourism, all of which have gained importance only since the Second World War and are now sedimented into the economy.

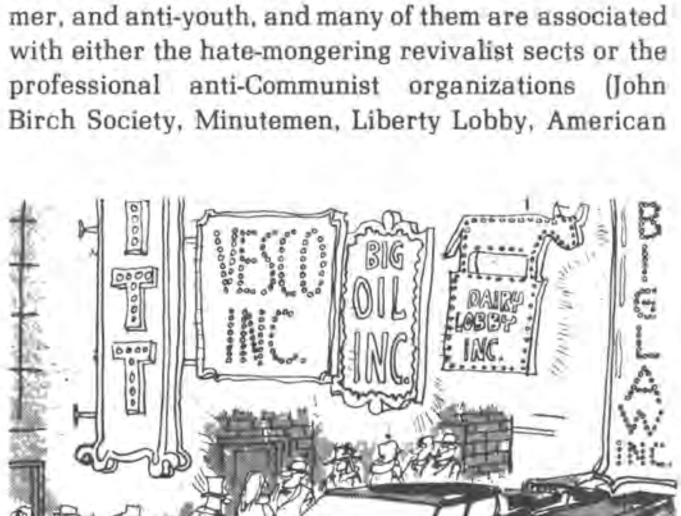
Independent oil producers—the H.L. Hunts and John Paul Gettys, as opposed to the international giants like Exxon and Mobil—are based chiefly in Texas, Oklahoma and Louisiana, and their spectacular development of the area's underground riches has given them a wealth which in the last two decades has found its way increasingly into politics, at both the local and national levels. Among the most important today are companies like Union Oil (Los Angeles), Occidental (Los Angeles), Atlantic-Richfield (Oklahoma), and Sun, Gulf, Ashland, Continental, Coastal States, Getty, Mesa, and American Petrofina (all Texas)—and each of these, in turn, spreads out into other Southern regions, from the coalfields of Appalachia to the off-shore wells of Louisiana.

Aerospace, similarly, has tended to be a Southern rim phenomenon, to the benefit of such firms as Lockheed (California), Rockwell International (California, Texas), Hughes (Texas, California, Arizona), Texas Instruments (Texas), and Electronic Data Systems (Texas); with the boom in space spending has gone the boom in economic and wide-ranging political power for these industries. Defense, which is closely allied to aerospace, reflects the same pattern: of the ten firms which are perennially at the top of defense earnings, seven are chiefly Southern rimsters—Lockheed, General Dynamics (Massachusetts, Texas, Florida), McDonnell-Douglas (Missouri, California), Rockwell, Litton (California, Mississippi), Hughes, Ling-Temco-Vought (Texas)—and many other defense giants have heavy Southern interests (Tenneco, AT&T, Textron, Honeywell, United Aircraft, etc.). (For a comprehensive and detailed account of specifically Southern defense interests, see the Spring 1973 issue of **Southern Exposure**.)

Real estate and tourist corporations, by the nature of their ventures, are considerably more local than these other interests, but it is inevitable that they predominate in the Southern rim, where the great population explosion has taken place in the last 20 years (especially in southern California, Arizona, and Florida) and where most of the nation's leisure time playgrounds (Las Vegas, Palm Springs, and Miami Beach prominent among them) are located.

The people who represent this considerable power base have been dubbed—first by Wall Street and then by popular commentators—"cowboys," to distinguish them from the old-money, settled-family people of the Eastern Establishment, who are naturally called "yankees." And though this smacks of a certain regional snobbery, there are particular characteristics which distinguish these Southern rimsters that fit in nicely with the image of the free-wheeling, frontier-oriented, live-for-today, tough-and-swaggering cowboy. They are new-money people, the first-generation rich, many working their way up from poverty, and they tend toward the nouveau-riche traits of flashiness, extravagance, excessiveness—Judge Roy Hofheinz comes to mind, and H. Ross Perot, and H.L. Hunt, and Glenn Turner, not to mention their political spokesmen like Strom Thurmond, George Wallace, Ronald Reagan, and (supremely) Lyndon Johnson.

They like to think of themselves as self-made men, wresting fortunes out of the hard land—though in truth they are almost all government-made men, depending upon oil depletion allowances and (until recently) oil quotas, on enormous defense and aerospace contracts from Washington and a concomitant cost-plus banditry, and on beneficial federal rulings for air routes, radio and TV licenses, rail shipments, and the like. They tend to a notable degree to be politically conservative, even retrograde, usually anti-union, anti-black and anti-chicano, anti-consumer, and anti-youth, and many of them are associated with either the hate-mongering revivalist sects or the professional anti-Communist organizations (John Birch Society, Minutemen, Liberty Lobby, American



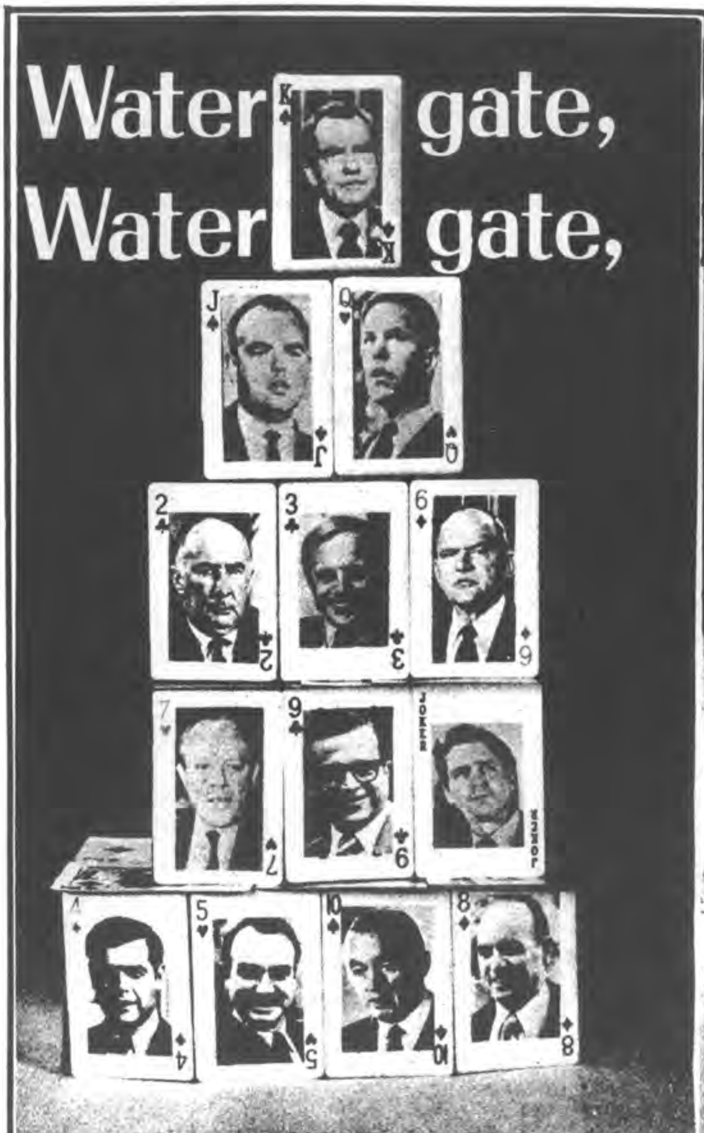
'It shore is good to be in the mainstream of America.

Security Council). And they often seem to have developed a self-serving ends-justify-the-means amorality, a disregard for the usual niceties of business or political ethics, and they are therefore frequently connected with shady speculations, political influence-peddling, corrupt unions, and even upon occassion with organized crime.

Watergate Tricksters

Watergate, by a neat coincidence, has offered us a window on the mentality and operations of the Southern rim cowboys, and it is worth pausing to look through it for a moment. Much of the money that found its way into the Watergate burglars' pockets and into those of other saboteurs and infiltrators came from the Southern rim: at least $100,000 came from Texas oil, raised by Gulf Resources president Robert Allen and delivered by a Pennzoil vice president, and an additional $25,000 was delivered from the Florida holdings of Minneapolis millionaire Dwayne Andreas. Additional funds, perhaps as much as a half a million in all, were raised from California richies and controlled by Nixon's personal attorney, Herbert Kalmbach, a wealthy Southern California lawyer and businessman; it is a measure of his Southern rim milieu that his comrades in the ultra-prestigious Lincoln Club of Newport Beach, California, see nothing either shocking or questionable in Kalmbach's sabotage performance (**N.Y. Times,** June 19, 1973).

Overseeing these funds in Washington were people like John Mitchell (a ringer: from New York and Wall Street), Frederick LaRue (a rich Mississippi oil man), Robert Mardian (Arizona), Jeb Magruder (California by adoption), Dwight Chapin (California), Gordon Strachan (California), and above all (with the possible exception of Nixon, a Southern Californian) the leaders of the California Mafia in the White House, H.R. Haldeman and John Ehrlichman. Not all of them were rich cowboys by any means, but they all seemed to have shared in the cowboy mentality of selective amorality, of justifying sleazy and illegal acts if they are self-serving, of using enormous wealth to satisfy private interests. And they all seem to have partaken in the latest form of anti-Communist



hysteria, the fear of the radical forces of the Left whether violent or peaceable, the vision of Weathermen and Panthers under every bed—and they used this paranoia to justify an enormous campaign of repression, beginning in 1969 with Mitchell's ascendancy to the Justice Department, through the series of grand juries, conspiracy indictments, wire-tappings and infiltrations, right down to the sabotage of the McGovern campaign, of which Watergate was only a small part.

Watergate was **not** just another example of the dirty game of politics. Watergate was a deliberate attempt to destroy some of the inherent values of the two-party system. And it would not have happened without the emergence of the Southern rimsters and their cowboy mentality into positions of high political power.

But the influence of the Southern rimsters goes far beyond the Watergate affair and remains even with the departure of the leaders of the California mafia. Let us look at some of the people whom Nixon has chosen to put into positions of power. At the top are the people who manage the budget, from which all else flows: Roy Ash, a defense-industry millionaire from California, and Frederick Malek, a tool-manufacturing millionaire from South Carolina. Next are the Cabinet rimsters: Claude Brinegar as Secretary of Transportation (California, Union Oil executive), Caspar Weinberger as Secretary of HEW (California, Republican politico), Anne Armstrong as Counselor to the President (Texas, rich Republican politico), Frederick Dent as Secretary of Commerce (South Carolina textile millionaire), William Clements as Acting Secretary of Defense (Texas oil millionare), Robert Long as Assistant Secretary of Agriculture (California Bank of America executive). Then follow the Republican National Committee chiefs, exercising even more power in the wake of Watergate: George Bush(Texas by adoption, co-founder of an oil company), Janet Johnston (California rancher), and general counsel Harry Dent (South Carolina GOP politico). The power of the rimsters is so strong here that Northern and Midwest Republicans have even complained publicly of a "Southern Mafia' (**N.Y. Times**, March 27, 1973). And we must not forget the two powerful swing-men on the Supreme Court, Lewis Powell (Virginia) and William Rehnquist (Arizona), both thoroughly imbued with cowboy conservatism, though the former more genteel, the latter more crude.

Sticking just to the formal and official positions in Washington, however, does not give the full picture of the Southern influence. For the people who are most potent are Nixon's closest friends, the small circle of trusted companions which he has kept around him over the years and whose advice he seeks both in times of normalcy and in times (as the present) of crisis. A few are yankees—though up-from-poverty yankees—like William Rogers and Robert Abplanalp—but the majority, and the majority closest, are Southern rimsters: Paul Keyes, a California TV producer and frequent visitor to San Clemente; Jack Drowns, a Southern California businessman and perhaps Nixon's oldest friend; Roger Johnson, a lawyer for Superior Oil and old Southern California pal; Billy Graham, the fundamentalist evangelist from North Carolina, now based in Florida; John Connally, the Texas politician who is Nixon's choice as successor and a trusted friend despite their recent spat that led to Connally's departure from the White House; Murray Chotiner, the California wheeler-dealer and long-time campaign adviser; and above all, the man to whom Nixon fled after Watergate broke as he has so many times before, Florida real-estate operator and bank owner, Bebe Rebozo.

Nixon's Top Crony

Rebozo deserves a somewhat closer examination here, for not only is he Nixon's most intimate associate but he personifies the cowboy type with his disregard for business niceties, his open use of political influence for private gain, his new-money aggressiveness, and his rise to political power.

Rebozo, Cuban-born of American parents, grew up in relative poverty and by the beginning of World War II rose to become the owner of a small gas station in Florida. With the wartime tire shortage, Rebozo got it into his head to expand his properties and start a recapping business, so he got a loan from a friend who happened to be on the local OPA tire board (a clear conflict of interest) and before long was the largest recapper in Florida. Sometime around 1951 he met Richard Nixon, through Florida's then-Senator George Smathers, who has remained to this day an influential friend of both men, especially in their Southern business dealings, and the two Southern rimsters seem to have hit it off from the start: both the same age, both quiet and humorless, both sports-minded, both aggressive success-hunters. Since that time Rebozo has never lost an opportunity to remind the world of his high-placed friendship.

Rebozo expanded from recapping into land deals and in the early sixties established the Key Biscayne bank, of which he is the president; the first savings account customer, naturally, was Richard M. Nixon. Now it is not known whether Rebozo at this point had any intimate connections with organized crime, but

the fact that this bank was used by organized mobsters as the repository for stolen stocks certainly suggests some kind of understanding relationship. In 1968 a group of eight admitted mobsters (people like Jake the Mace Maislich and Joseph Anthony Lamattina) chose Rebozo's bank as the "launderer" for 900 shares of IBM stock stolen from E.F. Hutton in New York City. Rebozo knew **something** was fishy about the stocks, apparently, so he phoned Richard Nixon's brother Donald to ask him about them—though why he thought either Donald or his brother would know about stolen stocks has never been made clear— and he claims that Donald gave him the OK. Shortly thereafter an insurance circular was sent out to every bank in the country listing the numbers on the stolen certificates and an FBI agent even dropped in at the Key Biscayne bank to inquire about them—and still Rebozo seemed not to realize that he was dealing in hot property. Instead he converted the stocks for hard cash, for a friend of his, and has so far gone scot free in the whole affair.

That was neat enough, but Rebozo has other facets. In the sixties Rebozo also managed to get a substantial loan out of the Small Business Administration to build a shopping center in Miami for anti-Castro Cuban businessmen, those Batista men (**gusanos** is the term used by pro-Castroites) who have neatly become part of the anti-Communist Southern rim in the last dozen years. Now Rebozo, the wealthy banker, was hardly a small businessman, but he did have the advantage of being a close friend of the chief Miami officer of the SBA, who was also, just by coincidence, a stockholder in Rebozo's bank; somehow, the SBA approved his $100,000 loan for the shopping center. Rebozo also had the advantage of having Nixon as a personal friend, so it hardly mattered to him that Representative Wright Patman, in investigating the loan, accused the SBA of making him a "preferred customer" or that the Long Island newspaper **Newsday** subsequently denounced the SBA for "wheeling and dealing . . . on Rebozo's behalf." (The full investigation by **Newsday** was published October 6-13, 1971, and is available from them upon request.)

And would it come now as any surprise that Rebozo chose, for the major contractor on this shopping center job, one "Big Al" Polizzi, a known figure in organized crime, a convicted black marketeer, and a man named by the Federal Bureau of Narcotics as "one of the most influential members of the underworld in the United States?"

And **this** is the man who shares holidays and weekends with the President, is said to be the only person—obviously excluding Pat—that "the President can really relax with." Yes, and this is the man the President has even gone in with on real estate ventures, again with the whiff of organized crime around them. Again, one cannot make absolute assertions, for Rebozo and his friends keep things carefully murky: but it **is** known that a lot of organized crime money went into Florida real estate after it fled Cuba with the downfall of Batista; it **is** thought that some of this money bought up parcels of land on the southern end of Key Biscayne; it **is** known that Rebozo and a business partner, Donald Berg, own considerable land holdings in this same area, part of which they have sold to Richard Nixon in an area less than a mile from his Florida White House; and it **is** known that this same Donald Berg, who has links with at least one associate of mobster Meyer Lansky, has a background so shady that the Secret Service warned Nixon away from eating at his Key Biscayne restaurant for fear of the connections that would be raised in the public mind. Pretty unsavory, to say the very least.

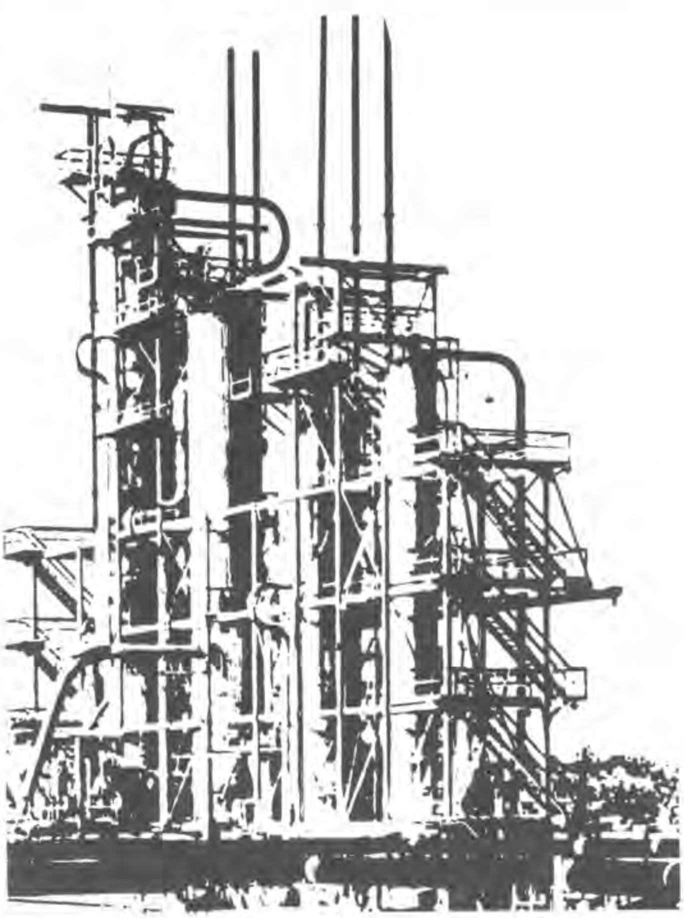
And as for Rebozo's other business partners? Well, we know of at least one. He is Bernard Barker, a **gusano** real estate man, one of the major figures for the CIA in the Bay of Pigs operation and the payoff man for the Watergate burglary and other campaign sabotage ventures last year.

Southern Rim Politics

With this type of person, of cowboy spirit and Southern interest, in positions of influence, what kinds of national policy can we expect in the immediate future? What kinds of developments should we look for during the rest of the Nixon administration?

First, I think it is highly likely that additional mini-Watergate scandals will emerge. Nixon's Southern rimsters cannot change their spots overnight, no matter how many cautionary directives come from a chastened White House, and those spots are ingrained with shady dealings and dubious morality. It is hard to see how Roy Ash, who made his way to the top of the corporate ladder at Litton with enough ruthlessness to have involved him in a number of lawsuits, is all of a sudden going to be restrained and decorous in managing the nation's budget; it's hard to imagine that he will not carry on high-level variations on his past practices, like the neat little deal he made in 1970 when he dumped some $2.6 million worth of Litton stock just before it became public that Litton's shipbuilding program was in deep trouble and the price of the stock plummeted by half. Similarly, it is hard to think of Defense Secretary Clements going through an overnight reform, turning his back on such previously profitable schemes as the one in which he suckered the Argentine government into giving his oil company a very profitable franchise through "profound immorality and corruption," according to the Argentine legislature's nonpartisan study. These Southern rimsters are simply incapable of making some of the same kinds of ethical judgments as the rest of us who are not rich wheeler-dealers, and they are almost certain to blunder into one scandal or other sometime in the next three years.

Second, I think we can expect immediate benefits for those industries that are specifically Southern. We have already seen some kindness bestowed on the independent oil producers, both through the granting of hefty 8% rises in heating oil prices in January and the provision in the new budget for underwriting the industry's new research and "technical assistance" at government expense. In the coming months we are likely to see the opening up of the Eastern seaboard's continental shelf for off-shore drilling, the ramming through of the Alaska pipeline scheme, the relaxation of all kinds of fuel regulations and restrictions in the name of the largely spurious "energy crisis" (itself fueled by a $3 million industry PR campaign), and a continuing use of tariffs and special benefits to the advantage of domestic producers. The textile industry—especially given the importance of South Carolina in Nixon's Southern power base—will certainly get the kind of tariff breaks it is looking for, particularly now that the worldwide market has turned around and American firms can be more competitive. Southern agribusiness—sugar, citrus fruits, tobacco, etc.—will also likely be given federal largesse, not only by omission (of price restrictions during the freeze period) but also by commission (of Agriculture Department subsidies and contracts). Defense firms will benefit from the $41 billion increase in the new budget—and this despite the cease-fire in Vietnam and reduction in armed forces—and the kind of reckless what's-good-for-Lockheed-is-good-for-the-country attitude symbolized by the recent agreement by the US to supply the Third World with billions of dollars worth of surplus arms. •



•So far Nixon has managed to bestow lots of goodies on the defense corporations beyond those open and acknowledged: he permitted a $1 billion arbitrary increase in Lockheed's prices in 1971 to bail the company out of troubles, and he allowed 131 defense companies to make illegally excessive profits of 50 to 2,000 per cent in 1972 without any government action.

Third, I think we can expect Nixonian foreign policy to emphasize the opening up of contacts with heretofore forbidden areas to the benefit of American (and primarily Southern rim) businessmen. We have already seen who benefited from the new Soviet detente: Occidental Petroleum (Los Angeles) is getting the multi-billion dollar oil-and-gas pipeline contract. Brown and Root (Dallas) will build the thing, First City National Bank of Houston will be the primary funder, and John Connally, who is the lawyer for all three concerns, will be considerably richer. This sort of businessman's detente is sure to increase, both with Russia and China, and I foresee it operating in the Caribbean as well, where so many Southern rimsters have major interests: an arrangement with Cuba allowing increased trade and the introduction of some American businesses seems highly likely. As to the Middle East, Nixon has already taken steps to protect American oil interests there—he has chosen Iran as the linchpin, sending in a remarkable number of American troops and a top spook, Richard Helms—and he is likely to expand military aid there, which neatly redounds to the benefit of the defense firms as well as the oil companies.

The news in the morning paper can be confusing; keep in mind, however, that the actions of the Nixon government are likely to serve the interests of the Southern rim, and things become much less mysterious.

Watergate has certainly set back the hopes of the Republican Party, but it still seems possible that, by building on a power base along the Southern rim, it can soon become the majority party in American politics for the first time since the 1920s. By appealing to the new-money suburbs through law-and-order rhetoric and revenue sharing largesse, by encouraging defections from the ever-blackening Democratic Party in the South through the hidden racism of anti-bussing and the like, and by serving the interests of the newly powerful economic forces through such policies as I have outlined above, the Republicans stand an excellent chance of solidifying the kind of power they began to enjoy with last year's landslide election. The defection of John Connally to the Republican Party may be a symbol and a harbinger of a sweeping change.

And the Democratic Party, in response to this slowly tipping seesaw and the possibilities opened up by Watergate, is attempting to regain its position by denying that 1972 ever happened and putting control of the party into the hands of people like Texan Robert Strauss and his new crew of Southern-rim conservatives. It sees its chances for success depending mostly on wooing the conservative Southern-rim vote and crucially on neutralizing the effect of George Wallace by keeping him within Democratic ranks; this accounts for the succession of high-level visitors (recently including Teddy Kennedy) to the Alabamian's doorstep over the past few months.

So you see, either way, a small part of the South seems to have won. It doesn't matter whether the banners over the White House are Republican or Democratic so long as the stanchion next to the American flag in the Oval Office bears the Stars and Bars—or to be more geographically accurate, the Stars and Bars with Lone Star of Texas and the California bear added on. The Southern rim has come to power, and the South, it would seem, has risen again.

photo by Bill Fibben

THE SPLIT LEVEL ENERGY CRISIS

By James Ridgeway

The "energy crisis" is split level. Over the next 20 years or so it looks like a crisis of price. As fossil fuels become distant, more difficult to get at, they will cost more. But by the end of the century we will begin to run low on fuel supplies, and if the demand for them increases throughout the world as it is expected to do, supplies will become scarce, perhaps by the middle of the next century. This sort of prediction is based on reports by geologists, many of them employed by major energy companies which have a stake in the game. The reports are admittedly sketchy and often not much more than educated guesses.

The "energy crisis" that has been so vigorously publicized by the petroleum and utility industries over the last few years was foreseen by the oil companies more than a decade ago. At that time, the major oil companies took steps to plan for it.

In the mid-1950's, after the Suez crisis, the Anglo-American petroleum firms which dominate the Middle Eastern oil fields and control two-thirds of the world's oil, began to diversify their holdings. They saw that when the concessions ran out, the oil might be nationalized or, at the very least, the Arab countries would want more money and a share of the business. And in certain places there was a good chance the governments might take over the oil industries before the concessions ran out.

The major oil companies began to diversify their operations. Throughout the 1960's, they searched for oil in new parts of the world, in the North Sea, in the shallow seas of southeast Asia from Indonesia to Australia, and throughout the Arctic, in Alaska and Canada.

At the same time, some of these corporations turned their attention back to the North American continent, where they took a position in coal and uranium. Oil companies began to develop real estate and got involved in manufacturing nuclear power plants.

As a result, by 1970 oil companies accounted for more than a quarter of the production in both the coal and uranium industries. Jersey Standard had acquired the largest coal reserves in the nation—some 6 million tons, and the oil industry as a whole was estimated to control 80% of all uranium reserves. In addition, oil companies had under lease vast quantities of water in the water-scarce mountain states.

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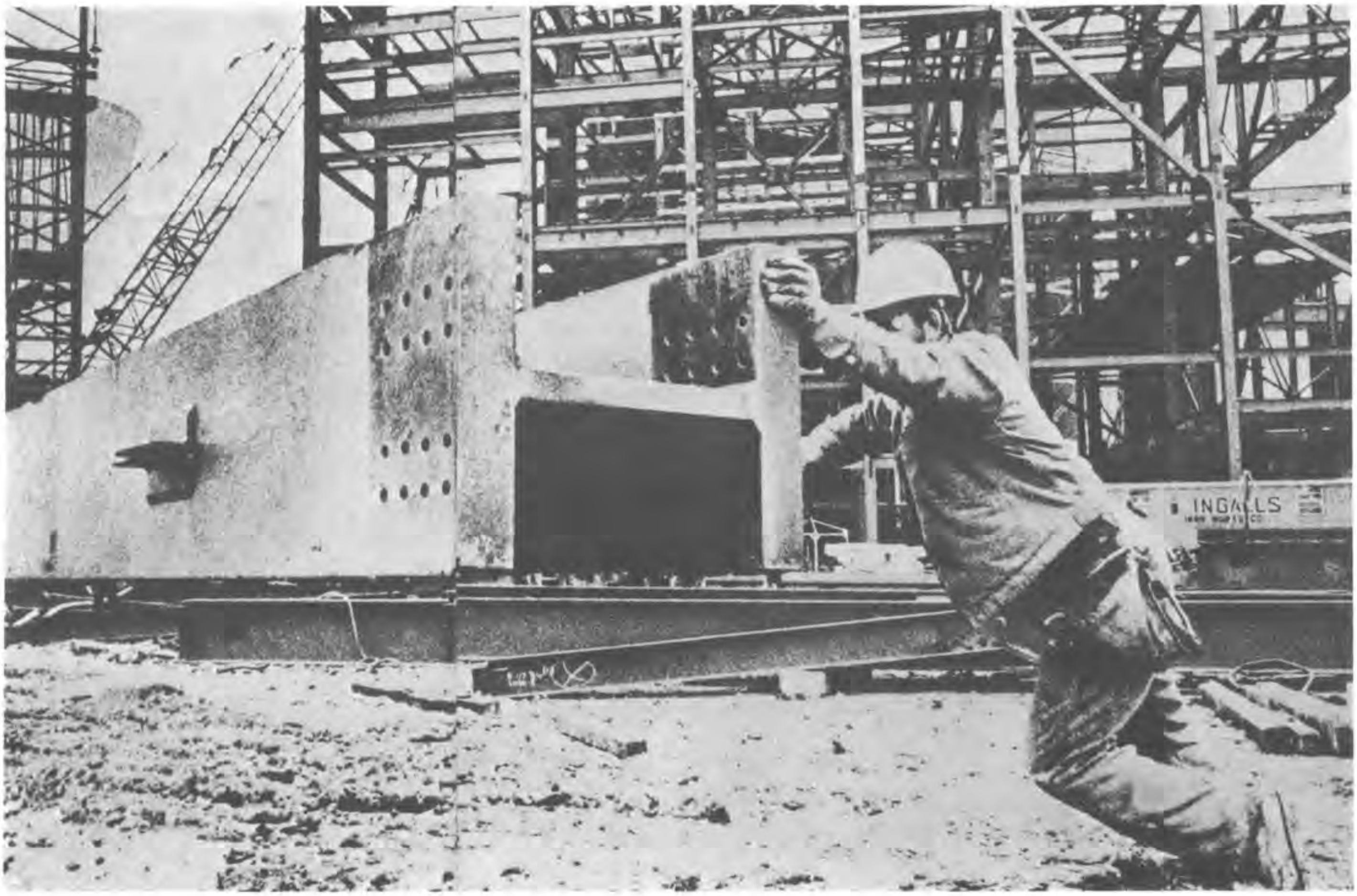

The government helped along this reorganization of the petroleum industry into an energy industry. The Internal Revenue Service issued private rulings that allowed oil companies to avoid taxes on profits used to buy other mining firms. Committees of Congress nominally involved in assuring competition and rational minerals policies ignored the industrial reorganization.

By 1970 the major oil corporations had achieved a reorganization which gave them control over other fossil fuels, particularly coal, which might compete with oil and gas. Still the government could disrupt their energy policies because it had authority to set the price of natural gas at the well head. The oil companies, which produce most of the natural gas, had opposed government regulation of gas prices since the mid-1950's. With the advent of the Nixon administration, they renewed the campaign to raise the price and to remove the Federal Power Commission's authority to set prices. They insisted that there was not sufficient incentive to drill for gas at such low prices as then existed, and threatened a shortage if the prices were not increased. The Federal Power Commission adopted their arguments, raising gas prices in 1971, and again in the spring of 1973. At the same time, the commission argued along with the administration that gas prices should be deregulated. Whether or not the price of gas is freed from FPC regulation, prices have more than doubled in the last three years. As a practical matter the industry's goal has been achieved.

The major oil companies are thus in a position to develop energy supplies at their own pace, if need be, exhausting one fuel after another.

Changing Consumption Patterns

In Washington there seems to be a rather generally held view that the energy crisis is to be taken seriously, and public policy should be directed towards instituting certain broad gauge "conservation" measures which could sharply reduce consumption over the next 10 or 20 years. Meanwhile, the government should encourage through an expensive research program development of alternative, non-fossil fuel energy systems, such as wide-scale application of solar energy systems, development of tidal, geothermal and fusion power. But, while this view is widely held, there is little motion, probably because the politics seem too radical and involve reorganization of the economy with a de-emphasis on the oil and auto industries.

One fairly simple and convenient way to reduce both the consumption of energy and to begin the process of changing around the economy would be for the central government, or state and local governments, to implement schemes that are sketched in different government reports, including one by Nixon's own Office of Emergency Preparedness.

Transportation now accounts for 25% of total energy consumption and more than 50% of petroleum use. A first step might be to limit either the manufacture or use of automobiles powered by V-8 engines. Autos with V-8 engines now account for 84% of all car sales. These engines, averaging 292 horsepower per car, not only run the vehicle but also provide the power for automatic transmission (on 9 out of 10 cars), power steering, radio, and air conditioning (two out of every three cars). A reduction in engine size and associated gadgets would obviously sharply reduce the amounts of petroleum used by automobiles. Another step would be to eliminate automobiles from metropolitan areas, replacing them with mass transit schemes and with bikes. One study made by the Department of Transportation shows that the average automobile trip in a city is five miles at 12 miles an hour. That trip could be undertaken with considerable more efficiency, and no pollution, if it were by bike.

It is less expensive, and more efficient, to ship freight by train rather than truck. Also less energy is used. Expanding airline operations are consuming a larger and larger amount of fuel. Curbing the growth of the airline industry would be an important step in reducing energy consumption. That might be accomplished on a local level by preventing the expansion of airports, and by limiting the number of flights permitted to land each day.

The Office of Emergency Preparedness, in its study on energy conservation, proposes new, stiffer building codes that require improved insulation. The OEP report, along with a special study by the National Science Foundation and NASA, suggest that solar home heating systems can be introduced fairly rapidly, especially in the southern and southwestern parts of the country. The conclusions of these reports agree with the general view that, along with energy conservation measures, the nation should rapidly develop solar power, both through research and development funds that will encourage planners and architects to make designs of solar houses and buildings, but also towards adoption of building codes that gradually will push builders and local governments towards solar energy.

Essentially, then, either on the federal or local level, government would take up an energy policy that

photo by Bill Fibben

would place fairly strict and growing limitations on industries that depend on fossil fuels and the motor vehicle, thereby forcing a gradual change in the economy. We would move away from oil and coal, cars and trucks, to a solar energy economy, where we would make much shrewder use of the sun, a source of energy that is available to everyone free, and towards other methods of transportation, the bike, mass transit, return to the water—canals, intercoastal waterways—for hauling freight. Travel would not be so common, nor so fast. And life probably would slow down.

Administering Energy Resources

The major US energy resources which now are being developed, or shortly will be developed, are either owned by the state or federal governments. In the case of oil and natural gas the major new deposits lie under the sea on the outer continental shelf. Coal and uranium deposits are on public lands in the western mountain states, as is the case with oil shale. The water and water supply systems necessary to mine the coal, and to manufacture it into gas, are in the public domain. State and federal agencies have allowed the bureaus in charge of these properties to become instrumentalities of the industries themselves. Thus, the Interior Department has allowed production of oil in offshore waters, controlled by the federal government, to be dictated by state regulatory commissions which in the past have been industry-dominated bodies. There has been little effort to plan development of coal resources, except to ask the companies to come forward with one or another of their own schemes for exploitation.

Although the US Geological Survey is supposedly an agency of the US government, it answers largely to the petroleum companies which provide it with detailed analysis of the oil and gas reserves in the pub-

photo by Carter Tomassi

lic domains. The Geological Survey keeps those reserve statistics private in order to protect the interests of the competing companies. The Federal Power Commission follows the lead of the Geological Survey and the industry, refusing to make its own independent estimates of gas reserves. Congressional committees with a purview over energy resources spend their time attempting to work out technical difficulties which permit the industries to get on with their work.

One immediate, basic step required before any further action can be taken on energy would be to establish independent agencies within the federal government to oversee and administer natural resources. The most important part of this process would be to conduct independent analyses of the nation's energy resources. Even at this writing, in the late spring of 1973, with the energy crisis in full swing, there seems to be relatively little interest either within the government or within Congress towards making such an analysis. Yet, it is nearly impossible to undertake any sort of rational plan, whether on a national or regional basis, without a more thorough understanding of the extent of our natural resources.

A second step would be to reorganize energy resources, replacing the private government of energy with truly public institutions. I believe that a move in this direction should be aimed at building the basis for regional political economies. A reorganization of energy resources might include the following possibilities. The Congress could create a federal energy board, which could supervise overall energy policy for the nation. The board would provide a sort of umbrella for regional plans, which in turn would carry forward different schemes. On an international level, the energy board could negotiate and make purchases of oil, gas and other fuels in world markets. It might on its own, or in conjunction with a consortia of regions, organize joint ventures with foreign countries.

Under the broad aegis of the government's energy board, certain energy regions within the United States could be created. Within each region public elected agencies would establish economic plans, binding on the development of that region. These plans would necessarily determine how much of a region's energy resources were required to execute the overall plan. Such a planning agency could determine energy surplus or deficiency, then arrange to purchase or sell supplies through the national board.

The idea of a regional energy agency would be to develop binding economic plans for the area. For example, in the northeastern part of the country, such a regional agency could weigh the necessity for developing offshore oil and gas in terms of the fuels' end use. If petroleum were to be refined into gasoline, then the analysis and decision might take into account air polluting effects of motor vehicles, alternate schemes for mass transit, limiting the size of auto engines, how freight is hauled, impact of airport expansion, and so forth. If the petroleum were to be used principally in the manufacture of electricity and the electricity were to go towards lighting, heating and air conditioning a large new office building complex in New York City (say the World Trade Towers), the regional plan would determine whether that building complex were indeed necessary and what useful purpose its construction and operation would serve.

Obviously these regional energy agencies would need to become a part, if not the central point, of organizing and administering a rational, self-sufficient political economy.

As the resources were developed according to the regional plan, they could be fed through existing marketing installations of industry—investor-owned utilities, refineries, gas stations, pipeline systems, gasification plants, whatever—all of whose assets would be expropriated by the regional plan and managed by it for the general welfare.

The resources would be administered under the theory that every citizen has **equal rights** to energy resources, for they are shared by all, and that it would be the responsibility of the plan to see that every home was provided with free electricity, gas, etc.

Energy resources would be developed and used in accordance with plans made by elected representatives to the agency. They would act in a democratic manner.

Although the schemes might well differ from region to region, it would be hoped that every citizen would spend some part of the year in helping to operate the energy economy. And that as a result, actual development of local plans would actually be made and carried forward by the townspeople or in neighborhoods.

In this way the energy crisis might not only lead to the beginnings of a reorganization of the political economy on regional patterns, but also contribute to a reorganization of work, and a rebirth of politics on the local level.

Fundamental to this scheme would be the understanding that nobody owns natural resources. They ought properly to be shared by all in a relationship of trust.

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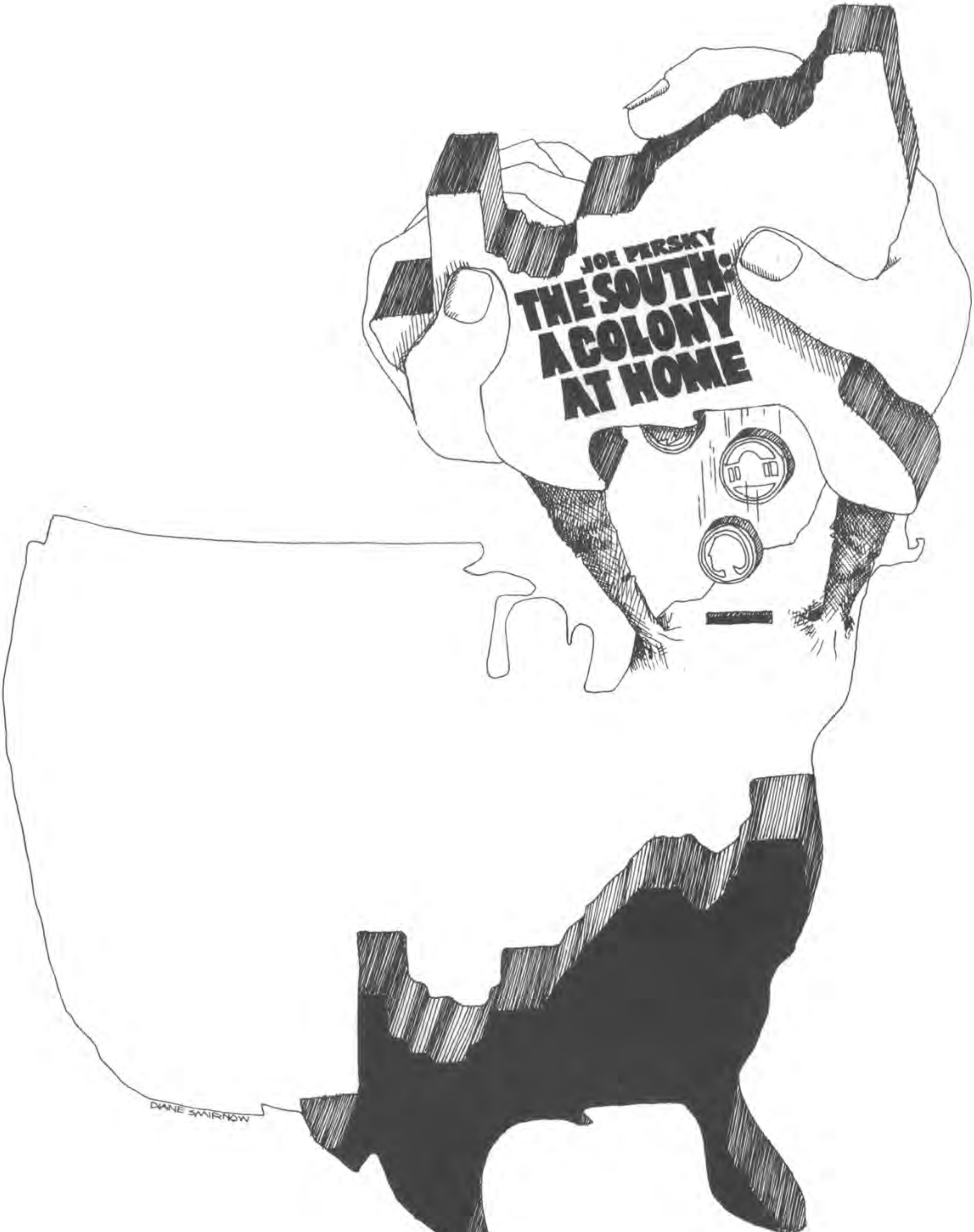
JOE PERSKY
THE SOUTH:
A COLONY
AT HOME
DIANE SMIRNOW

Two of the most prominent research areas in the resurgent field of political economy have been the study of underdeveloped countries abroad and urban and regional problems at home. It is quite natural that some of us should look for similarities between the situation facing the Third World and the most highly exploited regions and peoples of the developed countries. This interest has led to applying colonial analogies to the study of both ghettos and underdeveloped regions. The "colonial ghetto" has been well discussed by Bill Tabb in **The Political Economy of the Black Ghetto**.[1] The thesis of "regional colonialism" has been stated succinctly by Andre Gorz in a recent issue of **Liberation**.[2] Gorz suggests that "the geographical concentration of the process of capitalist accumulation has necessarily gone hand-in-hand with the relative--or even absolute--impoverishment of other regions. These latter regions have been used by the industrial and financial centers as reservoirs of labor, or primary and agricultural material. Like the colonies of the great European empires, the "peripheral" regions have provided the metropolises with their savings, their labor-power, their men, without having a right to the local reinvestment of the capital accumulated through their activity."[3]

While obvious similarities between "internal" and "external" colonies can be noted in a casual manner, for analytical purposes it is important to clarify how far these analogies really extend. For many reasons, it may be relevant to stress differences as well as similarities between "colonialism at home and abroad." In what follows, some aspects of the economic history of the South will be used to highlight the problems of the "regional colonialism" model.

The Civil War

On the eve of the Civil War, the South was a major source of one of the most important raw materials for industrial England and for the growing Northeast. Because of the political independence won by the American colonies, the South enjoyed a unique position in world trade. The primitive accumulation of money, of capital, through the exploitation of the soil and African slaves, had not in this case been completely siphoned off by the metropolitan powers, but rather had led to the creation of a wealthy and independent agricultural ruling class. Given this position, the large American cotton producers had the potential of creating an independent center of economic power based on capitalistic agriculture. While the long run prospects of such an economy are open to serious doubt, the wealth and income generated by and retained in the ante-bellum South are more suggestive of Junker Prussia than of the colonies of Asia, Africa, and Latin America.[4] As recent work by Stanley Engerman shows, the per capita income of the South was growing quite well in the twenty years before the war. Indeed, because of intra-regional mobility to the more fertile western lands, it would seem that the southern per capita income relatively had increased from 77% to 80% of the national average. Moreover, if only the free population is considered, the South by 1860 was very likely above, not below, the national average. Finally, Engerman does considerable damage to the view of the ante-bellum South as an abject debtor region, by presenting evidence that southern banks held 38% of the $84 million worth of specie in the U.S.[5]

> It should be noted that in the few cases in which members of this class were able to break out of their dependent role, they tended to merge with the existing national financial interests, rather than to challenge them as the champions of the South. This pattern is in sharp contrast to the contest between American and European Capital or Japanese and Western Capital.

As of 1860, the South was an independent nation. There is little historical logic for why its ruling class should **not** have desired such independence. The historical fights over the "causes" of the Civil War have often missed this important point. Union promised little for the South, while independence promised free trade and a better chance at westward expansion. Northern capital, however, could not tolerate this potential rival, hence the emerging industrial power fought a war for economic and political hegemony over the resources of the continent. The major results of this conflict were to destroy the economic base of an important competing class and to transform the slave population into a peasant class. In Reconstruction and Bourbon Restoration a new economic order was solidified through the creation of a system of agricultural credit which guaranteed that the economic surplus would no longer remain within the region.

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The New Economic Order

The credit system affected both black and white agriculture in the South. The farmer had historically been financed by cotton factors and Southern banks. These sources of credit dried up after the war. In their place emerged the supply merchant, a small entrepreneur, dependent on credit from northern wholesalers. This merchant-banker put a lien on the black tenant's crop and in many ways took over the supervisory functions of the landlord. Throughout the Black Belt, this class first challenged and then merged with the older ruling class when the latter realized few alternatives were available.

Meanwhile, the high price of cotton after the war attracted many marginal lands into production and encouraged the intensification of the cotton culture among the white yeoman farmers. Where before these farms had been largely self-sufficient, they now needed credit to finance the cash crop. Here too the supply merchant arose to fill the needs of the day.

In the short run this credit system obviously played an important role in reorganizing southern agriculture; however, in the longer run the cyclical and secular problems of the cotton crop made it clear that from the perspective of the southern farmer, the new system had over-expanded. But by this time the supply merchants were firmly established and not about to allow a return to more diversified agriculture. Their profits, large or small, were tied to cotton. With declining cotton prices the white farmers of middling and poor classes found themselves increasingly dependent on their former benefactors. This dependence was further intensified by the need to continually replenish the poorer soils that had been called into cotton culture. The upshot of these events was to push the white farmer, as well as the black, into a state of tenancy. By 1910, 50% of all Southern farm operators were tenants, as compared to 35% in 1880.[6] Hence, while no meaningful program of land distribution had taken place, the ruling class had been turned into a class of middlemen, much augmented by the new merchant.[7] The agricultural dependence on cash crops had been intensified and the surplus was increasingly expropriated by northern capitalists.

Because of the new credit system and the tariff policies of the central government, the South had become dependent on the emerging northern industrial centers for its manufactured goods as well as its foodstuffs. This latter point was well made by Henry Grady, the Atlanta advocate of a New South, when he summarized the condition of the regional economy in his discription of the southern farmer.

> *he gets up at the alarm of a Connecticut clock. Puts his Chicago suspenders on a pair of Detroit overalls. Washes his face with Cincinnati soap in a Philadelphia washpan. Works all day on a farm fenced with Pittsburgh wire and covered by an Ohio mortgage. Comes home at night and reads a Bible printed in Chicago and says a prayer written in Jerusalem. And when he dies. . .the South doesn't furnish a thing meant for his funeral but the corpse and the hole in the ground.*[8]

The predicament of southern agriculture did not pass over the head of the mass of southern farmers. The Populist revolt represented, in a dramatic way, an attempt to reorient the policies and privileges which had led to this situation. As in many underdeveloped countries, it was defeated within the region by the combination of merchant and landholder, both of whom derived their incomes from the middleman's role in the new system. Hence these former challengers of northern capitalism became its ally in a conservative alliance. These groups could only stand to lose in any Populist reform of the system of indirect rule, a system which under the guise of white supremacy, gave free reign to northern capital. At the national level, the Populists were no match for the industrial giants that had emerged since the Civil War.[9]

The Favored Colony

If the South's fate was now in the hands of northern capital, what was to be done with the region? The answer has been a slow but steady process of industrialization. Between 1900 and 1929, the share of agricultural workers in the southern labor force fell from 66% to 39%. More significantly, in the latter year only 22% of the region's personal income originated in farming while 16% was already coming directly from manufacturing. Between 1900 and 1929 value added in manufacturing in the South grew at a rate of over 4% per annum, somewhat higher than the national rate of about 3.5% After 1929 this gap widened, with the South's value added growing at about 5%. By 1960, the South accounted for 21% of the U.S. value added in manufacturing, and only 10% of its labor force was engaged in agriculture. By that year southern per capita income had grown to $1,691 or 73% of the country's.[10]

The history of southern economic development strongly suggests that the South has benefited in a way which sharply differentiates it from the stagnation typical of many external colonies. Why

photo by George Mitchell

was this internal colony so favored? To answer this question it is important to resurrect a major aspect of Marxist theory that has been lost in many discussions of colonialism. In particular the emergence of finance or monopoly capitalism is associated with a shift in developed countries from the export of consumer goods toward the export of money capital and capital goods. Ernest Mandel describes this process as follows: "Among the imperialist bourgeoisie the interests of those who see the industrialization of the underdeveloped countries as the strengthening of a potential competitor come into conflict with the interests of those who see it above all as the emergence of potential clients. Usually these conflicts tend to be settled in favor of the second group, which is that of the big monopolies based mainly on the production of capital goods."[11]

If it is in the nature of capitalism to emerge in waves of innovative investment in the established centers of control, it is also in the nature of the beast to seek out lower cost locations for many activities once they have been regularized. Not only does the "market" encourage such shifts, but the interests of capital goods producers and financial "intermediaries" are well served by them. The only condition, of course, is that the shift in economic activity not directly endanger major industrial and financial interests. Thus, the most obviously mobile industries are those which are quite competitive and/or involve relatively small amounts of fixed capital. On the other hand, more capital-intensive, oligopolistic industries can shift locations as their initial investments become obsolete.

The extent to which the colony may share in this "spin-off" process depends on several important economic and political factors. Many of these considerations are subsumed in the traditional matrix of decisions involved in locating manufacturing facilities. For example, in the past seventy years the South's proximity to northern markets and its resource base made it a prime location to capture the textile, apparel, furniture, and other wage-sensitive operations.

A second factor, related to but often ignored by the traditional approach, is that an industrial labor force does not appear, but is made. Within the framework of economic institutions established after the Civil War, the technology and economic history of cotton in the twentieth century virtually guaranteed a potential pool of workers. The labor-intensive cotton crop could not possibly be replaced with any capitalistic agricultural activity which would have maintained the farm population. Thus there was a substantial push out of both white tenant and black plantation agriculture. While much of the movement off the farm was "voluntary," it was accomplished against the backdrop of a declining one-crop economy.[12]

The third and in many ways most important factor was the "safeness" of internal southern politics and its national usefulness. The non-democratic nature of southern politics has often been criticized by regional advocates of economic development. However, these critics seldom consider the probable fate of the region had the "democratic" Populists succeeded. More than likely the South would have found itself in the position of many of the more radical Third World governments, i.e., something short of socialism with little prospect of investment from the outside. Of course, as suggested above, the racial divisions in the labor force made an excellent tool for maintaining the "safeness" of the region. Equally important to these internal considerations was the role that southern politicians could play at a national level. The conservative elements of both the Democratic and Republican parties could hardly miss this point. While in the areas of the cotton belt dominated by black plantation agriculture and extreme racism there was little difficulty in assuring cooperation, the Piedmont, hills and piney woods were politically more flammable, as evidenced by the Populist revolt. **If it was economically profitable to move the mills, it was politically profitable to man them with displaced white tenant farmers and have their owners praised by the New South advocates of Progress.**[13]

While the South had become "Uncle Sam's Province," the combined impact of these factors made it "Uncle Sam's Favored Province." The sharp discontinuity between the capital intensive extractive sector and the peasant agriculture of many colonies was in the South tempered by a considerable labor-intensive manufacturing sector that stood between these poles.

The apparent willingness of investors to seek out profitable opportunities within the South raises the possibility that although heavily financed from the outside, the growth of this favored colony may not be much different from neoclassical models of trade and development. In many respects this has been the position of most regional economists viewing the convergence of regional income. They argue that the surplus labor of the South simply implies a high rate of investment. Moreover, they point to the fact that the internal position of the South allowed for the migration of labor out of the region. While this migration has obvious benefits for the metropolitan capitalist, it can hardly be denied that it also facilitates the important absorption of surplus labor in the region and raises the per capita income of the migrant. The record of southern migration conforms well to this picture.[14]

The above perspective ignores some of the fundamental implications of the economic dependency of the favored colony. In the North, large urban markets, well established externalities and the availability of capital combined to produce successive waves of innovative, self-generated growth, a la the model of Schumpeter. In the South the lack of these factors left this favored colony as an economic beggar and guaranteed that its growth would be channeled into those industries in which it was narrowly efficient. More generally, the bourgeoisie of the favored colony fails to play that class' historic role of economic innovator. Instead, it is pushed into the role of junior partner to outside exploitation.* In industry, much as in agriculture the southern bourgeoisie becomes little more than a middleman.

Industrial Dependency

The nature of the southern industrial bourgeoisie and its inability to challenge northern monopoly capitalism is well illustrated by the early history of two of the region's industries—textiles and steel. Southerners have often pointed to the textile industry as a major example of the entrepreneurial talents of their own bourgeoisie. Indeed, the textile mills built in the late nineteenth and early twentieth century were predominantly owned by southern interests and represented little less than a crusade to bring southern capital into industry. However, as Broadus Mitchell early showed, these efforts most often depended on the willingness of northern machinery manufacturers and commission houses to take stock in the new companies in return for their equipment and services. While the machinery companies were quick to divest themselves of these holdings, the commission houses long maintained an exploitative relation to their clients.[15] Where the textile industry was competitive to an extreme, the commission houses

* It should be noted that in the few cases in which members of this class were able to break out of their dependent role, they tended to merge with the existing national financial interests, rather than to challenge them as the champions of the South. This pattern is in sharp contrast to the contest between American and European capital or Japanese and Western capital.

photo by Bill Fibben

Several factors combined to leave "Uncle Sam's" favored colony an economic wasteland.

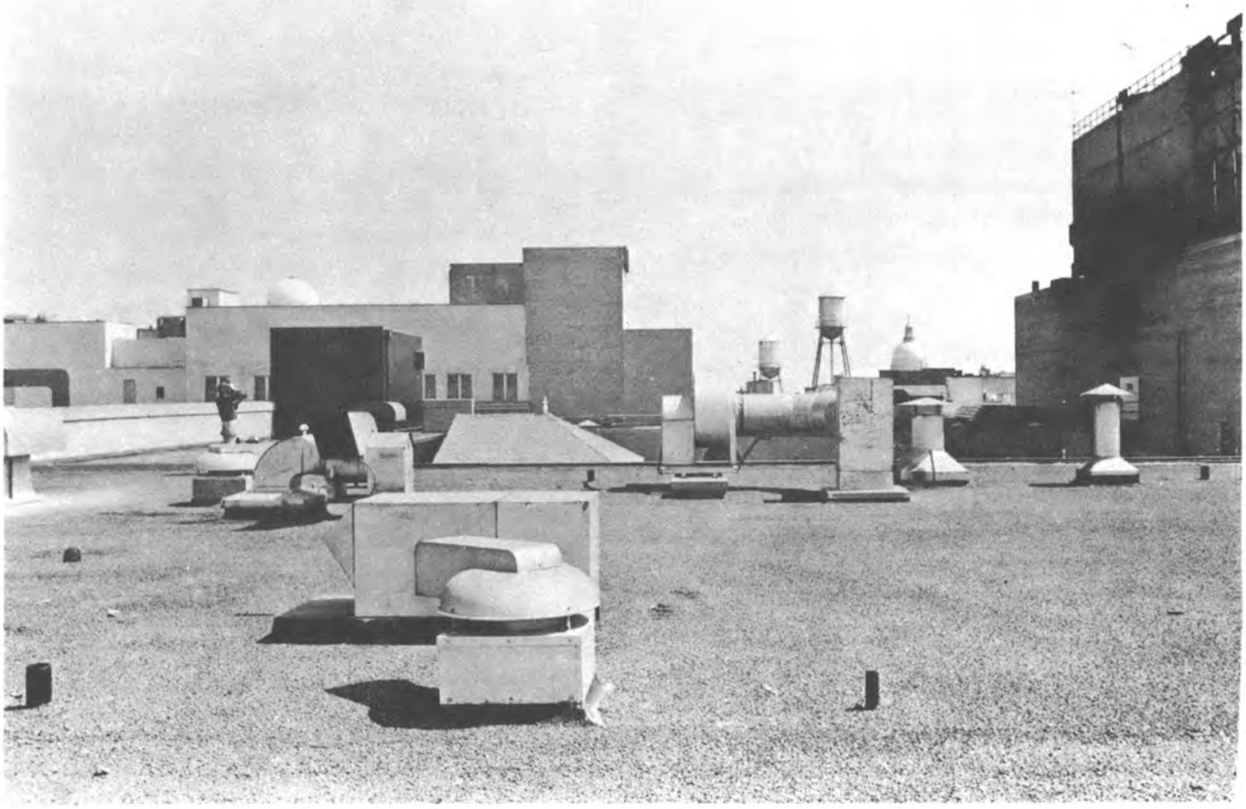


photo by Bill Fibben

took on the common features of oligopolistic organization. It has been suggested that the mills were run for the commission houses and not vice versa.[16] The owners of these southern mills thus stood in a position quite analogous to the supply merchants of cotton agriculture. While they extracted the surplus from their over-abundant work force, in turn they passed it on to northern financial interests.

The iron and steel industry is perhaps the only case in which southern enterpreneurs challenged the full might of northern capital. It is not surprising that they lost the battle. The original developers of the rich Alabama coal and iron fields were generally southerners. Most notably, Henry DeBardeleben who brought together a major coal and iron empire in the 1880's, joined with John Inman of Atlanta and a group of Charleston investors in 1891 to merge the largest regional competitor, the Tennessee Coal, Iron and Railroad Company, into the DeBardeleben sphere. After an unsuccessful effort by DeBardeleben to consolidate control of the company through stock manipulation in the crash of 1894, a series of syndicates containing fewer and fewer southerners took over T.C.I. In 1906, James Duke of the tobacco fortune was the only important southern investor, surrounded by such financial giants as Hanna and Gates. In the meantime T.C.I., with the most sophisticated technology of the day, emerged as a major competitor of the newly organized U.S. Steel Company. In the final act the Morgan interests took over the company during the panic of 1907.[17] While this was loudly labelled as charity, it is interesting to note that the substantial new investment program of U.S. Steel (a Morgan-controlled company) was thus saved from an important source of competition. It is perhaps little wonder that having already pledged to major expansion in the North, U.S. Steel failed to develop the Alabama steel centers.

These two examples of southern industry, while only anecdotal, highlight the major difference between economic growth in the region and in the North. Where in the North the high costs of transporting European products and the explicit policies of the central government led manufacturers and investors into a prolonged spree of capital accumulation and industrial innovation, in the South a narrow cost calculus was imposed by the economic and political power of northern interests. This relationship can be taken as a definition of a "favored colony." The fact that the resulting growth of the South has been quite respectable when compared to underdeveloped countries does not in itself justify viewing southern growth as the simple equilibrium process often described in regional economics literature. Such a model has extreme difficulty in explaining the relatively slow rate of convergence of regional incomes and the fact that in at least one period (1920-1930) the South actually diverged from the rest of the country. **These factors are much better explained by a theory which assumes that a favored colony is in an excellent position to receive the spin-off of older industries from the metropolitan center, but not to generate or quickly partake in the dynamic phases of innovative cycles.**

In the long run the prospects of a favored colony are open to doubt. On the one hand, it must expect substantial competition from favored colonies elsewhere in the world. As the textile industry moved from New England to the South, it can also move from the South to economically and politically profitable colonies in Asia. Indeed, this process, already underway, is to be expected. In this much slower than classical version of the trickle-down effects of development, however, it should also be expected that what is lost at one end will be gained at the other. Hence the recent development of durable goods industries in the South would suggest that the tap has not been shut.

In addition to this general point, several factors are at work in the U.S. which mitigate the colonial position of the South. One important advantage of this internal colony is the political leverage its bourgeoisie retain at the national level. It is hardly surprising that so much of the energy of this class in the South has been directed into the realm of politics. This activity takes on special importance in the peculiar form of military Keynesianism adopted in the U.S. since World War II. The South has been quite successful in capturing a sizable share of this largesse (see **Southern Exposure**, Spring, 1973). While the principle is the same--southern workers and northern owners--the region's political power has guaranteed that the military like textiles would be drawn South.

A second important factor is the growing importance of state and local governments as economic centers of power. This trend in the South has at least the potential of breaking the political hold of outside corporations. Rather than being a market place for special favors, state and local governments are now economic powers in their own right. It remains to be proven that a populist revival in the South can capture this power or use it in a successful bid for regional autonomy. However, the success of implementing a corporate tax in Florida and the return to populist rhetoric throughout the South, perhaps argues well for political activity oriented towards a new division of the region's surplus.

The economics of cotton guaranteed a pool of cheap labor for southern industrialization.

photo by George Mitchell

Prospects for Further Research

The above argument is more suggestive of a plan of research than of a finished theory. In particular, it argues that if much of the capital and resources in an area is owned or controlled by outsiders, this is likely to have important consequences for development, but that in itself this fact does not imply a deterministic course of events. Most importantly, outside control does not always forestall "economic growth." In analyzing the alternative outcomes, it is important to consider both the balance of power in the home economy and the political relations between the dependent area and its masters. It must also be kept in mind that many activities are continually being spun-off from the center of the economy. In general this approach argues strongly for the emergence of favored colonies. The forms of economic exploitation available to international capital are multiple. This applies not only among different elements of the working and middle classes of the developed nations, but also among dependent nations and regions in the world at large. A simple classificatory system which lumps areas in either the "developed" or "colonial" column is hardly useful as an analytical starting point. Rather we must develop a theory which seeks to explain the entire spectrum of exploitation as it has emerged in the twentieth century.

Several points are worth making before closing. First there is the question of choosing a broad and heterogeneous region like the South for consideration of the regional colonial thesis. It might well be argued that had the Mississippi Delta or the Appalachian Highlands been chosen, a much stronger case might have been made for the tightness of the analogy between internal and external colonies. Still, in light of recent government programs, it would seem that these areas too are moving into the status of favored colonies. The "plan" is for spin-off activities and migration without self-generated development. On the other hand, a consideration of the economic growth of Texas would suggest that it is quite possible for leading classes of a dependent province to capture much of its surplus and generate independent growth. The details of Texas' rise to some independence within the national economy must also be fitted into any general model.

A note should also be made concerning the usefulness to organizers of distinguishing among forms of colonialism. It might be argued that such a proliferation of academese can only serve to confuse the underlying similarities between the guises of this basic condition. I think, however, criticism is better leveled against those who would draw a sharp line between geographic centers of economic power and their colonial dependents. In such a system, it is easy to forget that the dual realities of exploitation and alienation are ubiquitous in modern industrial systems. The destiny of New York City is just as rightfully the responsibility of the people of New York as the destiny of the South is the responsibility of this region. This right and freedom, however, cannot be secured without national and probably international cooperation of all those people who currently work and do not rule. In achieving such a goal, it is important to understand the varieties of exploitative systems and the historical laws that govern their development. If colonialism is to become a generic term for any form of exploitation which involves geographic and/or ethnic components, we cannot afford to lose sight of the numerous trees for the forest. Especially at the level of organizing, simplistic analogies which only fuel the flames of regionalism, separatism or nationalism must be considered exceedingly dangerous. It is not enough to show people that their economy is owned by New York bankers, they must also find out what the bribe they have been given consists of, and how they share in the exploitation of others. The people themselves must weigh these in the balance, before a progressive movement can achieve long-run success.

NOTES

1. Bill Tabb, **The Political Economy of the Black Ghetto** (Norton, 1971).

2. Andre Gorz, "Colonialism at Home and Abroad," **Liberation**, November, 1971.

3. **Ibid**. p. 23.

4. This analogy has been suggested by Barrington Moore in his essay on the Civil War in **Social Origins of Dictatorship and Democracy** (Beacon Press, 1967).

5. Stanley Engerman, "Some Economic Factors in Southern Backwardness in the Nineteenth Century," in Hohn Meyer and Hohn Kain (eds.), **Essays in Regional Economics** (Harvard University Press, 1971).

6. The credit system of the southern cotton economy is well discussed by C. Vann Woodward in his volume **Origins of the New South** (Louisiana State University Press, 1951). Also see Thomas D. Clark, "The Furnishing System in Southern Agriculture Since 1865," **Journal of Southern History**, Vol. 12, 1946, p. 24. The statistical data on tenancy is from the **Thirteenth Census of the U.S. 1910, Vol. V, Agriculture**, U.S. Bureau of the Census. This Volume also contains the only comprehensive statistical treatment of post-war plantation agriculture in the South. For an analysis of the differences between white tenancy and black plantation share-cropping, see Gunnar Myrdal, **An American Dilemma**, Vol. I, Chap. ii (Harper and Row, 1944).

7. For a discussion of the political factors that stood in the way of a genuine program of land reform see Kenneth Stampp, **The Era of Reconstruction**, Chap. 5 (Alfred A. Knopf, 1965).

8. Henry Grady, quoted in Joel L. Fleishman, "The Southern City: Northern Mistakes in Southern Settings," (mimeo, 1968), p. 48.

9. For a somewhat dry but informative discussion of Southern populism, see Theodore Saloutos, **Farmer Movements in the South, 1865-1933** (University of Nebraska Press, 1960). Also see Albert D. Kirwan's **Revolt of the Rednecks** (University of Kentucky Press, 1951) and V.O. Key's **Southern Politics** (Alfred A. Knopf, 1949) for analyses of the intermingling of populist and racist ideologies.

10. These figures are based on various publications of the Bureau of Census.

11. Ernest Mandel, **Marxist Economic Theory** (Monthly Review Press, 1970), p. 480.

12. On this point see Broadus Mitchell, **The Rise of the Cotton Mills in the South** (The John Hopkins Press, 1921), p. 99 and passim. For a quantitative study, see Joseph Persky, "Push and Pull in Southern Off-Farm Migration," **Review of Regional Studies, forthcoming.**

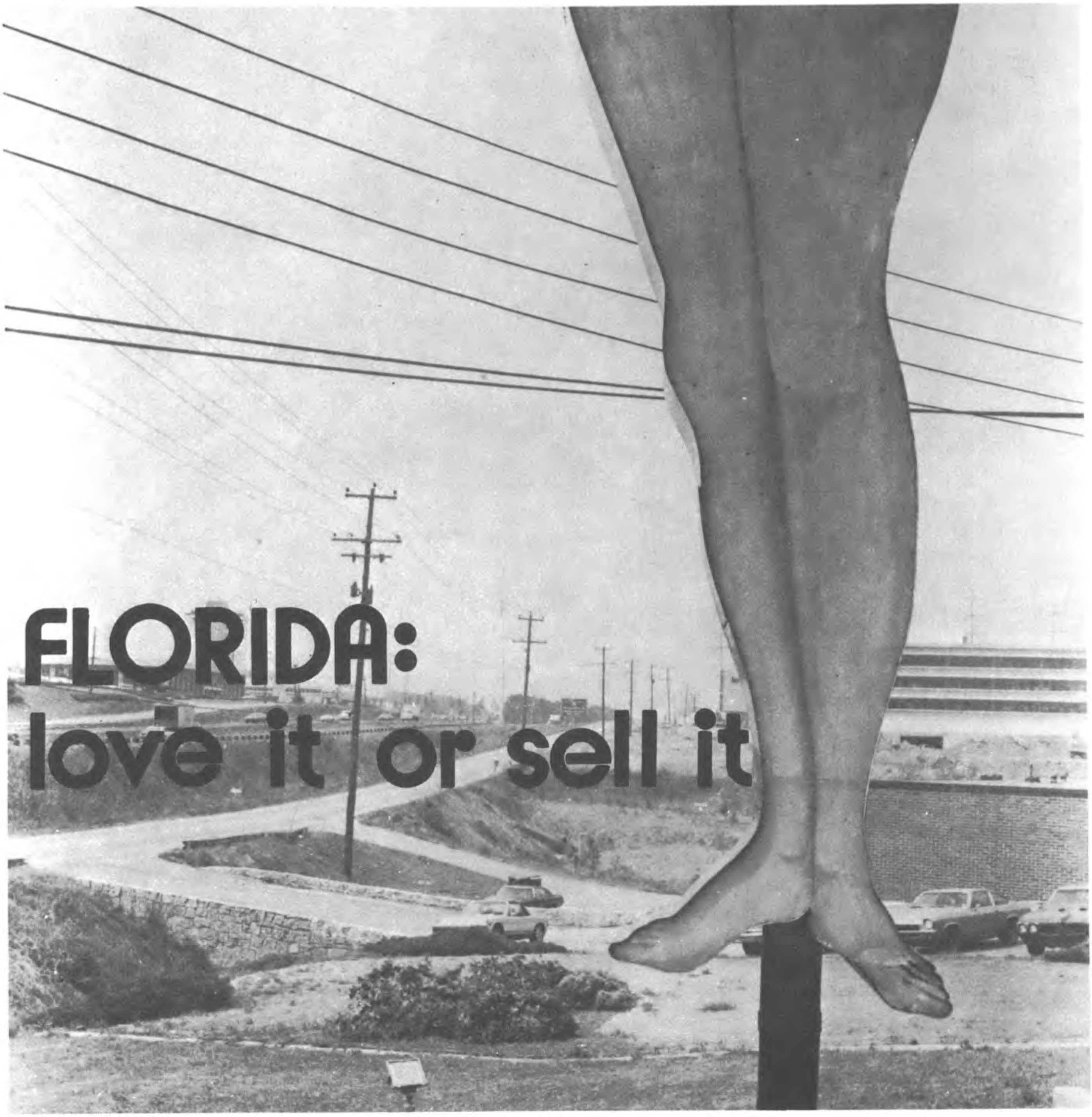
13. The South's ability to bargain political support for "economic development" begins with the compromise of 1876 (see C. Vann Woodward's **Reunion and Reaction**) and comes up to the present Republican-Dixiecrat alliance.

14. For just one example, this perspective dominates the writings of Perloff, et al., **Regions, Resources and Economic Growth** (John Hopkins Press, 1960).

15. Broadus Mitchell, "Capital," in **ibid.**

16. Interestingly enough, Solomon Barkin has shown that as the textile industry began to integrate both horizontally and vertically during and after World War II, the importance of northern ownership increased substantially. Solomon Barkin, "The Regional Significance of the Integration Movement in the Southern Textile Industry," **Southern Economics Journal**, Vol. 15, April, 1949.

17. Ethel Armes, **The Story of Coal and Iron in Alabama** (University Press, Cambridge, 1910), passim.



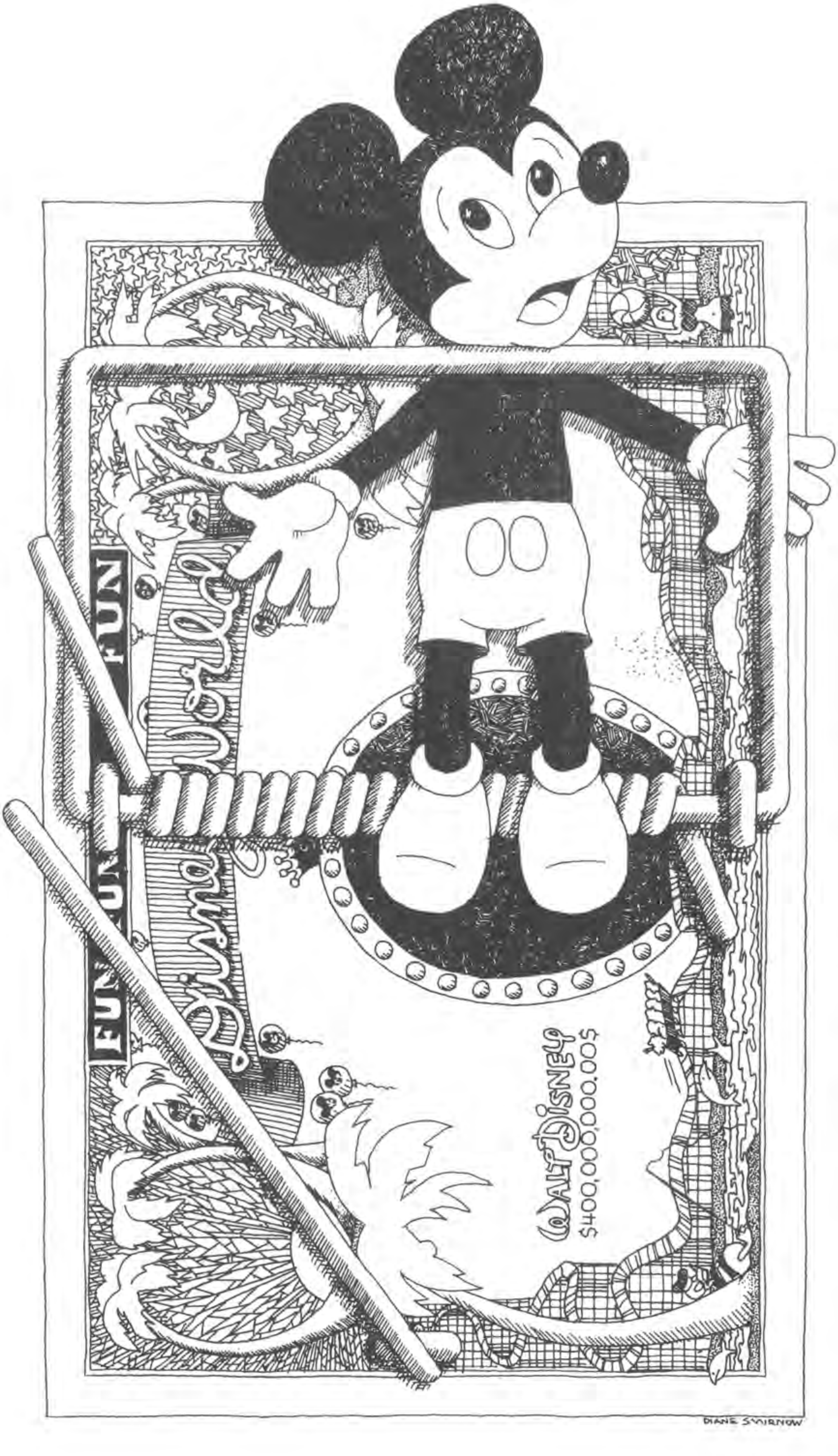
FLORIDA: love it or sell it

photo by Bill Fibben

By Steve Cummings

Central Florida is a stretch of slightly rolling hills, cypress swamps, vast citrus groves, and relatively clean air and water that most Floridians thought of until recently as the most livable area in the state. It has neither the damp, cool winters of the impoverished panhandle, nor the blazing year-round mugginess of the gaudy Gold Coast. The small towns had maintained their oak-lined streets and rural conservatism with equal passion in a largely successful effort to hold on to the ersatz cultural memories of the Old South. All in all, the old were right, the "highland-ridge" area was as comfortable a place to live as existed in the state or region.

Now, however, things are vastly different. Condominiums sprout overnight from cow pastures as suburbs apparently designed from Mussolini's blueprints for resettlement camps are gouged out of orange groves. The pastoral farm and cow towns such as Arcadia and Groveland find themselves described as "near-by urban centers" in the brochures of the "planned communities" Poinciana Springs and Fantasyland Acres. Inevitably, the


FUN
Disney World
WALT DISNEY
$400,000,000.00
DIANE SMIRNOW

question arises: Why? Why is central Florida being turned into Jersey City in tropical drag? Although industry is starting to move in now, such development was noticeably lacking when the boom started, back in 1970. Indeed, the local economy was suffering rather badly then. Phosphate, the area's principal mineral product, was giving out; the space program was being cut back; and agri-business was gobbling up the acreage of small and medium farmers at a rapid pace. So the question remains--what "saved" Florida's central highlands for the greater glory of Development? The answer lies in a curious, perverted dialectic that encompasses everything from beach erosion to the weekend luxury camper.

Perhaps we should start unravelling the tangled skein of events in the late 1960s, at Miami Beach, home of Florida tourism. Here, for the first time since the Depression, the flow of northern money was beginning to falter. Mindless over-development had led to a serious lack of usable beachfront space, a problem made even more serious by the rapid erosion of the precious white sand, due to the practice of extending high-rise hotels right to the high-tide mark. On top of all this, prices had risen to a point that made even habitually over-charged New Yorkers gulp in disbelief. Besides, there were just "so many goddamn Cubans! I mean, if we wanted to hear Spanish all the time, we could of gone to Spanish Harlem and saved the $500, right?"

Another important factor in the decline of the Gold Coast was the rebirth of an interest in camping--getting back to the land, as it were, as long as the land was equipped with electric hook-ups and running water. The advent of the huge recreational-vehicle and latch-on camper top made these naturalistic yearnings practical, as long as the suburban pioneer possessed sufficient credit (at least $8,000 for a Rec Vee, as they are now known). Of course, the very thought of piloting one of these civilian personnel carriers down Miami's Biscayne Blvd. was absurd. Obviously, what was needed was someplace **else** to go in Florida, someplace sort of **wild**, but with, well, something for the kids to do, and a place to **go** at night. Your standard wilderness is all right for a few hours but after a while, any self-respecting suburbanite wants **entertainment**.

And at this very time--this strange interlude in corporate development--the untapped wonders of central Florida caught the ever-alert eyes of the Gnomes of Burbank, the financial wizards of Walt Disney Productions.

Disneymania

Just who actually conceived of Disney World, the mammoth entertainment complex destined to be **ten times the size of Disneyland**, will probably never really be known. Disney mythology officially maintains that all wisdom flowed from the head of Big Walt. Insiders speculate that Walt's brother Roy was the main man of the Florida project, though of course, it's always possible that ultimate credit may rest with some senior accountant rewarded for his brain-storm with a secret weekend with either Annette Funicello or Dean Jones. But perhaps I'm getting carried away.

Whatever the origin, the simple facts remain that Disney spent roughly $400 million on the 27,400 acres that will eventually comprise not only the Magic Kingdom and its resort hotel (property of U. S. Steel Corp.), but an entire very-upper-middle-class "Experimental Community of Tomorrow" and, as ecology-minded Disney P.R. men will proudly (and it must be said, correctly) point out, a 7,500 acre green belt of woods and scrubland. Another simple, indisputable fact is that tourism became the single greatest component of the central Florida economy by the introduction of Disney World. A rather insane form of tourism, to be sure, dependent neither on history (the Dade Battlefield Museum on the site of the greatest Indian victory east of the Mississippi goes relatively unvisited for some reason), nor scenery (Disney World visitors rarely venture into the wild green belt), nor climate (air conditioning is a must in every public building).

The weird truth is that Disney World is an attraction simply because **it is famous.** Years and years of family entertainment pouring forth from Disney studios has left its dent on the American psyche. After all, who could forget Fred McMurray in "The Absent-Minded P.O.W." or the animated classic "Bambi Versus the Do-Gooder Sierra Club?" Here again, I've gotten somewhat carried away, but you get the point: a trip to Disney World is an America Hegira, and not just for straight middle-agers. Indeed, Disney World makes a real effort to attract the hip young marrieds with a kid or two, not to mention the Mickey Mouse shirt-bedecked teenager, and often it succeeds.

It succeeds because almost **all** Americans are hooked on **entertainment**, whether they be the old folks watching hour after hour of TV or young kids absorbing hour after hour of abuse from second and

Disney World is an attraction simply because it is famous.

photo by Bill Fibben

Americans are so alienated from creativity and community, they must be told when to have a good time.

third-rate rock groups. Whether you use Marxist or metaphysical terms, the analysis is, logically enough, the same. Americans are so profoundly alienated from creativity, community, and realization, that they must be **told** when to have a good time. "You are now on **vacation**. You are going to a vacation **resort**. You will have a **Good Time**."

To be sure, there are a few enjoyable attractions at Disney World. Perhaps the most promising from a societal view is the monorail from the truly awe-inspiring parking lots (named after Disney cartoon characters: "Good afternoon folks, welcome to the Magic Kingdom. Your parking lot is Goofy, I repeat, your parking lot is Goofy") to the main entrance. The monorail is smooth, fast, and exceedingly comfortable. It even runs right through the lobby of the Disney-U.S. Steel resort hotel, which is shaped like an Aztec pyramid with two of its sides made of glass. Here again, though, media programming comes into play, since I'll always be a sucker for anything that looks like one of those Rocky-Jones-Space-Cadet-Cities-of-the-Future. Being objective, which I can of course be, the monorail-hotel set-up is probably as good an opportunity as is possible to educate people from all over the country about the possibilities of mass transit. Indeed, the "Experimental Prototype Community of Tomorrow" (EPCOT) will even have its own monorail system, a first that the Disney people are continually throwing back to ecologists.

In addition to all this futuristic stuff, a few of the Magic Kingdom rides are quite enjoyable. The Haunted Mansion trots out various cinematic techniques and even uses laser holograms to create one of the best spook houses ever. Monsanto Corporation utilizes a super-Cinerama 360-degree movie screen to provide a tour of America's scenic wonders. (Monsanto, you may recall, is the company that makes all those wonderful "disposable" plastics and chemical fertilizers.)

Once you see those, however, and possibly listen to the West Indian steel band, you've exhausted the possibilities of real enjoyment, and are left with a seemingly endless procession of false-front castles and plastic plants, mechanical animals lurching unconvincingly from behind concrete boulders, and various rides that go around in erratic circles.

One of the most dispiriting experiences imaginable is to take one of these rides, say the Tom Sawyer steamboat, and watch the faces of your fellow passengers. Their faces are almost uniformly blank. They show nothing but a sort of mindless exhaustion as they listen to the Captain's spiel and survey the concrete banks of the artificial lakes and rivers. Then you realize where you've seen that expression before. Of course! These people are "enjoying" the ride the same way they enjoy the Sonny and Cher Show. The programming has been successful. They're watching three dimensional TV!

"Go Rec Yourself, Man!"

Once you realize what this "recreation" is all about, you can begin to understand those clean-cut young employees. (Disney World employs nearly 10,000 people. The average age is 23. Hair length regulations for males are actually stricter than the Army's). These poor benighted souls, many of whom travel up to 75 miles to and from work ($2.00-per-hour employees were not taken into account in the designs of the ideal city of tomorrow), have the same zombie-expression as they go about their routines gaily decked out in period costumes or cartoon character suits. A little probing and questioning reveals that these kids aren't regular TV addicts. No sir, these are **Freaks**! "Don't be put off by the hair, man, we stay royally fucked up all the time." Yes, the Disney World work force is a haven for the numbed-out mutants of Woodstock Nation, the Qualude-kulture. As pointed out previously, choose your anesthetic according to your age and tastes, and an interminable semi-coma is the result.

All this would be of little importance if Disney World were just another facet of madness, but its paramount position in the developing tourist economy has made the Disney success story a model for eager developers and turned sleepy Polk, Orange, Lake, and Citrus counties into something entirely different from what they were only a few years ago.

Palmetto scrubland that once sold for $150 an acre now brings down $4,000 if it is available at all. Rents in Orlando, the closest city to Disney World, have risen from a $75 average to $110-135 a month. Daily traffic on Interstate 4, one of the principal Disney access roads, has quadrupled. In its first year of operation Disney World brought in 1,600,000 guests. Seventy thousand people crowded the gates the day after Christmas alone. In two years Central Florida will have the largest concentration of motel rooms anywhere in the world.

In addition to the hamburger stands, gas stations, and motels, there is a plethora of new "attractions" that will probably finish off what Disney started: the conversion of all the highland-ridge area into the biggest amusement park on earth. Many of these attractions defy credibility, their brochures reading like they were written by Terry Southern and P. T. Barnum at 3 o'clock in the morning. Among the new tourist sites are:

☐ **Circus World:** the permanent home of Ringling Brothers-Barnum and Bailey Circuses. Budgeted at $50 million, its main landmark will be a **nineteen-story-high elephant**, complete with elevators to the eyes.

☐ **Sea World:** costing roughly $20 million, this will be the most real-life of the attractions, complete with leaping porpoises, coral reefs, and marine study activities. Located near Disney, it sounds like it might be worthwhile, which is a good bit more than you can say for . . .

☐ **Bible World:** no, my friends, I'm not kidding. Do you think I enjoy writing this stuff? Complete with Palestinian village, murals of Christ's life, and even an Israeli government pavillion; all courtesy of Fred Tallant, owner of Atlanta's Stouffers Inn, and budgeted at a mere $7,000,000.

☐ **Johnny Weismuller's Tarzan Land:** roughly $25 million, no word if it features Johnny Sheffield or Maureen O'Sullivan. If they can recreate that scene where Weismuller jumps off the Brooklyn Bridge in "Tarzan Goes to New York," I'm going! Perhaps Tarzan land was one reason for the premature death of . . .

☐ **Wild Kingdom:** based on an idea paralleling Weismuller's African park, Wild Kingdom first ran into trouble when Mutual of Omaha sued the owners for using the name of their Sunday afternoon television show without permission. Then the bills began piling up and, before anyone knew it, the grim laws of profit and loss had made their first kill among the hoard of central Florida side shows. There have been stories that the disgruntled ex-owners plan to simply let their collection of exotic African veldt animals run wild in the cypress swamp and cabbage palm hammocks they have grown accustomed to. Several antelope are already unaccounted for, giving rise to hopes of future visions of gazelles bounding through the orange groves.

Besides these large amusement complexes, there will be several novelty-type attractions, such as Vienna's Lippizaner Stallions, in their new home outside Lakeland. A large hangar near Cape Kennedy will house the only model ever completed of the SST-supersonic transport. For a dollar or so, tourists will be able to take a quick tour of the plane they've already spent millions in taxes to build.

A little to the south of the heart of the boom-zone, the Seminole Indians are begging to be allowed to continue usage of their traditional stronghold, the Big Cypress Swamp. The Indians have put forth a plan that would leave the huge virgin area untouched except for "wild animal farms" where good employment would be provided for the otherwise jobless Indians. These farms would raise alligators, deer and even such predators as fox and wildcat in natural surroundings. The animals would be reintroduced to hunted-out areas and permanent green belts around the cities. The plan is simple, yet truly progressive. It has received little but lip service in the state capitol at Tallahassee.

There, where the dollar signs still gleam in the eyes of legislators and lobbyists alike, only the most concerted and forceful action by the public can tear the government's rapt attention from the siren-song of developers. But it has been done. Hugely successful "ecology referendums" in St. Petersburg and Sarasota have forced U.S. Steel and Florida Power & Light to give up their large shares of beach-front land as parks. In Sarasota, the referendum passed by nine to one, although the land in question, valued at $100,000 three years ago, had been given a sale price of $800,000 by Florida Power. A similar price was asked by U.S. Steel for Sand Key, and in both cases, a grumbling public gave its approval.

People know business

is literally killing them, but...

Anytime the electorate votes large taxes on itself, there must be some sort of trend in the making. The Attorney General, Robert Shevin, picking up on this environmental issue has declared **all** beach-front and marshland to be state property, a move that is already having far-ranging consequences. Unfortunately, saving the beaches will be of little help to central Florida. Here too, the people grumble about traffic, high costs, pollution, and general deterioration of living conditions, yet they also feel the pinch of economic pressures. There isn't much more phosphate, and the day of the family farm is over, point out the hard-nosed realists. Besides, when mechanization finally reaches the groves, what else can all those migrants do but be waitresses and busboys?

It is hard for even the most resentful area resident to fight back against these arguments since in the end, there can be no real solution short of an environmentally sound, popularly planned, cooperative economy. These folks know that business is literally killing them, yet, as in most places, generations of conditioning send them to the barricades at the mention of alternatives to raw capitalism. The hope for building a real community rapidly fades as central Florida rushes to become a developer's insane dream come true—one vast, manic Fantasyland.

photo by George Mitchell

photo by George De Vincent

Report from Appalachia

PARADISE LOST

And Daddy won't you take me back
to Muhlenberg County
Down by the Green River where Paradise lay?
Well, I'm sorry my son,
but you're too late in asking.
Mr. Peabody's coal train has hauled it away.

Then the coal company came
with the world's largest shovel,
And they tortured the timber
and stripped all the land.
Well, they dug for their coal
'til the land was forsaken,
Then they wrote it all down as the progress of man.

"Paradise," by John Prine. ©1971 by Walden Music, Inc., and Sour Grapes Music.

By James Branscome

John Prine is not joking when he says that Muhlenberg County has been hauled away by the Peabody Coal Company. For all practical purposes—like farming—the country might as well be the moon; its craters are deeper, its land more barren, its productive capacity more distant. And to top off some awkward technological symbolism, Peabody and the Tennessee Valley Authority stripped the entire town of Paradise, birthplace of Prine's father, and built the world's largest coal-burning steam plant on the town's remains and named it the "Paradise Steam Plant." All the townspeople were expelled. The only thing left of the town is the Smith Family Cemetery. The dead remain to look out over the landscape at monstrous shovels, smoke palls from the steam plant, the dust storms stirred up by 100-ton trucks, altogether, the "progress of man." But at least they left the dead in their graves.

Muhlenberg is in the flatlands of western Kentucky where strip mining is supposedly "better," at least the dirt and acid cannot spill down mountainsides to destroy someone below. In eastern Kentucky, the people are not so lucky. Both the stripping techniques and the attitude of the industry differ. In a word, in eastern Kentucky not even the dead are protected from the strip miner's bulldozers. Just ask Eva Ritchie.

> Well, in the year '60, the early part of '60, they was stripping'—the Knott Coal Company—back in there. We owned this property at the time, and I had a baby buried back in there, and my husband's sister had a baby buried back there. Well, my old man's got miner's asthma, and all the time he was smotherin' so bad he couldn't get up there, and I was in bed with the flu. And I said, "Well, I'll try to get up there," but by the time I started up to where the graves was, why, my father said to me, "You needn't go up there. You're too late. They've pushed the graves out."
>
> Well, Ansel Combs was on the bulldozer at the time, and he stopped. He said, "If it takes my job to push these babies graves out, I hain't going to do it." And Cush Adkins climbed up on the bulldozer

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JAMES BRANSCOME is currently on the staff of Highlander Research and Education Center. He is a founder of the Save Our Kentucky Mountains (SOKM) and has written for the **New York Times Magazine** and **Katallagate**. This article is the result of two years of research by Jim and his wife, Sharen.

and he cursed. I belong to the Regular Baptist Church. I don't like to use the words that he used, but I will. He said, "Damn," he said, "Damn it, you get off there, I'll push them out." So Cush climbed up on the bulldozer, and he pushed the graves out. Now it's what they said, one that stood by and saw this. And they come up with the babies' caskets. They throwed 'em over the hill.

As the scale of destruction grows in the mountains, so does the fear that a whole generation of the living may be either drowned by a giant strip mine-induced flood or more slowly expelled by a whole region gone dead and turned into a kind of eerie energy reservation where no laws apply and no man lives. Such energy parks were suggested in early June by the Nixon administration. If such a policy of writing off certain areas for necessary destruction to meet the energy crisis is officially adopted, the coalfields of Appalachia will probably be the first area to be so designated. No other area of the nation has been so desecrated or has such a vast supply of coal, gas, and water yet untapped. Fear is rising, legitimately, that it's "goodbye Appalachia."

What is Strip Mining?

Strip mining as a process is frightening in itself. After prospecting has determined that a minable coal seam lies among the other rock strata of a hill or mountain, the strip miners cut a road through the timber so they can haul to the site their heavy equipment—bulldozers, earth movers, power shovels and front-end loaders. The trees, plants, earth, and rock covering the seam are called "overburden." This intricate web of life and life-support is blasted loose and pushed by bulldozers down the hillside, becoming as the seam is exposed, a massive, unstable apron at the base of the hill that has been named, appropriately, "spoil bank." The spoil bank never stops where it lands but slowly, by inches, or in the leaps and bounds of a landslide, obeys the law of gravity. Sometimes it merely uproots trees in its path and blocks streams and roads. But sometimes these masses of rock and earth avalanche into homes or farms.

After the overburden has been removed, the result is a flat bench, resembling a roadbed, along the side of a mountain. Towering vertically over the bench is a man-made cliff, or high-wall, sometimes 100 feet high. The high-wall and the bench form a ring around a hill, or a ridge line, with islands of vegetation remaining precariously on the top of the hill. To expose the coal the strippers have created a gash in the hillside. They have removed the earth from the coal.

Recently it has become more and more common for strip miners to decapitate an entire hill to expose the layers of coal. The hilltop, scraped and blasted away in layers, is shoved over the hillside. As the techniques of strip mining are improved, the ribbon scars on the hillsides today may seem more and more like innocent wounds compared to the possibilities technology has in store. Present techniques allow strippers to dig only about 185 feet beneath the surface, but someday it may be possible for them to dig as deep as 2,000 feet.

When the coal seam is exposed, it too is loosened with explosives. Then power shovels and front-end loaders scoop it up and load it into 30-ton trucks, which, carrying their heavy burden, warp, crack and pulverize roads and highways, seldom with any reprimand from public officials.

If the operator is in a hurry, he may not even expose the coal seam from the top. Instead, his bulldozers cut a narrow bench until the edge, or outcrop, of the seam is exposed. Then giant augers, sometimes seven feet in diameter, move into the seam as far as 200 feet into the side of the mountain and spiral out the coal. Auger mining is also done in conjunction with strip mining if the operator wants to retrieve the coal that remains in the high-wall. Augering is practiced after stripping because sometimes a seam lies

In 1970 electric utilities relied on mountain- or contour-stripped coal for about 11% of their fuel needs, area or flatland stripping for about 17%, and deep-mined coal for about 19%. Significantly, most of the mountain stripped coal was burned in the South Atlantic region of the country. North Carolina, for example, uses more mountain stripped coal than any other state in the union. A study by Bruce Driver for the Environmental Policy Center in 1972 showed that banning all stripping in Appalachia would cost the average consumer $1 per year.

Duke Power is the second largest coal purchaser in the nation, second only to TVA. Nearly half of all coal bought by Duke last year came from strip mines. The company owns its own strip and deep mines, but also buys strip coal from other small strip operators in Kentucky.

Georgia Power bought 12 million tons of coal last year, 60% of which was strip coal, making Georgia Power one of the largest purchasers of Appalachian strip coal. By 1977 Georgia Power estimates that its purchases of coal will rise to 18 million tons a year. Georgia Power generates 87.5% of all the power produced in Georgia; approximately 80% of the power produced in the state is derived from coal.

too far down the side of a mountain for the operator to remove, economically and speedily, all the millions of tons of overlying mountain.

Power shovels and draglines have long been used in building and road construction, but the country's demand for coal has bred a strain of giantism into earthmoving machines. A generation ago, these earth movers took about 40 cubic yards to a bite, but now they can scoop up as much as five and a half times that. "Big Muskie," wide as an eight-lane highway and standing 10 stories high, is the largest earth mover in existence. Such a machine is now stripping away in southeastern Ohio at the rate of 220 cubic yards a scoop.

The eastern Kentucky coalfields have gone through periodic boom-bust cycles for decades, the most spectacular being the peak year of 1947-48 and the complete collapse which followed for 10 years. Automation and declining coal markets cost thousands of miners their jobs. Mountain families headed for the northern cities, much as black people were forced to do by the collapse of cotton tenancy in the South.

Energy markets changed fast during the 1950s: railroads switched to diesel oil; homes began using gas, oil and electricity for heating and cooking. The only stable market was coking coal for steel plants, and this type of coal was usually mined in "captive" mines owned and operated by the steel companies themselves. For the smaller independent mines where most miners worked, there were few markets available. The major exception, and one which was to have major impact on the area, was the rapidly mushrooming national demand for cheap electric power supplied by coal-fired plants.

During all this time the primary method of mining coal was deep mining, through the use of drift mines which followed the horizontal seams of coal underlying the steep terrain of central Appalachia. Two major technological advances during the 1950s played a tremendous role in the present situation. The first was the development of the "cyclone" furnace, an inverted cone 200 feet high which feeds coal under pressure into a furnace producing extra-high temperatures. The heat is converted into steam and used to produce electric power. The second advance was the development of huge mobile earth-movers—shovels, draglines, highlifts, giant bulldozers—capable of literally moving mountains in very short periods of time. These two advances brought about the development of strip mining as we know it today. Strip mining for coal began on a large scale in Appalachia in the early 1960s, although it had been used sporadically since World War II.

Because the cyclone furnace produces such high temperatures, it can use coal containing impurities that would previously have been unacceptable on the market. In deep mining, coal lying near the surface—near the point where it "crops" out on a mountainside—is left behind, generally because it is mixed with dirt and slate and also because the "outcrop" area is unstable geologically and presents a threat to miners working underground. The strippers, able to sell the relatively low quality coal in an expanding market, concentrate on the "outcrop" areas.

Until about 1960, strip mining was primarily a way in which small-time operators could pick up emergency short-term contracts from the utilities or steel companies whenever a larger company couldn't meet demands for coal. It was an unstable, high-risk, low-profit business. Three factors kept it going: first, the ease with which a company could obtain equipment on credit, lease some land, and be in business almost overnight; second, the speed with which coal could be produced; and third, the high productivity compared to the slower, more expensive methods of deep mining.

The Stripper's Friend: TVA

It's not possible to talk about strip mining in eastern Kentucky without considering the impact which Tennessee Valley Authority policies have had upon the entire coal market. By the middle 1950s, most of the available dam sites for hydroelectric power in the Tennessee Valley were utilized, but even these vast projects were unable to meet the growing demand for low-cost electric power in the area. In fact, there was a cycle at work: TVA's cheap power kept attracting industries to the area—especially metallurgical industries which use enormous quantities of electric power in their smelting processes—and the growing drain on TVA's sources of cheap power forced it to seek more of them.

TVA has always been able to justify its existence by saying that it can provide cheap public services because it doesn't have to add profits to its production costs. Few people would argue the point. But when it comes to building a modern plant, there's not much difference whether TVA builds it or whether a private utility builds it. In order to keep an edge on competition, TVA needs cheap fuel. Atomic power plants, though feasible, are still faced with the problems of less-than-fully-developed technology. There aren't any more good sites for hydroelectric plants. Long-range economic forecasts show coal as a competitive fuel source for the foreseeable future. Accordingly, TVA began in the late 1950's and early 1960's to build coal-fed electric power plants.

Around 1960 a highly skilled engineer from the Coal Procurement Division of TVA opened negotiations with eastern Kentucky strip miners to see if they might be able to meet TVA's requirements for a reliable supply of cheap coal in large quantities. TVA picked Richard Kelly and Bill Sturgill, owners of Kentucky Oak Mining Company, as its supplier. Kelly and Sturgill, already the largest strip mine operators in eastern Kentucky, began to experiment with large-scale surface mining equipment for the first time in mountainous terrain—with the close, active cooperation and support of TVA engineers.

The largest coal auger ever built, with a seven-foot diameter, went into operation on Kentucky Oak's mines, and in 1961 TVA signed a contract with Kelly and Sturgill for 2.5 million tons of coal a year—50,000 tons a week. It was a big order. Not even the largest of U.S. Steel's captive underground mines in eastern Kentucky could turn out that much. The contract with Kelly and Sturgill made large-scale strip mining economically feasible in eastern Kentucky because it provided a stable economic base—a guaranteed market—for the five-year life of the TVA contract. Using the contract as collateral with banks and equipment-leasing firms, Kelly and Sturgill rapidly expanded. What coal they couldn't mine themselves, they subcontracted to smaller outfits.

The rest is history—and that history is the story of the destruction of the region on a massive scale. Using the methods and equipment pioneered by Kelly and Sturgill (and engineered by TVA people), strip mining began to spread across the face of the Appalachian coalfields.

The first board meeting of the three controlling directors of the TVA took place in 1933 in a barren Washington, D.C., hotel room, the men using apple crates as seats. The three powerful men who control the agency today do not have to suffer under such adverse circumstances. Earning salaries of $38,000 a year, they now wield their power from the agency's plush offices in Knoxville, Tennessee. Appointed by the President for nine-year terms, the three spend most of their time planning more dams, flooding more land, suing farmers who refuse to move from their land, and defending TVA's purchase of stripped coal.

TVA grinds out press releases and speeches almost every day defending strip mining. The directors are not timid; for example, former director Frank Smith recently called persons opposed to strip mining "reactionaries." Board chairman Aubrey Wagner has called strip mining critics "shortsighted" and replied to them in the following words before the Tennessee legislature on April 3, 1971:

> They would outlaw strip mining, even in the face of the fact that such action would create a power shortage in which industrial activity would be severely curtailed, unemployment would increase, commerce would stagnate, and the home life would be disrupted. Their solution would, in my judgement, create problems of more disastrous consequences than the problems they seek to cure.

TVA sees nothing wrong with strip mining and even spends thousands of dollars every week to give stripping a better image. In a report filed with the federal government last year, TVA said, "There are virtually no significant long-term adverse effects from surface mining conducted in accordance with TVA's reclamation policies, excepting the consumption of the coal itself and some possible visual effects." In the same report, TVA said the broad form deed (which allows a company to rip up personal property to get at minerals under the ground) was "not an environmental problem" and the TVA had no apologies to the landowners in Kentucky whose property was taken for nothing under these contracts. They say this despite the fact that approximately 18,000 acres directly, and 60,000 acres indirectly, have been desecrated in the mountains just since 1965 to supply TVA with coal. While TVA continually praises its reclamation provisions, it need only be pointed out that they are not even as strong as the Kentucky law, to get an idea of what a sham their "reclamation" provisions really are. TVA spent more money last year controlling air pollution from its plants ($100,000,000), than it did in reclaiming land (less than $10,000,000).

Bill Sturgill is known in the region as possibly the meanest and most irresponsible strip miner there is. In late 1970—after being in business about a decade—Sturgill sold his companies to Falcon and Seaboard Oil Company of Houston for a reported

$10,000,000. Falcon continues a long-term contract with TVA for a whopping $78,000,000 to continue to strip in Breathitt County, Kentucky.

It was the Sturgill enterprises and TVA coal against which the Appalachian Group to Save the Land and the People organized, against which Dan Gibson stood with his rifle; it was this same connivance which dug up the graves of Eva Ritchie's child. It was this same connivance that brought the gun thugs, the machine guns mounted on pick-up trucks, and all the hellish human and material waste of strip mining to the mountains of eastern Kentucky.

The third director, Donald McBride, also issues occasional blasts at those who damn strip mining, but he is less outspoken, preferring instead to praise the oil tycoons from his native state of Oklahoma who got him the job. When Frank Smith's term expired recently, President Nixon appointed Bill Jenkins, Tennessee's director of strip mine regulation—the man who allowed Tennessee mountains to be destroyed during his term of office.

Though it was founded by President Roosevelt as an environmental protection organization, TVA is now the world's largest consumer of strip mine coal. Last year alone, the agency purchased 38,000,000 tons of coal, 22,000,000 of which was gouged from the earth by strip miners. TVA purchases about 20% of all coal stripped in Kentucky, Tennessee, Virginia, Alabama, and Illinois. Eighty-nine percent of the strip coal purchased by the agency comes from the four Appalachian states mentioned above. An overwhelming 72% of the total purchases came from Kentucky, most of it from the western fields. About nine million of the 22 million tons came from the Appalachian mountains, most of this from the most heavily stripped counties, such as Wise, Virginia, and Breathitt and Knott counties in Kentucky. In contrast, TVA purchased less than 2 million of the 15 million deep mined tons from the mountains; nine million came from the western flatlands of Kentucky and four came from Illinois.

TVA uses the strip coal to produce cheap electric power for the Tennessee Valley area. The largest consumer of this power is the Atomic Energy Commission at Oak Ridge. The largest percentage of the remaining electricity goes to industry. TVA has been so successful in promoting cheap power, as a matter of fact, that the average homeowner in TVA

Madge Ashley and Bessie Smith Gayheart, two members of the Appalachian Group to Save the Land and the People, stand in front of an overloaded coal truck. They have halted trucks several times to protest their destroying highways and bridges.

photo by Phil Primack/Mt. Eagle

land consumes twice as much electricity every year as the national average. One out of every three residential consumers in TVA's service area use electric heat (637,000 homes); nationally, only one in fourteen do so. TVA electricity costs about one-half of what commercial power companies charge. Yet not one kilowatt of TVA power goes to eastern Kentucky or southwestern Virginia where the cheap coal was stripped. Even with the cheap price it charges for power, TVA made a profit of over $638,000,000 in the past decade which it paid the US Treasury. TVA is a Robin Hood in reverse, robbing the poor to pay the rich. And it does so as an agency of the federal government.

While most of the nation's strip mining has been done in Appalachia—conservatively estimated to be enough damaged land to make a mile wide strip reaching from New York to San Francisco—the process is growing toward the West, mainly to Indian and public lands. In the western fields, it is the larger corporate giants like Peabody, Aryshire, Utah International and Exxon which are planning to create more Appalachias. Peabody leads the march (it is stripping the Hopi reservation, thanks to the federal government), and got its training on how to do it in flatland from TVA. The partnership between Peabody and TVA provides an insight into how difficult it is to regulate or abolish strip mining supported by a combination of unaccountable corporate and governmental bureaucracies. For the past year, my wife Sharen and I have been looking at the relationship between Peabody and TVA. Here's some of what we learned.

Mr. Peabody's Coal Compay

"Power for Progress"—meaning electric power— is Peabody Coal's motto. An investigation of this company's operating record in the coalfields of western Kentucky reveals, however, that the kind of power it wields best is that which extraordinary profits and bigness have always conferred upon those crass enough to use it—raw political power that stymies every effort of local and state government to regulate the company. A review of Peabody's climb to the position of number one coal producer in Kentucky shows that every device for manipulating small landowners, politicians, state reclamation inspectors, and the legal profession has been used by the company. Where enormous economic power has not given enough leverage, the company has found outright violation of the state's strip mining regulations to be acceptable. Peabody is owned by the Kennecott Copper Corporation of New York City. And it would be only a slight exaggeration to say that Peabody "owns" TVA.

FARMERS FIGHT PEABODY

Four small farmers in Ohio County, Kentucky, where the Peabody Coal Company has extensive underground and strip mine operations, found out recently what power the company can bring to break the resistence of those who stand in the way of its progress.

Peabody sought to construct a three-mile conveyor belt across the farmers' land to carry its coal to the rail line. When the farmers' refused to sell, the company invoked a little-known Kentucky law which allows a coal company exclusive rights to condemn private property for its own use. The statute, unused for more than twenty years by any coal company, says in part:

"*Any person operating a mine or a stone quarry within three miles of any railroad or navigable stream, may, for the purpose of transporting material between the rail or stream and the mine or quarry, construct and operate a line of railroad, overhead conveyor or pipeline to the most convenient and accessible point on the the railroad or stream. . .*"

Rather than giving in to futility, as most landowners do in confronting Peabody, the four farmers sued. "The coal companies control the lives and fortunes of a great many people in this county," one of the farmers, Rev. William Holloday, told *Courier Journal* reporter Bill Powell. "The four of us just want to be left alone to farm," he said.

Randall Sheffield, another farmer, predicted ominously that the condemnation suits would mean the "end of farming in the western part of Ohio County. I think farmers are just going to sit back and wait to sell out. This condemnation proves to everybody around here that farming and mining aren't going to exist together." Peabody had offered Sheffield $865 as a token for any potential damage to his farm.

Peabody says in its condemnation suit that the farmer's land is necessary for the most practical method of moving the coal; however, alternative routes, using Peabody's own land, do exist. Little hope is held that the farmers can win in a Kentucky court. The last time the statute was challenged, in 1909, the Kentucky high court said that the legal issue turned on "convenience" FOR THE COAL OPERATOR. The same legal principle applies in this case as in the broad form deeds predominant in eastern Kentucky. These deeds have been upheld repeatedly by the Kentucky Court of Appeals in the last two decades. Our investigation shows, as a matter of fact, that the likelihood of the farmers sitting in a court with a judge who has not at one time been on a Peabody retainer or received favors from the company is so small that a victory for the farmers would indeed be a miracle.

Wrestling with four small farmers is really no challenge at all to Peabody.

The infamous political and economic power of the coal corporations of Appalachia cannot rival the magnitude and frequency with which Peabody has exercised the most base of manipulative instruments available to coal companies to further its advancement. Trampled under the feet of Peabody's rise are the vestiges of hope that the government's capacity to regulate coal company powers could outrace the giants. The losers in the battle are Kentucky's "little people" who have been driven from their homes, had dynamite blasts rock their homes, and who have watched in amazement as the unbridled giant destroyed their own and their neighbors' way of life without the slightest reprimand from public officials. (Incidentally, it might be added that Peabody last year had the highest number of fatal accidents in its mines of any company in America.) Examples of this company's abuses of people and land abound.

☐ In researching the company's record in the Division of Reclamation in Frankfort, the office that enforces Kentucky's strip mining laws, we found that Peabody has succeeded in **removing all the residents** from the entire community of Morehead in Muhlenberg County. Since Kentucky law prohibits strip mining within 100 feet of a public road, coal companies must persuade the County Judge to declare the roads of no use to the county and send a copy of this declaration to the Division of Reclamation. (The roads of Morehead were thus condemned in the letter reproduced in the box.)

We asked a Division of Reclamation official about Peabody's success in the Morehead venture:

Q. How many people live there?

A. Not more than 500, I don't think.

Q. Did they all sell to Peabody?

A. They had no choice. Everybody knows that they had no choice about selling. If they decide they want what you have, they'll blast you out. Sure, they force people out.

Q. Does Peabody do this kind of thing often?

A. Peabody is the worst in this. They close roads every day. All they need is to get the Judge to write a letter and we have to let them strip. They're forcing old people out of their homes all over the place. They just buy everyone around a person and then start pressuring him to sell. They always sell.

HANDS

By Peggy Terry

Hands
That are
Not allowed to touch;
White hands,
Black hands.
Hands
That hold too much
Power,
Hands
That hold none
at all.

Fear of hands –
Fear of progress
(evolution).

Hands
That are
Not allowed to touch
Become
Hands
That will destroy
The Myths.

photo by George Mitchell

photo by Mike Clark

Q. Do the County Judges ever object to giving public roads to Peabody?

A. No, they have the Judge in their pockets. Several magistrates in Muhlenberg County work for Peabody. When they decide they want to strip a road, they'll hire a magistrate who doesn't work for them if it takes that to get the court's permission.

Q. Does Peabody pay the county for the roads?

A. No, it looks like, at least, that the coal that is under a public road should belong to the public, but that isn't the way it is.

☐ Peabody Coal has also been assisted enormously by TVA's development of the long-term contract for supplying strip coal. In the words of an industry magazine:

> The long-term contract, committing Peabody reserves to the growing complex of power plants in the U.S., has been for a long time the backbone of the company's business and a basic factor in its success. That is not about to change. The marketing philosophy of the company recognizes that long-term contracts are good for the coal producer and good for the power industry.
>
> (*Coal Age*, October, 1971)

As mentioned earlier, one of the most glaring announcements of this pair's cooperation came in June of 1965. TVA announced in Washington, D.C. that it was expanding its Paradise Steam Plant in Muhlenberg County to build the world's largest generating unit -- costing $130,000,000 and producing 1,130,000 kilowatts of power. TVA said proudly that the new unit would consume 10,500 tons of coal a day. The supplier under a long-term contract, they said, would be Peabody Coal.

Ironically, on the same day that the new TVA unit was announced in Washington, the Attorney General of Kentucky announced in Frankfort that the state was suing Peabody Coal for violating the state's strip mine control law. Not only was Peabody not obeying state regulations, they were operating without a strip mine permit, without filing a reclamation plan for the land prior to stripping it, and without posting bond or paying acreage or permit fees as required by state law.

☐ In 1971, TVA used its power of eminent domain as a federal agency to force 12 landowners in Union County to allow it to build a 12½ mile overland conveyor belt -- the world's largest -- to connect Peabody's Camp No. I and Camp No. II coal mines to a river outlet. The two mines are actually owned by TVA but operated by Peabody. Twelve landowners went to court to prevent the monstrous conveyor belt and its concrete supports from being placed on their property. Twelve landowners lost; Peabody and TVA are now joyously watching the conveyor run 30,000 tons of coal a day.

□Peabody Coal last year produced 17.5 million tons of strip mined coal in western Kentucky. That was 26% of all coal strip mined in Kentucky, the nation's largest producer of stripped coal. The company employs 2,300 people in Kentucky and has an annual payroll of $26 million. Peabody owns a total of 202,705 acres of Kentucky land. The political power that this wealth and productive capacity gave the company has gained it many friends in public office, and apparently allowed the company to maintain one of the worst records of any strip miner in Kentucky without challenge from the state.

On October 4, 1969, Peabody's River Queen Mine's application for a permit to strip mine appeared to be in jeopardy. This permit – necessary to start a new 125 cubic yard shovel, the biggest in the state at that time – was particularly important. However, Peabody was behind in its grading and backfilling, an important ingredient in the prescribed reclamation process. (Before acquiring a permit, the state law requires an operator to submit a reclamation plan or a "time schedule" by which he promises to grade and plant the stripped land. The law says that if this schedule is not followed, a notice of non-compliance shall be issued and the permit is to be suspended. If the operator doesn't comply, the state can then revoke his permit and not issue another one until all requirements have been met under the old permit.)

The River Queen had been cited eight times on inspection reports since April for not keeping grading current and had already been given two 45 day extensions since then to catch up on its schedule. The situation looked serious; at least, serious enough for President Edwin Phelps from Peabody's St. Louis office to go to Frankfort to plead the case before the State Reclamation Commission.

MOUNTAIN PEOPLE SAY "NO"

With few exceptions, mountain people in every community where strip mining has occurred have opposed the strip miners. But because the coal operators usually control the news media, word of this opposition rarely reaches beyond the local community. In East Kentucky most opposition over the past ten years has been influenced by the Appalachian Group to Save the Land and People, a grassroots organization of small landowners centered in Knott County, Kentucky.

The story of the Appalachian Group is worth telling in detail. In 1965 Sturgill and Kelly, the two main TVA strippers in East Kentucky, moved their Kentucky Oak Mining Company and their Caperton Coal Company into the Lotts Creek section of Knott County. Immediately they met hot opposition from local landowners. Lotts Creek is a long narrow holler with several branches winding off the main stem. Several hundred people live along its meandering course, most of them tied together by blood kin or long friendship. Lotts Creek flows into Troublesome Branch, and the people along the creek soon showed the strippers that Troublesome was an accurate name for the area.

Kelly's and Sturgill's first trouble was when they moved onto Amos Ritchie's land near the head of Lotts Creek. Ritchie was away in the military service like many men who grew up in the area. While he was away he had appointed "Uncle" Dan Gibson, an 81-year-old retired logger, carpenter, and lay-preacher to oversee his land. Gibson, although in his eighties, retains the strength of his early days spent as a logger and millwright. When the strip miners crossed Ritchie's land boundary, they were turned back by Dan Gibson and his neighbors.

Fourteen state police and a deputy sheriff were sent up to the mine to arrest Dan Gibson—after hurried radio calls from the strippers to the local sherriff's office. Dan Gibson refused to leave his post, defiantly sitting in the open with his rifle until one neighbor was able to relay a message that friends were positioned in the woods around the mine and would protect the land. At that point Gibson surrendered his gun and allowed the officers to move him to Hindman, the small county seat about 20 miles away, where he was jailed. Over the next two hours armed mountain men and women filled the small town. County officials, ever quick to detect a change in the political wind, slipped out of town leaving only the jailer to contend with the large crowd which gathered outside his office. Dan Gibson was released that afternoon by the jailer. The charges against him were later dropped.

In many ways this incident marked the public birth of the Apalachian Group. Local meetings had been held earlier but word of Gibson's resistance to strip mining spread through the hills of East Kentucky. Over the next few weeks requests for more meetings began to trickle in by phone, mail, and by word of mouth.

Money was always a problem. The Appalachian Group held turkey-shoots, auctioned off quilts, pies, and cakes, and passed the hat at every meeting. Money went for gas to visit another community. No one was ever paid to help the Group organize. Membership cards cost a dollar, but if someone didn't have the money there was always another person around who would chip in enough to get a card.

But in the hills around Lotts Creek the stripping went on, much of it on land owned by large absentee holding companies. The next major confrontation came several weeks later on the land of Ollie Combs, a widow-woman who had a twenty-acre farm where she lived with her bedfast son. Caperton Coal Company (owned by Sturgill and Kelly) attempted to force their way onto her land, and the "Widow Combs" (as she became known across the state) lay down in front of the bulldozers and was promptly hauled off to jail. With her was a newspaper photographer who was also arrested. She spent Thanksgiving in jail that year and the pictures of her smuggled out of jail by the photographer focused national attention upon East Kentucky strip mining. Throughout all of this time the Appalachian Group stood guard in her absence to protect her land.

But little known to the press and to the world beyond the confines of Knott County, a small-scale war flared up in the hollers around these incidents. The fighting between the farmers and company gun thugs went on almost without stopping for six weeks in 1965. It has flared sporadically ever since. One Lotts Creek resident recalls a gun fight between farmers and guards in which "you could sweep up a double bushel of rifle shells the next morning on almost any ridge." Several times company guards mounted machine guns on the backs of trucks and used them to patrol the mines. But to little avail. Forced back by constant sniping, Sturgill and Kelly tried to mine at night but sharpshooters shot out headlights on the machines. At one point steel plates were welded to one bulldozer to protect the driver, but no one could be found who would drive the home-made tank. That plan was abandoned. During one hectic week, state police were sent into the mine as escorts. But the commander, after being pinned under his police cruiser all night by snipers, called his men off the mine.


photo by Mike Clark

"Uncle" Dan Gibson

The Appalachian Group has never claimed credit for these actions. Preferring instead to say that they are willing to defend their land against anyone who tries to destroy it. No one has ever been arrested for taking part in any of these fire fights. At one point the Appalachian Group decided to go to court to contest the broad form deed, a mineral rights deed which allows mineral rights owners to strip mine without the surface owner's permission. Their case found its way through the state courts, and finally ended when the State Supreme Court ruled against them and upheld the broad form deed. Since that time, the Group has wasted little time or money on law suits.

Despite the lack of influence in the courtroom and the lack of any state officials who would publicly defend them, the Appalachian Group has had some success. The strippers pulled out of Lotts Creek for quieter places in 1966. But over the past few years members of the Appalachian Group have begun to reach out beyond their own communities. Many of them now feel that strip mining anywhere in the mountains is bad. Because of this feeling, in 1970 they began a series of demonstrations against strip mining, stopping overweight coal trucks, holding marches, motorcades, press conferences, meeting with Congressional leaders and taking civic groups on tours of mined areas. The most dramatic act occurred in February of 1972 when twenty women from the Appalachian Group stopped a stripping operation in Knott County by going onto the mine and standing in front of the machines. The demonstration ended in violence. Company employees began to threaten the women and as night approached the women decided to move off the mine. Their fears were well-founded. Below them, at the base of the mine, four male supporters, who had stayed there to monitor the actions of the company, were surrounded by a group of men, beaten with pistol barrels and thrown off the mine.

Since that time most members of the group have maintained a lower public profile, although their opposition to strip mining still goes on. Recently they met with seven other mountain organizations to form a new alliance to oppose strip mining. The Mountain Peoples Union is an attempt to build a large body of people who will actively oppose strip mining anywhere in the coalfields of Appalachia. If it succeeds it will be because people like those in the Appalachian Group To Save The Land And People have decided to stop the destruction of their homeland.

On October 7, Peabody requested another 45 day extension and received it. They also were issued the new permit. This action prompted the western Kentucky reclamation supervisor Fahy McDonald, who was subsequently replaced by C.C. McCall, to remark: "We're just at the point in western Kentucky where we wonder who we're working for – Peabody or the state."

Ironically, Peabody Coal claims to be a leader in stripped land restoration, one of the key elements in the controversy over whether strip mining should be permitted or abolished. Coal Age summed up Peabody's reclamation claims as follows in an October 1971 gush about the company: "Meeting all legal standards on land relcamation and environmental quality is the immediate goal, but exceeding the standards is the ultimate aim."

□ In interviews with us, the officials of the Division of Reclamation denied that Peabody could in any way claim to be an exemplary reclaimer of land and provided insight into how Peabody exercises power over the Division. "Because of their size they were able to get away with some things they probably shouldn't have. Our biggest problem with them in fact was doing things and then coming to us and asking permission later. They haven't gone out of their way to cooperate. We have to keep after them, like we do all operators," said Buddy Beach, Acting Director of the Division.

C.C. McCall, the Division's Supervisor in Madisonville confirmed Beach's problems with Peabody. To regulate all western Kentucky strip mining – about 34 million tons, 17.5 tons produced by Peabody alone – the state Division of Reclamation in Madisonville has according to McCall, "seven people – one secretary, myself, and five inspectors." The vigor with which these five inspectors examine Peabody came up continually during our investigation.

We asked Beach if it were true that Peabody had duck hunts, beer busts, and parties to which it invited the state inspectors. "There haven't been any lately that I know of," he replied. McCall said that he could not recall any lately either. Neither denied that this was a common practice in the past, but said it was not happening now under their direction of the Division.

When we asked McCall about any favors the St. Louis officials of Peabody do for the Division, he replied, "I've been out to dinner with them and they paid. They'll buy your lunch if you're around. If they can't take you out, they feel snubbed."

We asked Buddy Beach if he knew that Peabody bought lunch and dinner for his employees. His reply: "They've bought my lunch at times. I don't think it's out of line. In some respects it could improve our enforcement relationship."

Another employee of the Division told us that Peabody gives a country ham to each inspector at Christmas. In a reluctant interview the same person said, ". . .They pretty well give something to everyone. The beer busts have slackened up a little."

A starting inspector with the Division draws a total monthly check of $482, before taxes and benefits. "All my boys are new," McCall told us. All employees interviewed denied receiving or knowing of anyone who received extra cash from Peabody. It would appear from the coziness of corporation and regulator that extra cash would be unnecessary to gain favors from the inspectors and the Division. We asked Beach about his confidence in the inspectors. "We have some who ought to be moved, but I can't do it unless they are a complete deadweight."

The Division of Reclamation announced in April, 1972, that it had secured a grant totaling $460,000 from the Environmental Protection Agency to conduct a demonstration on treating acid water before it goes into streams near strip mine sites. The demonstration will be carried out on Peabody Coal Company's Vogue Mine in Muhlenberg County. We asked Beach how expenditure of taxpayers' money could be justified to a company that had so consistently demonstrated it had no respect for the public's regulations. "Well, you have a point," he said, "but the money was available." Peabody put up a matching grant of $20,000 to secure the funds. Beach said there were "plenty" of places where the demonstration could have taken place, but the Vogue mine seemed "ideal." In the meantime, if past experience holds, Peabody will get considerable public relations mileage out of the grant and continue to violate regulations and to make fantastic profits.

□ With the words, "I just wanted everyone else to know that everybody here is not an ecologist," Representative Omar Parish, Jr., created the first major flap of the 1972 Kentucky General Assembly. Parish had placed water glasses bearing the slogan "We Dig Coal" – the insignia of the Kentucky Coal Association – on the desk of each of the House's 100 members. The controversy developed because the glasses did not bear the name of the association, as is required by the rules of the House before gifts can be put on member's desks.

The more serious rules of the House—those relating to members serving on committees and voting on bills where they might have a conflict of interest – did not deter Parish either. He is an aggressive member of the House Committee on Agriculture and

photo by Mike Clark

Natural Resources, the committee which must pass on all coal and agriculture bills. As one of two coal people on the committee, Parish helped keep the farmer-legislators from passing on sixteen of twenty strip mine regulation bills introduced in the last session of the General Assembly. And it was he who rose on the floor of the General Assembly to speak most vociferously on the one bill that did not get out of committee which would have, in any serious fashion, affected the strip mining industry. This bill, which would simply have stopped blasting on strip jobs at night so persons living nearby could sleep in peace and have limited the charge to protect the foundation of homes, went down to defeat after Parish said during debate, "If this bill doesn't kill strip mining, I don't know how it could be done." Representative Omar Parish, Jr., has worked for Peabody Coal Company for several years as an explosives engineer and a truck driver.

□ Next to Parish, the representative most effective in halting strip mining legislation was Speaker pro tem Billy Paxton of Central City in Muhlenberg County. Paxton was also interim chairman of the joint legislative committee which wrote the only strip mining bill which passed both Houses during the Assembly's 1972 biennial session; it merely made token changes. Paxton, an attorney, regularly denies that he works or has any special relationship with Peabody Coal. We found otherwise. C. C. McCall told us, "Bill Paxton represented Peabody on the negotiation on the road," meaning a recent suit – settled out of court – brought against Peabody for constructing a road to a strip mine without a permit. Another employee of the Division said the same thing, adding, "Peabody sure has been praising him." Buddy Beach, the Division's Acting Director, denied to us that Paxton had in any way been involved in the case.

We asked Paxton if McCall was correct, that he had been involved in settling the suit. "Oh, in a very minor way," he said. Asked for further clarification, he said, "Yes, I was more or less along . . . I made the appointment for them." Paxton's appointment was made for his former law partner, Dan Cornette, who is still Commonwealth Attorney of Muhlenberg County, and whose law firm regularly represents Peabody. Paxton was a member of the firm from 1960-1964. We asked Paxton if the Commonwealth Attorney – the equivalent of a county prosecutor – should be involved in representing a company. His response, "So far as I know, it's legal."

Paxton denied that he had received a fee for making the appointment with the Division of Reclamation. He said that he was acquainted with Peabody officials to the point of, in his words, "playing golf with them in my backyard." Paxton said he did not hunt, so he did not know anything about Peabody's duck hunts for friendly officials. He did recall attending some Peabody parties "at River Queen and a similar situation at Sinclair," two of Peabody mines. Paxton also said that he had met with Peabody Vice President Geissal "about the blasting bill. I was wanting to get their cooperation," he said. (Paxton introduced a mild, compromise bill on blasting which passed the 1972 session. Introduction of a floor amendment to this bill to prohibit any blasting between the hours of 10:00 p.m. and 6:00 a.m. brought Paxton to his feet to inform the House that any changes in his bill would force him to withdraw the whole thing.)

Paxton's rise in the state legislature has been quick: having served only one term of two years, he was named Speaker pro tem in 1972 with the strong backing of the Ford administration—an administration whose pro-strip mining record is crystal clear. Rep. Marrs Allen of Pikeville, the chairman of the House Agriculture and Natural Resources Committee of which Peabody-employee Parrish is a member, and of which Paxton was chairman between sessions, attributed his success in bottling up all strip mining legislation in the last session to the "strong support of Governor Ford."

Since the Kentucky General Assembly meets only every two years, the work of legislators like Parish and Paxton has given the giant two more years of very productive life, unhampered by state regulations except for those "enforced" by the present Division of Reclamation.

As the federal government moves toward a bill to regulate stripmining, it is the TVA and the Peabody Coal Company which are lobbying hardest for meaningless legislation. The right-wingers love Peabody and its parent, Kennecott; the liberals love TVA. Together, the two giants lead and protect the industry of strip mining at its vicious best. It all began in a little hollow in East Kentucky; another manifest destiny headed to destroy the West.

IN APPALACHIA:

property is theft

By John Gaventa

If I had to answer the question, "*What is slavery?*" and if I were to answer in one word, "*murder,*" I would immediately be understood. I would not need to use a lengthy argument to demonstrate that the power to deprive a man of his thoughts, his will and personality is a power of life and death, and that to enslave man is to murder him.

Why, then, to the question, "*What is property?*" may I not likewise reply "*theft,*" without knowing that I am certain to be misunderstood, even though the second proposition is simply a transformation of the first?

. . .Pierre-Joseph Proudhon, 1840 [1]

Because it comes from over a century ago, and from another country, we might not think Proudhon's statement means anything for understanding the South today. We might understand the first part of it: when we think of the South, deeply aware of the historical and continuing exploitation brought to our consciousness by the civil rights movement and the present black struggles, we think of slavery and may know of what Proudhon meant when he said "murder."

But most southerners lack a sense of similar exploitation based on a traditional notion of property, and therefore the answer "theft" is not understood. I would suggest, however, that we find in Appalachia today an exploitation of land and people and a growing movement of resistence that can help us recognize what this French activist meant when he said of slavery and property, "the second proposition is simply a transformation of the first."

The images most often associated with Appalachia are those of poverty, but not of oppression: hillbilly, hunger, poor health, mountains destroyed, dreariness, maybe a sense of injustice, but surely nothing so strong as slavery. The problem with such images is that Appalachia is **not** poor. Within its boundaries lies the immense wealth of coal, which in today's industrial society is clearly black gold.

Appalachia delivers more than 70% of the coal consumed in the United States and provides 15% of the nation's energy. [2] Last March, the President's Council on Environmental Quality reported that Appalachian coal is generally "of a high quality and in demand for steam electric plants, coke and gas plants, and exports." (Fifteen percent of the region's coal—about $675,000,000 worth—is exported annually to Canada and Japan.) But the report says that at current rates of production, there are enough reserves to last for several hundred years.

Appalachia isn't poor. But its people are. (Per capita income still remains a scant 50% of the national average.) The people are poor because they don't own–and scarcely benefit–from the wealth of their region. Large, absentee, corporate property owners do. Increasingly associated with the giant energy conglomerates, it is these property owners who daily cart away the area's riches.

Consider the evidence for the areas of Tennessee, Kentucky, and West Virginia that produce most of Central Appalachia's coal:

† In five major coal-producing counties of northeast Tennessee, nine corporations, all but one controlled from the outside, own 34% of the land surface and approximately 85% of the coal wealth. [3]

† In eleven major coal-producing counties of east Kentucky, thirty-one individuals and corporations control 80% of the coal wealth.[4]

† In fourteen major coal-producing counties of West Virginia, containing over half of the state's coal reserves, twenty-five landowners control 49% of the land area. Ten companies control 31% of the land. While more than 1,000 coal companies operated in West Virginia in 1966, 75% of the tonnage produced came from the 25 largest firms. [5]

The owners of Appalachia's resources don't keep them because they can't sell out. On the contrary, as Dun's Review of Modern Business observed in 1965, before the most recent coal boom, "for all their small numbers . . . these coal royalists hold what may well be one of the most lucrative investments in all of America." [6] And a report prepared for the Appalachian Regional Commission reminds us of who these royalists are: almost twice as much capital flowed out of Central Appalachia as into it in 1967 and "entered the financial markets centered around New York." [7]

Appalachia is rich, but its people are poor. Other folks–those who own the property that contains the coal, those who take it away to produce the energy that makes wealth for "the other America"–are the ones who possess the riches.

In Appalachia, property is theft.

JOHN GAVENTA spent one year in the East Tennessee mountains with the Vanderbilt Health Coalition where he worked with Save Our Cumberland Mountains (SOCM). He is a graduate of Vanderbilt University, and is presently studying in England as a Rhodes Scholar.

The American Association of London

We can understand the meaning of this relationship of poverty amid plenty by looking closely at the example of Clear Fork Valley, stretching between Pine Mountain and Cumberland Mountain, lying on the border of Kentucky and Tennessee. Here one can see the results of corporate exploitation at its worst. Once a booming mining area, automation and strip-mining have left 30% of the work force unemployed. Mountains are gouged by the relentless blade of the bulldozer and blasts of dynamite. Streams are filled with silt; timber and wildlife are destroyed. Not just land, but a way of life is eroding. Thousands have been forced to leave to find homes and jobs in the cities. For those who remain, houses are poor and incomes for over 70% are less than $4,000 annually.

Within that same valley in Bell County, Kentucky, and Claiborne County, Tennessee, approximately 85% of the land--50,000 acres--is owned by a single company, the American Association, Ltd., of London, England. From its land, over 2.2 million tons of coal a year are carted off, mostly to two electric utilities, the Georgia Power Company and the Duke Power Co. And from the royalties on that coal, thousands of dollars are exported each year to the company's London headquarters. The chairman of the company's Board of Directors, Sir Denys Flowerdew Lowson, a former Lord Mayor of London, controls an estimated 88 such companies around the globe, and he is personally listed as chairman of forty. Ironically, the American Association is one of the smallest of his concerns: while to the people of Clear Fork Valley, the company represents tax evasion, destruction of land and jobs, and the denial of a future, for Sir Lowson, the company's listed value represents a pittling one half of one percent of his estimated personal wealth.

The foreign nature of the British-owned American Association should not detract from viewing its similarities to other absentee property owners of Appalachia. Rather, the historical development of this micro-colony of Clear Fork Valley is a model for understanding Central Appalachia. And by understanding the micro-colonial relationship, we can learn something of similar relationships of the South to energy conglomerates.

The Making of a Micro-Colony

It is an irony of history that many of the first settlers to come to the mountains around Cumberland Gap were the rebels. Here in the Appalachias they found a place to escape the rapid industrialization of England and Europe, and to establish a new way of life free from the exploitative social relations which they had known before. As Jack Weller describes in **Yesterday's People**, some of the settlers came from the Levellers movement in Britain, where they had challenged the power of their English landlords, and came "in rebellion against a form of government that imposed its rules from the top." 8

But the freedom of the frontier mountains was changed in the late 1800's when coal and iron ore

In Middlesboro

theft brought

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were discovered and demanded to feed the new wave of industrialization. In the Cumberland Gap area, it was a young Scottish-Canadian capitalist, Alexander Arthur, who forsaw the Gap as an iron, coal and steel center. Backed by capital from Britain's Baring brothers, a company was formed, the American Association, Ltd. It quickly transformed the Yellow Creek Valley of Kentucky into a coal town of Middlesborough, named after its British counterpart.

In the short space of four years (1888-1892), an incredible $20,000,000 of British capital poured into the area. Railroads, furnaces, industries, hotels, streets, lavish halls were built. Thousands of people–many fresh from England, others from the East and the South–surged into the region. The town was quickly dubbed "The Magic City of the South," and by 1892 its magic was valued on the British stock exchange at over $40,000,000. Founding father Alexander Arthur, who came to be known as "Duke of the Cumberlands," proclaimed to a group of investors on November 11, 1890, "This is but a transfer of British business to American soil." [9]

And, indeed, they did acquire soil–an estimated 80,000 acres in the Yellow Creek, Clear Fork and other valleys rich in timber and coal. The most famous historical account of the development of the area, **Wilderness Road** by Robert Kincaid, simply says the company acquired the land in a few months. In fact, modern-day courthouse deeds show perfected titles. But there is more to the story: residents describe, still with anger, how the agents tricked, threatened, or forced the mountaineers to give up their land. Some people, not knowing or caring about the value to the industrial world of the wealth beneath them, "voluntarily" sold the land for fifty cents or a dollar an acre. An entire mountain–from which Consolidated Coal now supplies Georgia Power over one million tons of coal and the American Association almost $200,000 annually–was reportedly traded to an agent of the company for a hog rifle.

But other mountaineers were victims of legal tricks. One method, oral history reveals, was to have someone jailed and then offer to post bond in return for his land. Where there was resistance, force was used. Residents tell stories of how the company men would burn their fathers out if they would not sell. And, though many of the courthouse records of this era have burned or disappeared, it is not uncommon for a local Appalachian to look out from the front porch of his company-owned house and remark, "See that mountain over yonder? They stole it from my daddy."

"Property is Theft," but to endure, theft has to be legitimized. In Middleboro, as in the modern era, the tools of legitimacy were the concentration of power in the hands of a few and an ideology of boom and progress to attract the support of the many.

Certainly, the American Association had the power in the boom town. It retained controlling interest in everything–banks, industry, railroads, even the Four Seasons Hotel. Anyone who had or wanted any part of the benefits of the new society was dependent on the will of those few in control. And with dependency came a supporting ideology of progress, civilization and social improvement. Arthur himself set the tone:

of the 1890's

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nd civilization.

I would say that America needs this place and our Anglo-American money, experience and push. . . .We have also the sinews of body and of money and stand ready, clean-cut, and vigorous, for a generation of progress and success in manufacture, arts, and sciences. Come and join hands with us in the great enterprise which is worthy of us all, native or foreign-born though we may be.[10]

The **New York Times** and other papers applauded the development. For **Harpers Magazine** the project represented "a summing up of the past and prophecy of the future . . . the last of the mountaineers passing away before the breath of civilization."[11]

For the American Association, the combination of monopoly and ideology fused to protray its owners not as colonizers or controllers, but as conscientious contributors to a social good. A **Scribners Magazine** article in 1890 reflected this social view: The company, it said, "leases its mining and other properties but does not and will not sell them. This fact is evidence of the interests which it has and will always have in the prosperity of Middleboro." The company controls the coal commerce from "the raw state of the earth's bed until the final and finished result is in the hands of the consumer. . . . To this parental character of the American Association," the article concluded, "and to the comprehensive protection with which it pursues the course of industry is largely due the prosperity of Middleboro."[12]

Those who benefited from the dependency, responded to the "parental character" with appropriate loyalty. In 1891, the local newspaper gave prominent coverage of a three hour mass meeting held to express appreciation to the officers of the American Association. Held at the Opera Hall, it was "the largest and most enthusiastic meeting" ever witnessed in the town.[13]

Meanwhile, the intrusion and colonization of mountain culture were either ignored, justified as a "social cost," or pitied. The literature of the city's development says little of its effect on the mountain people. But one 1905 account describes the colonization of the free mountaineer in terms frighteningly similar to what one might hear today:

The Association has between 200 and 300 tenants of mountain people and are on the best of terms with them. The Association has not always treated them fairly and justly, but has gone out of its way to assist and to encourage; they have responded by being true friends, assisting the Association in protecting its property. It is much regretted that these people have not yet got the advantage of schools and churches to which they are entitled.[14]

The Yellow Creek and Clear Fork Valleys had been colonized. Through the power of property, the propertyless had been made the powerless. Not only is property theft; it is the ability to legitimize itself and become acceptable.

But the glory of the Magic City of the South didn't last long. Money from London dried up. The American financial panic of 1893 hit the hills of Central Appalachia. "It may be doubted if ever in the history of boom towns there had been so great a collapse," remarked a Middleboro newspaper in retrospect. The properties in the town were auctioned off and the 80,000 acres of the American Assn. were mortgaged to the Central Trust Company of New York for $1,500,000. Then in 1894 a strange thing happened. A federal court ordered a public auction of the 80,000 acres and appointed a Mr. J.H. Bartlett autioneer. At that point, the American Association changed the Limited at the end of its name to Incorporated, yet retained essentially the same stockholders. And in the auction, the "new" company bought back its land for a mere $25,000. Shortly thereafter, J.H Bartlett became General Manager of the American Association, Inc. The strange transaction didn't go unnoticed. Creditors of the American Association, Ltd., sued, claiming fraud, rigging of federal courts and perjury. Unfortunately, the outcome of the suits is unknown: the records went up in flames in one courthouse and disappeared from another.

Though the company had lost its property, it had not lost the power to steal it again. Middlesboro as a company town was gone, but the American Association had retained 80,000 acres of surrounding coal-rich mountain land.

A Modern Colony

Last summer Lewis Lowe looked out at his small one-half acre of land located along the Clear Fork Creek, now covered with strip-mine silt. For the past few years, he had not been able to farm much on his land. "Strip-mine mud . . . nothing will grow in it," he said bitterly. And, today, he was thinking of leaving, of moving out of the mountains where he had lived nearly seven decades. "You'd think we were animals or something, the way they've treated us . . . the strippers and the Association."

His life represented much of what had happened since the Middlesboro bust. For 46 years, along with hundreds of others like him, Lewis had worked "from sunup to sundown, worked in almost every mine around, I did." Then it was other companies, those that leased from the Association, that were the "villains"–they owned the stores, ran the mines, built the houses, extracted most of the profits.

But in the 1950's came the coal slump. For a variety of reasons, the deep-mines closed down. In 1952 there were 1,230 coal mining jobs in the county; by 1958 there were only 282. Most of the men had to leave the Valley to try to find work in the cities of the North. The American Association made no attempt to provide, or even allow, alternatives. Lewis had wanted to stay and did until the company told him one day, in the dead of winter, that he, his wife, and six kids would have to leave in three days. The strippers were coming in and they used bulldozers: people only got in the way. Twice Lewis was evicted, forced to leave the land that he had tilled with his hands, leave his home, garden, and spring that were now to be buried by the company's machines. Finally, in 1960 he had saved enough money for the small place where he once again tried to create a peaceful home that he could call his own. But now the stripping had caught up with him again, and he was thinking of giving up, of leaving for good.

Here in the life of a single miner is a human example of what is meant by "property is theft." Those with property had manipulated, denied and finally, defeated his will, expression and pride as a human. Here, also is an example of the insidious power of absentee corporate ownership that is the murder of Appalachia.

We have already witnessed the fundamental economic form of theft. In the Valley today, over two million tons of coal a year leave to provide over 10% of Georgia Power's coal–all from the land owned by a single London based company. Much of the coal is deep-mined from a single Consolidated Coal mine, owned, in turn, by Continental Oil. The rest comes from strip-mining operations, originally owned by a set of mountain elite, but now increasingly acquired by the energy conglomerates. Royalties of all the mining, from 20 cents to one dollar a ton, are carted away to offices off Bank Street in London's financial district. The result, of course, is an inequity of wealth, yet most of America today has accepted the ideology of its legitimacy.

There are other forms of theft, growing from that inequity of property, that inevitably means inequity of power. Consider several examples:


photo by Doyle Niemann


photo by Michael Abramson/LNS

Property tax evasion. Traditionally (and theoretically) the normal social mechanism for sharing or redistributing wealth is taxation. For local governments property taxation is the major source of revenue and, supposedly, property is taxed at an equal rate such that those with large amounts of valuable property pay more than the owners of small amounts of less valuable property.

But it has not worked out that way in the Clear Fork Valley. The American Association owns 17% of the land surface of Clairborne County and perhaps 90% of the county's coal reserves. Yet, in 1970, its 44,000 acres provided only 3% of the local revenue. Even after citizens organized and demanded that the law be enforced, the situation remained similar. Vast acres of untouched coal reserves were being appraised at $25.00 an acre, less than the least expensive farmland in the county.

Claiborne County is not an exception. In 1971, the nine land companies that controlled 35% of the land surface and about 85% of the coal reserves in Tennessee's five major coal-producing counties accounted for less than 4% of the local revenues. In West Virginia, Kentucky, and Virginia--despite laws to the contrary in each state--property taxation has failed to reap the benefits of the land's immense wealth for the loçal government.[15]

The local, small, non-mineral holders pay not just an unfair share of taxes, but they also pay in innumerable ways for the destruction of their roads, streams, and lives as the wealth is taken away. These are the very counties of America that need local revenues the most. Yet the amount they have available for education, health, welfare, housing, and basic services is far below the national average.

Property means not just poverty for the propertyless, it means the power to avoid traditional forms of sharing that property. Theft of revenue means more than a loss of money. In Appalachia it means the loss of the resources for building local communities.

Strip-mining Theft. The American Association hosts more strip-mine operations that any other landowner in Tennessee. Almost 5,000 acres of its land have been laid to waste by the devastating dozer-dynamite duo. In Central Appalachia itself, an esitmated 600,000 acres of strip-mined land has been left unreclaimed.[16] As in the Clear Fork Valley, most stripping is done on the property of absentee owners who escape the consequences of their actions.

To many outside the mountains, stripping is viewed as an environmental issue--and indeed it is. The strip-miner literally blasts away the sides or top of a mountain. Debris is bulldozed over the side, and the exposed coal is shoveled out. While the process is fast and highly profitable, it leaves the mountain a gaping sore; ecological cycles are upset; timber may take several hundred years to recover; streams and wells are contaminated. Reclamation is expensive and rarely carried out. It is, as some have put it, "like putting lipstick on a corpse."

To many Appalachians, though, stripping is more than an environmental issue. It is an economic one. Folks look back to the days of the deep mines when there was work. "We've been deprived of our livelihood," says J.W. Bradley, a former deep-miner and now a leading figure in the anti-strip mine effort. "The strippers came in under falsehoods and stole our jobs from us," he says. And, in fact, the Report of the President's Council on Environmental Quality in March, 1973, observes that if stripping in the mountains were stopped today, three times as many jobs in Appalachia would be available, and probably at higher wages. For people who have built their lives around the freedom and confines of the mountains and streams, stripping is the destruction of an entire culture. Presided over by the absentee property owner, stripping is theft of both a means and a way of life.

Theft of Alternatives. As if the theft of wealth, taxes and services, of a means and way of life were not enough, another theft, perhaps the most insidious, is the denial of alternatives to the people of Appalachia. Large blocks of land are unavailable to the mountaineer. It isn't enough to say that Lewis Lowe can go elsewhere. There aren't any elsewheres in the mountains. Alvarado E. Funk, the general manager of the American Association in the Valley, has announced a policy of depopulation. "The people would be better off, and we would be better off, if they would be off our lands."

People in Clear Fork Valley are trying to find alternatives. A non-profit community development council has sought for five years to provide the alternative by building new industry and homes. Yet for five years, they have been denied any land upon which to build. Just last year, the American Association would not even consider freeing one-half acre of its 50,000 in the Valley for a health clinic. Large blocks of land kept unused also deny the possibility to build roads and sewers and thus the chance to attract industry or expand facilities. Development of the land as recreation retreats for city folks simply means more outmigration of Appalachians by the blade of the bulldozer. The mountains are being depopulated for the enjoyment of urbanites fleeing the crowds.

A Modern Energy Colony

The current expansion of energy companies in Appalachia and the South has a number of parallels with the development of the Middlesboro micro-colony. The history of the earlier activities of energy conglomerates can help us understand the current economic "boom" and "energy crisis."

The first similarity between now and the 1890's is that the energy combines, or their representatives, particularly the oil firms, are buying up all the land and mineral rights they can get, both in Appalachia and the West. James Ridgeway's book **The Last Play** gives a good account of the recent mergers: Consolidated Coal by Continental Oil, Island Creek Coal by Occidental Petroleum, Peabody Coal by Kennecott Copper, etc. And in some instances, the form of barter reminds us of the 1890's. One company reportedly offered an Indian tribe in Montana a health clinic in return for the rights to several hundred million dollars worth of minerals.

A second similarity is the manner in which the increasing concentration of resources in a few hands is supported, justified and concealed by a prevailing ideology: the progress, prosperity and national defense of the country depends on meeting bigger and bigger energy demands. With only 6% of the world's population, the United States already consumes 46% of the world's energy. With the capacity to advertise, create demand and control supply, the energy companies can raise the fear of an energy crisis, and they can make it self-sustaining–and profitable.

Again, as in the case of Middlesboro, the combination of dependency and ideology makes support for the energy industry an emotional issue with overtones of loyalty to home and country. In rapid succession, all the major weeklies ran cover stories on the "energy crisis." Nixon announced a new plan that involved **more** tax loopholes, **relaxation** of environmental controls, in short, **more social theivery to end the crisis.** Under an emotional appeal of not wanting to curtail growth, lose jobs or have the lights grow dim, Americans were told to accept such steps as necessary for the good of the nation. As in Middlesboro, little attention is given by the press or public to the destruction of a land and people back at the source of the energy supply.

What, then, is the modern colony? It is theft by the property owner of the resources, of taxes and the base for community services, of a means and way of life, of the possibilities of choice for the mountaineer. As in the 1890's, it is either ignored or rationalized to the rest of the nation by an ideology of progress. But beneath the ideology is the dependency of the propertyless and the destruction of a land. In Appalachia, the corporate property holder, as the slave owner, possesses the power to deprive "will and personality," a power of life and death. In Appalachia, property is theft.

photo by John Rasmusson/LNS

But it is not just people in the mountains who will be victims of the current energy boom-crisis. The urban public will and is suffering from the social theft of the energy conglomerates. Consider a few examples.

Labor. The Georgia Power Company's union and race relations policies, and Shell Oil's response to the demands of its refinery workers for better working conditions, show that in the name of an "energy crisis" exploitation of workers can be reenforced. Just as in the coalfields, the demands of labor are discounted as minor compared with the national needs for energy supplies.

The Consumer. The growing monopoly within the energy industry means that prices can be increased to the consumer without bringing any benefit back to the coalfields. Usually it is the function of the Federal Power Commission to control price increases of electricity. But hidden within their regulations is a provision known as the fuel-adjustment clause. It provides that whenever the cost of fuel (coal) goes up, the price of power (electricity) can be similarly raised so the full increase in fuel prices is passed on to the consumer. The effect is that the price hike of the stripper in Appalachia is passed directly to the urban consumer, but the increased profits do not come back to mountain people.

The "Energy Crisis." Energy companies justify strip-mining destruction by claiming the need for cheap fuel to supply the consumer. Yet only about 10% of Appalachia's coal can be stripped: the rest must be deep-mined if it is to be recovered. Moreover, stripping "for the cream" damages the rest of the mountain in ways that make "the rest of the milk" far more expensive and dangerous to mine. The consumer is being duped: the lack of a rational fuel policy today means he will have to pay more for energy in the future. Someday, as in Middlesboro, the quick, cheap profits will be over. While the companies will maintain control, the consumers will have to bear the costs of both today and tomorrow.

Thus property is not only theft of Appalachia, it is theft of labor, of consumers, and of future generations.

A Bit of De-Colonization

But there is one important difference between the Clear Fork Valley of the 1890's and of today, if our knowledge of history is accurate. For today more people are resisting and a movement to stop the energy companies is building. The movement takes many forms. In the Clear Fork Valley, citizens have begun to challenge for the first time the American Association and its London owners. Some gains have been won, including the acquisition of company property upon which the local community development council can build.

In the five major coal-producing counties of Tennessee, Save Our Cumberland Mountains, a grass-roots organization of some 200 people has in the last two years begun to challenge forcefully the tax evasion, strip-mine destruction, economic and political controls exercised by large companies in the their areas. Led by J. W. Bradley, SOCM, like many other groups throughout the mountains, is an attempt by the people of Appalachia to regain control of their land and their lives. Whether expressed through working for union reform, fighting strip-mining, development of community-controlled industry, or demand for welfare rights, people are translating their anger into organizational movement.

Whether we are mountaineers or urban consumers, we face the energy conglomerates as thieves.

Some have compared the mood in the mountains today with the pre-dawn of the civil rights movement–waiting for a spark, a leader, the right combination of social events that make such movements happen. Those who learned from the failures of the 1960's, however, also know that such movements must come from within, must be led and fought by Appalachians and cannot be fought from the outside.

Yet, just as the 1960's provided for non-blacks in the South a brutal awakening of consciousness to the meaning of the statement, "slavery is murder," perhaps from the 1970's can come a recognition that in Appalachia "property is theft." And just as the murderers of slaves are not confined to Mississippi, so the colonizers of Appalachia are not confined there either. Perhaps, with that recognition, we can see that whether we are mountaineers, workers, consumers, rural or urban folks, we face in the energy conglomerates the same thieves. And if there can come that understanding, there can also come the hope that a movement for decolonization of Appalachia will spark, and be part of, a renewed struggle for radical change in the rest of the South and America.

photo by David Jenkins

NOTES

1. Pierre-Joseph Proudhon, **First Memoir**, quoted in **Selected Writings of Pierre-Joseph Proudhon**, edited by Stewart Edwards, trans. by Elizabeth Fraser (London: MacMillan & Co., 1969), p. 124.

2. F. Schmidt-bleek, "Towards a More Beneficial Use of Coal," Appalachian Resources Project, Univ. of Tennessee, 1972.

3. Gaventa, Ormond, Thompsen, "Coal, Taxation and Tennessee Royalists," unpublished study of the Vanderbilt Student Health Coalition, 1971.

4. Richard Kirby, "Kentucky Coal: Owners, Taxes, Profits," a study for the Appalachian Volunteers, March 11, 1969.

5. Davitt McAteer, "Profile of West Virginia as a Colony," unpublished study, 1971.

6. **Dun's Review of Modern Industry**, April, 1965, p. 40.

7. **Capital Resources in Central Appalachia**, prepared for the Appalachian Regional Commission by Checchi and Co., Washington, 1969.

8. Jack Weller, **Yesterday's People**, Univ. of Kentucky Press with the collaboration of the Council of Southern Mountains, Inc., Lexington, 1966, p. 11.

9. Speech by Arthur, November 11, 1890, published as a pamphlet by the American Association. The other historical material comes from my research in local newspapers, courthouses, library records and interviews.

10. **Ibid.**

11. James Allen, "Mountain Passes of the Cumberland," **Harper's Magazine**, copyright by Harper and Brothers, 1890, p. 8.

12. "Southern Lands: Middlesborough, Ky.," **Scribner's Magazine**, November, 1890.

13. Recounted in **The Middlesboro Daily News**, August 19, 1965, p. C-22.

14. J. C. Tipton, **The Cumberland Coal Field and Its Creators**, Pinnacle Printery, 1905.

15. For further information, see "Property Taxation of Coal in Central Appalachia," a report for the Senate Subcommittee on Intergovernmental Relations from Save Our Cumberland Mountains, Inc., prepared by John Gaventa.

16. Schmidt-bleek, Appalachian Resources Project, University of Tennessee.

photo by Phil Primack/ Mountain Eagle

No Road Back
by Don West

There is no way back –
Only the road ahead!

Only the people's road
Ahead–
Rocky with ruts,
With bridges blasted.

But it won't be rocky
Always.
We'll build new bridges
On the road to the rich green valleys
Of the new earth!

Love–
In the hearts of the poor
Blasts mountains down!

There is no way back–
To feudalism
Slavery
Or the fascist dream!

My eyes are blind
In that direction–
There is only the road
Ahead . . .!

• A study by Congressman Hays of Ohio suggests that a ban on all steep slope stripping in all of Appalachia would increase the average utility bill only 15 cents a month—$1.80 a year.

• Defenders of strip mining, including the TVA, say that strip mining is necessary so that men will not have to work in deep mines. Deep mining can be made safe if this country is willing to value men's lives over profits. The best year for America safety-wise in the mines was worse than the worst average record for mines in European countries which mine coal (figuring on 100,000 man-shifts; reference—Encyclopedia Britannica, 1966). That comparison was .84 for America compared to Germany's .77. Mine safety comparisons based on tonnage produced, rather than man-shifts worked, are invalid.

• In West Virginia alone, two-thirds of the reclamation attempts failed in terms of vegetative cover, reports the Stanford Research Institute. Reclamation remains a **hope** while the destruction continues as an ever-increasing threat to the well-being of Appalachia's land and people.

• All of the controversy, human suffering, pollution, erosion and heartbreak which strip mining has caused in Appalachia is for only one percent of the total recoverable coal reserves of the United States. Only one percent of the available coal in the U.S. can be obtained by stripping in Appalachia, according to the Council on Environmental Quality.

• Deep mines employ three to four times the number of workers as do strip mines. The shift from deep mining to strip mining (a year ago 44% of U.S. coal production was strip mined, now it is more than 50%), has caused many shutdowns of deep mines, putting deep miners out of work and with no other skill to find another job. Ending strip mining would require employment, for instance, of more than 6,600 additional deep miners in eastern Kentucky alone to produce the same amount of coal currently produced by strip miners.

• Strip mines produce the majority of high sulfur coal which contributes greatly to air pollution. Large quantities (88%) of low sulfur coal are available, but only through deep mining.

a special supplement SOUTHERN POWER COMPANIES

Every month millions of Americans drop a check for fifteeen, or thirty, or even fifty dollars in the mail, addressed to their local power company. The light bill is as "normal" to us as the light switch. And the ubiquitous nature of both—and the lack of control over either—are a reflection of the immense influence the electric industry has come to have over our lives. That's one reason control of such a business by communities is so important.

There are more reasons: The quality of service, the chance for decent work opportunities, the use of huge amounts of cash and invested capital. It takes money to make money, and the utility industry takes **more** money to keep it going than any other business in America; it's the most capital-intensive industry, which means it consumes large amounts of capital (put into generating plants, transmission towers, etc.) to produce each dollar worth of electricity. In the South, where labor-intensive industries (like textiles, apparels and furniture) prevail, the concentration of capital in the utility business is even more important. For example, the Georgia Power Company spends more each year on building new plants than do all manufacturing industries in the state put together. Thus, Georgia Power virtually controls the construction industry, and with it the wage scale of thousands of workers. The power to decide who gets the big contracts for a new $150,000,000 generating plant is another good reason to bring control of the utilities closer to home.

The sums of money involved in the utility business indicate how they match the impact of having a US Steel or a Ford Motor Company spend all its money for world-wide expansion in a few southern states. In 1971, private, investor-owned electric utilities spent over $12 billion in capital expansion (buying new equipment and building new plants), bringing the total net value of their plants up to $90 billion. (Most power companies say they will double their investment in generating facilities in the next five years.) In the same year, the non-profit, rural electrical cooperatives and municipal power systems, which serve 22% of America's electric customers, spent $1.6 billion to build new facilities.* By contrast, the big four auto makers spent only $1.8 billion in 1971 for new equipment and plants, while the top eight steel producers invested $1.2 billion for their expansion.

Relatively moderate-sized utilities like Arkansas Power & Light, Florida Power, or Carolina Power & Light spent more in capital expansion than did Chrysler Motors ($114,000,000); and the bigger ones, like Virginia Electric, Duke Power, and Florida Power & Light, spent three times this amount. The Southern Company, holding company for utilities in four southeastern states, spent more in 1971 on capital expansion in those four states than did General Electric, IT&T or Ford Motor on a world-wide scale!

Because of the tremendous amounts of capital they require, electric utilities have historically been subject to the will of the Yankee money markets. They have to go to Wall Street to borrow their money, and Wall Street is adept at exacting a high price in return. The large banks, insurance companies and brokerage houses demand growing, ever expanding profits on each dollar they invest. In the past, the utilities have met this requirement by promoting the sale of more and more electricity and by making their plants more "efficient." There was little regard for what the consequences of such policies would be, except that they yielded the greater profits needed for more expansion. Today's energy crisis is the product of such private enterprise at work.

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* There are 3,500 electric utility systems in the country. Some 450 of these are investor-owned, and of this number about 75 have annual revenues exceeding $100,000,000. More than 2,000 systems are owned by nonfederal public agencies (primarily municipal governments, like Jacksonville, Florida's Electric Authority), about 1,000 are rural electric cooperatives, and 41 are federal government projects. Because of TVA, the relatively large portion of southerners living in rural areas, and the earlier movements for public ownership of utilities, the South has more than its share of the publicly owned utility business. With only 26% of the nation's population, the South has 54% of the residents served by rural cooperatives living within its boundaries, and 50% of the revenues of these firms. Because of the cheaper price of electricity in the South, brought about partially because of TVA and public power, the average resident in the region consumes more kilowatt hours than his northern counterpart, and pays a smaller bill.

The banks still demand growing profits, even though there is virtually no risk in investing in the power monopolies. But utility plants have reached their maximum efficiency, and the costs of new ones have increased astronomically. So the utilities are forced to go to the regulatory agencies and ask to charge the public more money for the same service it is already getting. Whining about increased costs and threatening black-outs, the utilities demand more money to give the bankers so they can continue their policy of expansion. There is no mention of curtailing growth, no rational discussion of a decent rate of expansion, no thought of simply cutting out the profits in the utility business altogether.

But there is one further rub. It turns out that the utilities are effectively owned by the very same banks and financial institutions which they say they must satisfy. It's bad enough to pay Peter a little extra so he can pay the increased interest charge of his creditor Paul, but when Peter is taking our money to pay off himself, that's absurd. The utilities call it "normal"—like your light bill every month.

The solution to all this is more complicated than bringing control back home from "the North" to "the South." Of course, it is important to recognize the degree of control exercised by Wall Street, and it is a valuable organizing slogan that revives the best of the Populist imagery. But there is little progress in just putting southern faces and southern banks in place of the Yankees. What is needed is a restructuring of the entire industry to cut out the profits, cut out the parasitic money market all together, and put the reins of the company in the hands of people that care about decent service now and for the future. That means people who we see, who live in our neighborhoods, who work with us—people who we can yell at if we don't like what they're doing and who will **have** to listen. That's accountability.

There are models for such control of utilities, and Joseph Hughes in the following article describes their historical roots and their contemporary application. Two other fine articles that present even more detail can be found in the Spring issue of **People's Appalachia**, the magazine of the People's Appalachian Research Collective (see "Resources" on inside back cover for address). In the first article, Richard Simon and Roger Lesser provide an imaginative strategy for developing a region economically (for them it's Appalachia and involves financing all types of small cooperative businesses and service units) with the capital generated by popular control of the area's energy companies, especially the electric utilities. Also in **Peoples' Appalachia**, David Whisnant explores the history of Public Utility Districts, their capacity to provide resources for community development, and the attempt to institute such Districts in Appalachia.

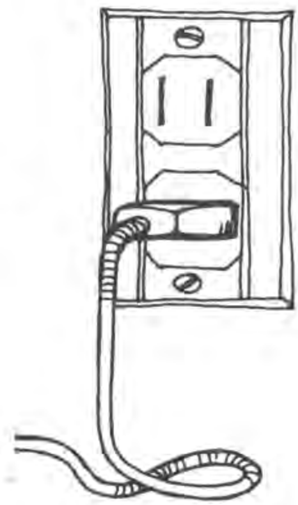
The Georgia Power Project in Atlanta has met with incredible success in organizing against rate increases and for public ownership of the local private utility, as Hughes explains here. Combining the assets of southern regionalism—the precedent of TVA, populist rhetoric and an instinctive disgust for Yankee bankers—the project has been able to raise crucial questions of community-oriented service versus private gain by the few, and at the same time hone in on specific abuses of the company, especially racial discrimination, advertising costs, and regressive rates.

The second part of this special supplement is a research methodology guide for investigating your local power company. It is self-explanatory and is included as a resource. It is, of course, applicable to research and organizing of other companies. The particular method and madness grew out of Bob Hall's research of the Georgia Power Company in connection with the Georgia Power Project.

Why utilities are important institutions in the South can be seen from the array of corporate affiliations representing local to international power structures, as well as in the impressive assets of these firms and the equally impressive use of their (the ratepayers') money in self-serving and/or wasteful ways. The charts in the third section provide this data for each utility and utility holding company serving the thirteen southern states with electricity sales over $100,000,000. The five utility holding companies each have two or more operating companies providing electricity to southerners.

The key at the beginning of the charts explains the meaning of various terms and the sources of the information. Of note are several items: the control by a few northern banks of a significant percent of each company's stock; the small amount of federal income taxes paid by many firms, even though the base rate is 48% of income over $10,000; the discrepancy between the average price of a kilowatt hour of electricity when bought by a homeowner and by an industry; payment of large sums to firms that are also stockholders or interlocked with the board of directors of the utility; and a number of outrageous expenses, like Kentucky Power contributing money to New York University or Florida Power & Light buying football tickets with ratepayers' money, or the country club dues paid by Louisiana Power & Light or West Texas Utilities, or the millions paid for advertising by all the utilities to promote themselves and their product in a time when they say there's an unprecedented energy crisis.

CASE STUDY: taking back power



By Joseph Hughes

For many years now, the South has retained its status as a colonized region. As Joe Persky has discussed in his article, industrial growth and development has traditionally been financed by northern capital and much of the region's industrial base continues to be controlled by outside interests. The wealth of the region has also historically flowed towards the Northeast, either in terms of extractive industries such as timber or coal, or by means of holding companies and financial institutions that have been set up to extract the surplus capital generated by native southern industrial concerns.

Southern liberals, with their predictions of a "New Rich South: Frontier of the 70's," have traditionally ignored or have been reluctant to admit that the wealth of the region is controlled more from Wall Street than from Atlanta, or Dallas, or Birmingham. While southern businessmen continue to publicize their dreams for "regional industrial development," multinational corporations, holding companies, and financial institutions will continue to line their pockets with tax-breaks and the wealth of the region. Consequently, the South will continue into the 70's with the largest concentration of poor people in the country.

Any program for industrial development in the South must deal with the region's historic neo-colonial relationship to Big Business, which is as true today as it was at the beginning of the century. A program for economic development must initially speak to such questions as: who controls the wealth of the region, how can it be kept within the region, and most importantly, how can it be brought under democratic control of the people in the region?

The Belgian economist, Andre Gorz, has discussed the need for alternative programs for economic development in his book **Strategy for Labor**. He raises the possibility of fighting for structural reforms within our present system, which would lead to the development of more democratic, publicly-owned corporations and financial institutions. He asks, "is it possible from within – that is to say, without having previously destroyed capitalism – to impose anti-capitalist solutions which will not immediately be incorporated into and subordinated to the system?" These anti-capitalist reforms are "not conceived in terms of what is possible within the framework of a given system and administration, but in view of what should be made possible in terms of human needs and demands." The New Left's counter-institution movement began as an attempt to build anti-capitalist alternatives through food co-ops, farming co-ops, alternative media, etc., as did the growth of Community Development Corporations (CDC's). Both movements had difficulty in overcoming their localized isolation, in striking out at the real centers of power, and in building politically powerful organizational structures. Gorz sees the struggle around anti-capitalist demands as an opportunity "to control and to plan the development of society, and to establish limiting mechanisms which will restrict or dislocate the power of capital."

One of the keys to the development of economic alternatives for an area is the struggle between public democratic control and private, monopoly control. In attempting to establish public, democratic control the focus of anti-capitalist reforms must be on a restructuring of the power relationships in the private corporate sector. Traditionally, private, investor-owned electric utilities have been one of the first areas around which economic alternatives have been built.

Public or Private Utilities: An Early Fight

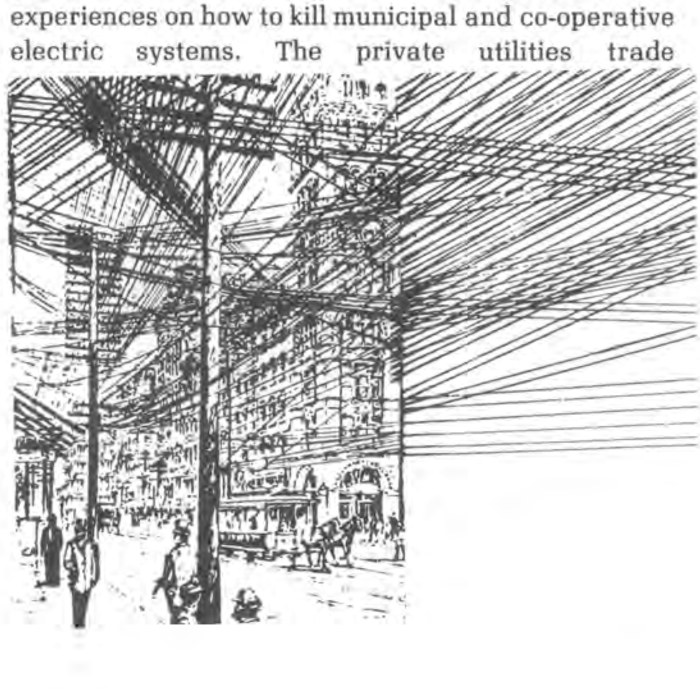
During the turbulent years of the 1910's and 20's, one of the fundamental platforms of the Socialist Party called for the municipal ownership of public utilities as an initial positive step towards breaking up the growing monopolistic control of utility companies and as a transitional step towards constructing a decentralized socialist society. Between 1919 and 1921, a group called the Municipal League of Georgia presented a plan for socializing the electric industry in the state with a distribution system through public ownership within individual municipalities. There was massive opposition from the Georgia Railway and Power Company, later to become the Georgia Power Company. The plan was defeated in the state legislature and called "wild, visionary, and ridiculous."

Most of the municipal electric systems in the country began prior to World War I when private investors were reluctant to finance and build large electric plants. Cities had to decide between providing their own electrical power or not having any at all. Very successful systems started during this pre-WWI period in Los Angeles (1911), Seattle (1905), and Tacoma (1910). Even earlier than these, a municipally owned electric system was established by Jacksonville, Florida in 1893. This system is still operating, paying off the $30 million (1963) cost of a big coliseum, auditorium, city hall and street and sewer improvements and accounting for Jacksonville's largest source of municipal income (19.9 million – 64% of the city's operating expenses). Even with this surplus revenue for municipal services, the Jacksonville electric rates are still below those of investor-owned utilities in Tampa and Miami.

Another viable model for building anti-capitalist economic alternatives is the example of the Public Utility District (PUD) movement between 1935-1940. During the 1920's electric power in the Pacific Northwest was monopolized by gigantic holding companies from the Northeast who were providing poor and expensive service for the people of Washington State. In 1926, The Washington State Grange attempted to fight the tenacles of the New York holding companies by appointing an "electrical power development committee" to study alternative power systems and draft a model bill for introduction in the legislature. The committee reported ominously in 1927 that the hydroelectric resources of the state "will either be developed by the public for the good of all the people . . . or by private corporations for the exploitation of present and future citizens. . .It is the last great resource which may still be conserved for the common good." The Grange Bill for establishing Public Utility Districts was defeated in the legislature, but passed the following year in a general referendum and was subsequently upheld in court. The PUD law authorizes a publicly controlled body to issue revenue-producing bonds, receive and disburse funds, acquire real estate (by condemnation if necessary), construct dams and other power generation and distribution facilities, and sell electric power. All PUD's pay a specified amount of their receipts into the general revenue funds of their counties. As nonprofit enterprises, they are able to supply electricity to their customers at about half the rate charged by private utilities, while paying off their own indebtedness to bondholders.

The rise of finance capital and holding companies, during and after this period, effectively curtailed the public power movement begun before World War I. These holding companies were always able to borrow money cheaply (since they were largely run by bankers) and found it quite easy to buy out municipal systems for exorbitant prices and retain control for the private sector. When much of the electric generating plant of municipalities became outmoded, and the small, isolated municipalities were not able to generate capital to finance improvements and expansion, the private companies rushed in and gobbled them up.

Utility companies continue to sabotage and discredit any attempts at developing publicly-owned utilities. For example, during the summer of 1970, a memorandum was accidently uncovered at a hearing before the Securities & Exchange Commission (SEC). It told of a two-day meeting in 1968 at which 100 executives representing 66 private power companies got together in a motel to exchange advice and experiences on how to kill municipal and co-operative electric systems. The private utilities trade



association, the Edison Electric Institute, took a leading role in the conniving. As Robert Sherrill reported, "the good soldiers of capitalism discussed such tactics as refusing to sell power at wholesale prices to municipal power companies; lending money to communities with municipal plants, and then putting the squeeze on them; and refusing to let public utility companies come into pooling and joint power-supply arrangements." One example, cited in Lee Metcalf and Vic Reinemer's **Overcharge** involves a $50,000 payment by the Georgia Power Company during 1962 to the city of Rome, Georgia, for its agreement "not to establish a muncipal electric system in competition with" the company.

Taking Back Power

In attempting to develop an alternative program for economic growth in a region, research and organizing around local investor-owned utilities can provide a firm starting point for building a more widespread macro-analysis of a region. Most private utility company hierarchies are made up of distinguished members of the local or regional ruling class. Investigating the members of a local utility's board of directors can usually help answer the first question in developing economic alternatives: who controls the region now? Invariably, there is ample representation of local bankers, lawyers, industrialists, and politicians. For example, the Georgia Power Company, a subsidiary of the Southern Company (which is a regional utility holding company), is represented by the former governor of Georgia in its rate increase requests and has the presidents of Atlanta's three major banks on its board of directors.

Furthermore, the financing of investor-owned utilities also illuminates the regional-national dynamics of power and capital. The expansion of southern utilities closely follows the model of a "favored colony" as outlined by Persky. For example, the early history of the Georgia Power Company shows that whenever the company attempted to finance its expansion, it was forced to turn to northern capital. During the 1887-1925 period, most of the capital was generated from the Old Colony Trust Company of Boston, the Mercantile Trust & Deposit Company of Baltimore, the Thompson-Houston Company, a predecessor of General Electric, and the United Gas Improvement Company of Philadelphia, controlled by Morgan interests. In 1926, the Georgia Power Company was bought out by the Southeastern Power & Light Company, a holding company set up by J. P. Morgan around the turn of the century and a predecessor of The Southern Co. From then on, all financing was handled directly with northern capitalists, usually through Morgan brokerage houses and banks. Consequently, profits generated through electric power production flowed directly from southerners' pockets to the northern investors. In attempting to start a movement for regaining control over the region's resources and over the wealth generated in the region, the link of northern

photos by Edmund Marshall

capitalists to southern utility monopolies represents a crucial colonial relationship which must be broken up and restructured.

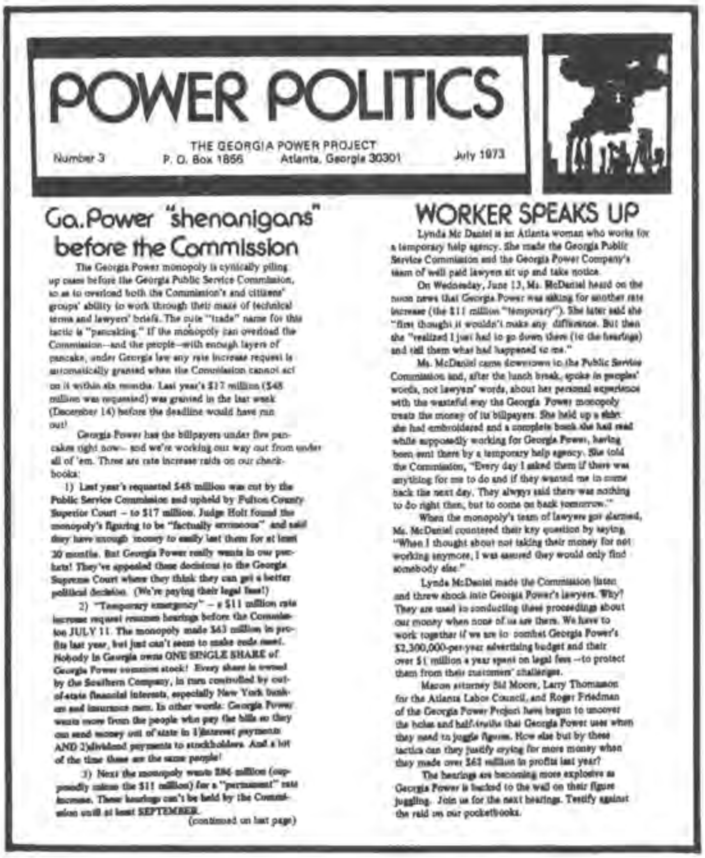
The Georgia Power Project, an Atlanta based group, is a prime example of an organization which has attempted to challenge and organize against the monopoly grip of northern capital on the southern utility industry. Since its beginnings during June, 1972, the group has attempted to fight from the bottom up to expose the corrupt practices of the Georgia Power Company and to present a more workable socialist alternative for distributing electrical power. After researching various aspects of the company's operations, the Project intervened in the State Public Service Commission (PSC) to oppose a proposed $48 million rate increase requested by the Georgia Power Company. With the rate increase, as a central issue, the Georgia Power Project undertook a campaign to generate opposition to the rate increase and to raise the broader issues of private, monopoly ownership by Northern capitalists versus public ownership and regional democratic control.

Through its intervention with the state Public Service Commn., the Georgia Power Project gained a tremendous opportunity to present to the public the broader implications of the rate increase, to openly criticize many aspects of the present corporate structure (environmental destruction, racial and sexual discrimination, outside monopoly control, etc.) and to publicize the possibilities for setting up alternative systems for electricity distribution. The Public Service Commission, a regulatory agency set up during an earlier period of public outcry against utility monopolies, provides a mechanism for attacking the corrupt practices of investor-owned utilities and for bringing the issues and alternatives before the public.

Organizing around pocketbook issues, such as a rate increase, also presents the possibility of uniting diverse groups (labor, community, radical, ecology, consumer, poor, etc.) against a common corporate enemy. The Georgia Power Project, for example, worked closely with the Atlanta Labor Council (AFL-CIO) during the PSC hearings, exchanging information and resources. The Project also filed a complaint with the Federal Communications Commission in conjunction with the Welfare Rights Organization and the Tenants Council in an attempt to gain media access to reply to the power company's massive advertising campaign. The development of more broad-based coalitions is also an important step towards educating about the broader implications of reformism and for a more popular acceptance of anti-capitalist demands and programs. The basis for such cooperation was a tacit understanding that each group had something to offer the other. The Georgia Power Project had mastered the research, legal, and publicity skills on an issue on which other groups wished to score political points for themselves and their constituencies. They, in turn, had established a record of political clout and had the troops which proved indispensible in a rate hike hearing before elected commissioners and judges.

Alternative Utility Systems

As we enter another period of economic and political upheaval, the time is especially ripe for building mass-based organizations to challenge the far-reaching grip of capitalist institutions. The Georgia Power Project is one example of such a radical group, starting around opposition to a rate increase, and gradually moving towards envisioning and developing alternative programs for setting up electricity distribution. In light of the characteristic weakness of the Left to establish a "track record" of success and competence in the eyes of working people, this accomplishment by the Project was highly significant and gave it confidence in dealing with the press and other groups.



POWER POLITICS

Number 3 THE GEORGIA POWER PROJECT P. O. Box 1856 Atlanta, Georgia 30301 July 1973

Ga. Power "shenanigans" before the Commission

The Georgia Power monopoly is cynically piling up cases before the Georgia Public Service Commission, so as to overload both the Commission's and citizens' groups' ability to work through their maze of technical terms and lawyers' briefs. The cute "trade" name for this tactic is "pancaking." If the monopoly can overload the Commission—and the people—with enough layers of pancake, under Georgia law any rate increase request is automatically granted when the Commission cannot act on it within six months. Last year's $17 million ($48 million was requested) was granted in the last week (December 14) before the deadline would have run out!

Georgia Power has the billpayers under five pancakes right now— and we're working our way out from under all of 'em. Three are rate increase raids on our checkbooks:

1) Last year's requested $48 million was cut by the Public Service Commission and upheld by Fulton County Superior Court – to $17 million. Judge Holt found the monopoly's figuring to be "factually erroneous" and said they have enough money to easily last them for at least 30 months. But Georgia Power really wants in our pockets! They've appealed these decisions to the Georgia Supreme Court where they think they can get a better political decision. (We're paying their legal fees!)

2) "Temporary emergency" – a $11 million rate increase request resumes hearings before the Commission JULY 11. The monopoly made $63 million in profits last year, but just can't seem to make ends meet. Nobody in Georgia owns ONE SINGLE SHARE of Georgia Power common stock! Every share is owned by the Southern Company, in turn controlled by out-of-state financial interests, especially New York bankers and insurance men. In other words: Georgia Power wants more from the people who pay the bills so they can send money out of state in 1)interest payments AND 2)dividend payments to stockholders. And a lot of the time these are the same people!

3) Next the monopoly wants $86 million (supposedly minus the $11 million) for a "permanent" rate increase. These hearings can't be held by the Commission until at least SEPTEMBER.

(continued on last page)

WORKER SPEAKS UP

Lynda Mc Daniel is an Atlanta woman who works for a temporary help agency. She made the Georgia Public Service Commission and the Georgia Power Company's team of well paid lawyers sit up and take notice.

On Wednesday, June 13, Ms. McDaniel heard on the noon news that Georgia Power was asking for another rate increase (the $11 million "temporary"). She later said she "first thought it wouldn't make any difference. But then she "realized I just had to go down there (to the hearings) and tell them what had happened to me."

Ms. McDaniel came downtown to the Public Service Commission and, after the lunch break, spoke in peoples' words, not lawyers' words, about her personal experience with the wasteful way the Georgia Power monopoly treats the money of its billpayers. She held up a shirt she had embroidered and a complete book she had read while supposedly working for Georgia Power, having been sent there by a temporary help agency. She told the Commission, "Every day I asked them if there was anything for me to do and if they wanted me to come back the next day. They always said there was nothing to do right then, but to come on back tomorrow."

When the monopoly's team of lawyers got alarmed, Ms. McDaniel countered their key question by saying, "When I thought about not taking their money for not working anymore, I was assured they would only find somebody else."

Lynda McDaniel made the Commission listen and threw shock into Georgia Power's lawyers. Why? They are used to conducting these proceedings about our money when none of us are there. We have to work together if we are to combat Georgia Power's $2,300,000-per-year advertising budget and their over $1 million a year spent on legal fees—to protect them from their customers' challenges.

Macon attorney Sid Moore, Larry Thomason for the Atlanta Labor Council, and Roger Friedman of the Georgia Power Project have begun to uncover the holes and half-truths that Georgia Power uses when they need to juggle figures. How else but by these tactics can they justify crying for more money when they made over $63 million in profits last year?

The hearings are becoming more explosive as Georgia Power is backed to the wall on their figure juggling. Join us for the next hearings. Testify against the raid on our pocketbooks.

The Georgia Power Project is a primary example of a group which has tried to engage itself in the **realpolitik** of a region in an aggressive and positive manner. It has made use of the traditional regulatory agencies (the Public Service Commission, the courts, and the Federal Communications Commission), as well as the media, through press conferences, taped interviews and talk shows. The Project did not feel this was a compromise of its radical principles – but rather a way of proving itself to the people of the region, showing the intransigence of the institutions-that-be, and articulating the potential of people gaining control over their lives and over capitalist institutions. As the system further deteriorates, time is ripe for developing more bold and imaginative strategies and tactics for attacking the concentrations of monopoly power. For the first time in forty years, there is an opportunity for the Left in the United States to operate, not as a small isolated, sectarian group, but as a diverse and widespread political force. But in order to gain support and acceptance with people, the Left must show that it can win and that it will, in Gorz's words, "restrict or dislocate the power of capital" over the lives of people.

In the process of working in a group such as the Georgia Power Project, it is not too "visionary" to begin to map out a program for producing and distributing electrical power in a publicly-owned, democratically controlled system as an alternative to replace our current methods. During a transitional period of anti-capitalist reformism, the focus of the struggle will be on the continued impingement of the public sector by the private sector. The strengthening of the public sector may come from the top-down or from the bottom-up, in the form of municipal and rural cooperative movements for ownership of electric systems. In the transitional period these could serve as a means of breaking up the monopoly concentrations, presently embodied in trusts and holding companies, such as the Southern Company or Middle South Utilities. Much is still to be learned from a model such as TVA, which was more of a government-conceived and administered, top-down experiment, than a mass-based, bottom-up program.

The municipalities and the rural electric cooperatives would form the backbone of the transitional, anti-capitalist system. Decision making and control would be carried out at these primary levels by councils of consumers & electrical workers in each municipality or rural coop. Models for setting up such local electric distributing systems are numerous in our own American history, as spoken of earlier. It is possible that the production and distribution of other services could then be developed with electrical service as a first step.

In order to coordinate these smaller backbone units, a larger regional authority would be developed. The regional authority would assure the re-investment of profits inside of the region and also the re-distribution of the decision making powers over those funds back to the backbone of the system—the municipalities and rural coops. With control over the regional electric system, planning could be begun for developing a more well-rounded economic base and product mix to replace the current dependence of many parts of the South on one commodity or service, be it tourism, coal mining, timber, textiles, or agriculture. A program for "decongesting" the urban areas and breaking down the rural/urban contradictions could be started with the funds generated through electricity production.

As the municipalities gained in strength and financial staying power, they could start to levy increasingly progressive taxes on the private corporations which were operating in their area, and thus keep some of the wealth generated in the area within the region.

Times are tough, but there is certainly the need and the opportunity for thinking boldly and imaginatively, and for acting the same way. Things can only get better if we take the responsibility to build new institutions in the ashes of the old.

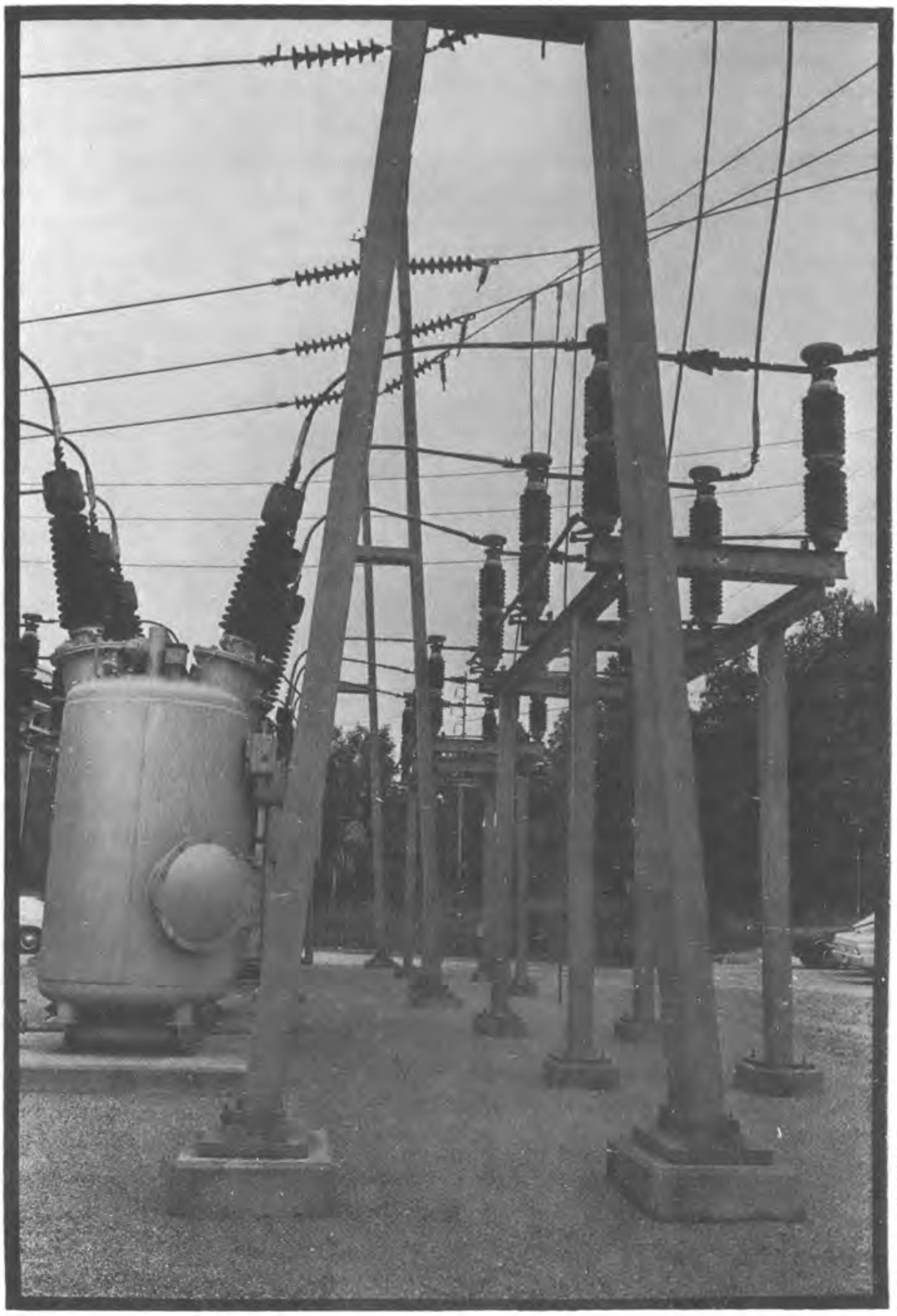


photo by Bill Fibben

INVESTIGATING
YOUR LOCAL UTILITY

By Bob Hall

Much of the approach to anti-corporate intelligence described here can be applied to targets other than electric utilities. For two good research guides, write for the "NACLA Research Methodology Guide," from NACLA, P.O. Box 57, Cathedral Park Station, New York, N.Y. 10025 [$1.25], and "Where It's At" from the New England Free Press, 791 Tremont Street, Boston, Mass. 02118.

The first thing to do is get your mind in the right framework. People too often think that researching a company is either beyond their capability or it's simply too dull to endure. It doesn't have to be either. First, take on the perspective of "investigating" or "gathering intelligence" rather than the static attitude often conveyed by "research." You are looking for information that is critical to an action/education strategy, not to fill up another book. As with most **detective** work, two basic ingredients for success are persistence and luck—and since you can't depend on the luck, you'll have to rely on your own tenacity.

A "cover" is usually helpful, such as being a graduate student or journalist interested in the general topic of utility policies. The less threatening you appear and act, the more open the utility will be. Companies respond more freely if they think they're not being singled out and that information is required for a cumulative picture of the industry, not to publicly embarrass their firm.

You should try to balance your counter-intelligence operation between study of written materials and personal interviews. In most cases, an interview with someone who knows the events surrounding a situation will put your information in its proper context.

General Background Information

Read Senator Lee Metcalf and Vic Reinemer's book **Overcharge** for an overview of utility policies, financial structure, abuses, and regulation. Write Senator Metcalf, U.S. Senate Office Bldg., Washington, D.C., and ask to be placed on his mailing list to receive his Congressional Record inserts concerning utilities. Ask specifically for materials on your company and for Metcalf's list of its top thirty stockholders with their actual rather than their "street" names (e.g., the second largest stockholder of the Southern Company is listed as Kane & Co. which is a "nominee" or account name for Chase Manhattan Bank). Most of Metcalf's data comes from the Federal Power Commission which regulates utility rates and operations on certain inter- and intra-state transactions. Metcalf's material includes profits, rate structures, advertising and research expenses, and other financial data for many investor-owned utilities (I.O.U.'s). You can see how your company compares with others by examining this data.

Contact Environmental Action, 1346 Connecticut Avenue, Washington, D.C., to obtain information on how to research and organize around utilities and

materials on pollution and energy (e.g., nuclear power and environmental issues). This group may also know ecology folks in your area who would be good sources of information and potential allies.

See if your utility and its allied firms are among those listed in James Ridgeway's new book, **The Last Play**. Also look at the more specialized **Economics of Public Utilities**, by Emery Troxel, **Principles of Public Utility Rates**, by J.C. Bonbright, and **The Electric Power Business**, by Edwin Vennard. Two journals which you should keep up with are the business oriented and highly informative **Public Utilities Fortnightly** and **Electrical World**. Two magazines from the opposite perspective are **Environmental Action**, published by the group with the same name (see above), and **Energy Resources**, published by Ridgeway and others at 1520 New Hampshire Avenue N.W., Washington, D.C.

The university and/or public library contains mountains of information for your investigation. Check the card catalog for books or dissertations on your company. Be aggressive about asking for help from the reference librarian; they are usually more than willing to help someone who really wants to use the resources they have so carefully arranged and cataloged. They can show you how to use indexes and point out to you many other helpful materials.

Check the Funk and Scott Index and the Business Periodical Index for magazine and newspaper articles written on your company and utilities and energy companies in general. Business periodicals often cut through the mishmash of Public Relations talk to the guts of a business' operation, its financial affairs, and ownership and management profiles. They are indispensible for corporate intelligence, just as they are indispensible for business. Also consult the normal guides used by potential investors in the company, namely such sources as Standard and Poors, Moody's Manual on Utilities, Dun and Bradstreet, and the materials you can get from the utility expert in the local office of stock brokerage firms (listed in the Yellow Pages). The research department of brokerage firms may open their files to you and explain the significance of such things as price/earnings ratios and generally interpret the utility's financial position in light of other companies.

For information on the personalities and other affiliations of the directors and officers of your company, see **Who's Who in America, Standard & Poor's Directory of Corporations and Executives**, state biographies and other business Who's Who (again ask your librarian to locate these for you.) Talk with

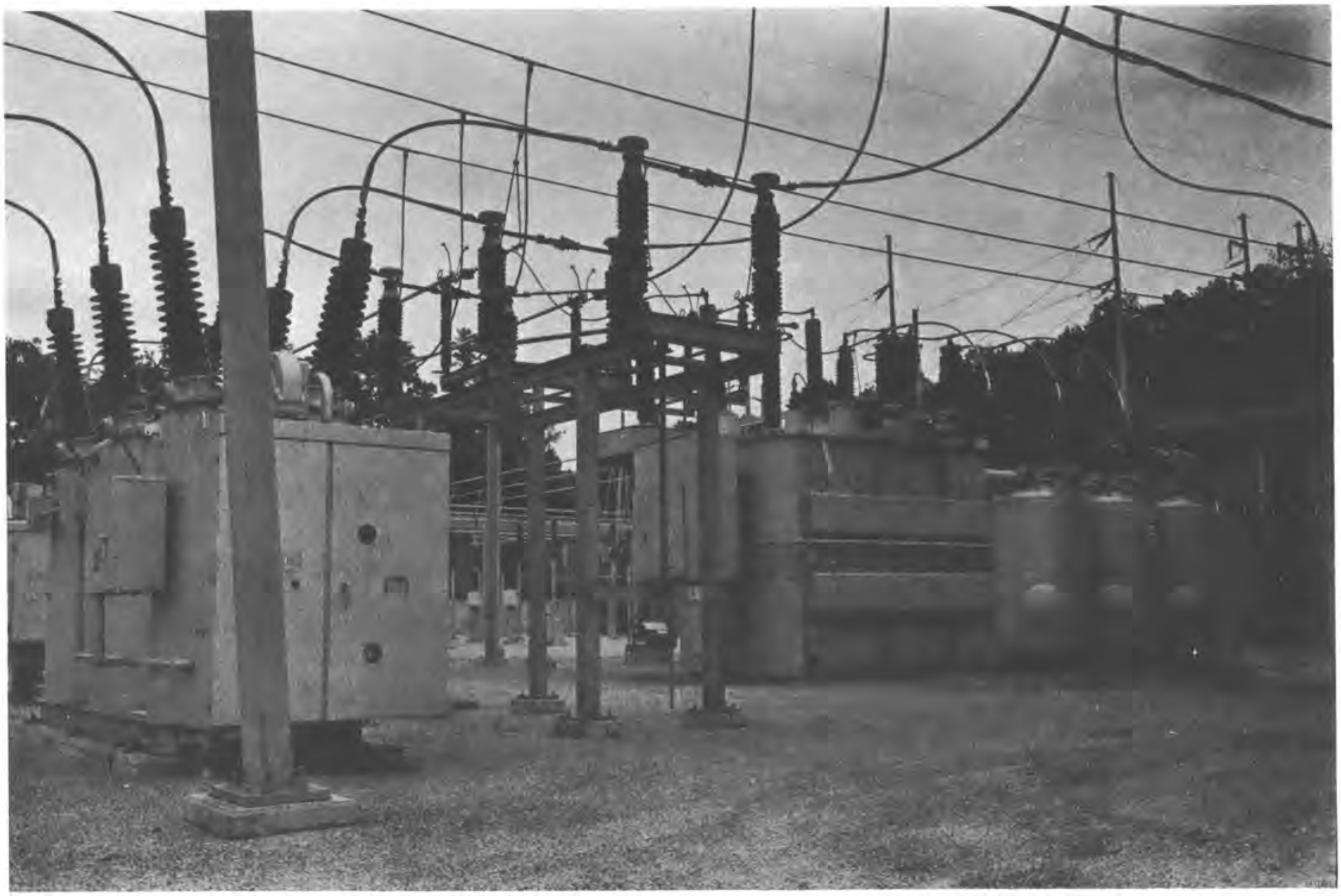


photo by Bill Fibben

the society page editor of your local newspaper about the significant "community leaders" among your company's directors. Write to the Corporate Information Center, Room 846, 475 Riverside Drive, New York, N.Y. for profiles of companies they have on file that your men (invariably the utility is run by white men) interlock with, i.e., sit on the board of directors of, or are officers of. Some interesting facts may emerge from this material, such as the utility bosses having connections with coal or other energy companies, big banks or insurance companies outside the state, war contractors, electrical appliance makers, or real estate firms (that may own property leased by the utility). Revelations of the company's control by large banks, outside profiteers, or financial groups are occasionally embarrassing to the company and appealing to their detractors. The C.I.C. can steer you to additional anti-corporate intelligence/action groups that would have information on your interlocking companies.

Another important source is your local newspapers' back issues stored in their "morgue." If access to these files is hard to obtain, ask the librarian, or occasionally, the state's industrial development agency, if they index and clip business news by corporation and individual. Press credentials from another city may help in gaining access to the resources of your "fellow" journalists. By all means, cultivate good relations with a local reporter. Contacts with people who routinely hear and discover new information is essential to any detective work. This applies to insiders in your company (including secretaries and line workers), labor leaders, legislators, lawyers, stockbrokers, and utility regulators and their staffs.

The Company

A major source of information is from the company itself. Write directly to them (Public Relations Office), saying you are a student doing a research paper on local industries, and ask for the following: (1) Annual reports for the last five years. (2) Proxy statements, otherwise known as "notice of annual meeting" for the last five years—these list the stockholdings, salaries and other compensation for top officers and directors of the company (compare with the average worker's wages). (3) Prospectuses for the last few issues of stocks or bonds by the company. These documents are prepared for prospective investors so they detail the company's bright prospects for future earnings while warning of liabilities so investors won't holler "Foul!" after they buy in—dangers like those posed by labor union actions, environmentalists, pending legal suits (which you should explore in the appropriate court house record room and with the opponents of the company named in the suit), or actions by regulatory agencies. (4) Company histories, official or unofficial. If a book hasn't yet been written, maybe they have a speech by one of the company executives that details the history. The Newcomen Society in North America (New York, N.Y.) publishes a whole series of such company histories; your library may have the set or you may have to write the Society. (5) Employee magazines or internal newsletters, say the last six issues. (6)Annual reports of the company foundation.

The Public Relations Office can also tell you whether the company maintains an archive of old business reports, newspaper stories, etc., and whether or not a student such as yourself can use these materials. If it's a carefully maintained archive, it could save you hours in the library.

You will have to pour over these materials—all the above—for hours before some discrepancies, weaknesses, or confusions begin to emerge about the company's operations. Don't expect their absurd practices to be easily detected, and don't be satisfied with those that leap at you immediately—although they may be good fuel for frying the company. One thing from one source may connect or contradict something from another source. For example, statements about progress in meeting pollution standards may not jive with low expenditures in this field, and it may turn out that all the company did was get the standards relaxed. This is also an example of how a company describes its actions by carefully wording its claims rather than lying. Of course, companies will frequently give a misleading or false reason for an action they take. They may say, as the Georgia Power Company does, that their construction program is being slowed down since they can't get the rate increases they want, when the truth is their own projections of future demand (constantly updated) show they couldn't sell the increased electricity from new plants anyway. Or a company may base their statement on assumptions that can be easily challenged, like saying they must expand to meet the "inevitable" growth in demand, or they can't find "qualified" blacks to fill executive positions, or it's "natural" for those that buy more electricity to pay a lower per unit price.

You want to probe deep inside the utility's operations and to understand its inner logic so you can grasp its real weaknesses. Remember the truth is on your side; you don't need to stretch the facts to establish a utility's irresponsibility and greed. Some areas that you will want to explore, because they reveal the abuses and contradictions of a privately-owned "public" utility, are mentioned below. They are among topics you will want to ask a company executive about.

Interviewing the Company Executive

Once you begin to feel at ease with the language and dynamics of utilities, you can seek an interview with one or more of the company executives. Don't wait too long before doing this however, or at least beginning this interview process. Luck plays an important part in such encounters, particularly with regard to what information a person will consciously or accidentally reveal. Ask the newspaper's business reporter which executive might be most informative (not simply talkative) for a student. Go around the Public Relations gabbers to the operating vice presidents, personnel officers, and branch managers.

Prepare your questions a day in advance of the interview, if not sooner, and think of what the answers might be so you can anticipate various follow-up questions. Once you start thinking concretely about interviewing Mr.X, more questions will come to your mind. In the interview, act interested, informed (but not cocky), anxious to learn more, and unthreatening—except for a few questions that may elicit surprising responses or simply be dismissed by the executive as naive (e.g., "but why do you want to own all that property?") and some that mildly challenge his statements (e.g., "but I thought most of your growth in electric demand came from industry"). The major point is to **listen carefully** and gently move with the interviewee through deeper layers of questioning.

Finances, Property and Taxes

Two more documents that you can ask for, but will likely not receive from the company are: the 10-K report the company must file each year with the Securities and Exchange Commission if it, or its holding company, is a publicly traded firm. This report gives all types of financial information on the company, subsidiaries, property ownership, liabilities, etc. Even better for researching utilities is the voluminous Form 1 filed annually by each utility with the Federal Power Commission. It is a massive storehouse of information that is indispensible for dissecting your company. You'll have to go to Washington or these agencies' regional headquarters, like Atlanta for the southeast, to obtain this document, or go to the state's Public Utility or Public Service Commission for the Form 1.) You will want to continually return to the

Form 1, or the Annual Report to the FPC as it is also called, for data on finances (e.g., which banks does the company have large loans with), generating plants, large customers, contributions to charities, law firms and consultants working for the company (match these with your state legislators' businesses, as this is a classic way to buy votes), construction costs, subsidiaries' operations, and property holdings. Be sure to ask the company exec about its holding of coal lands or long-term leases with coal operators. Your company's consumption of coal probably has a tremendous impact on the destiny and welfare of several Appalachian counties. Write Highlander Center, Box 245A, RFD 3, New Market, Tennessee, to see if they know of folks working locally in those counties against your company or its coal operators.

Taxes are also itemized in the Form 1 report. Compare the value declared by the company for its property with that used by the State Revenue Department or County Assessors Office. The Georgia Power Company uses one figure for the Public Service Commission and another for the State Revenue folks and consequently saves $5 million annually in property taxes. A similar computation can be made of the effective tax rate the company pays on its income (see page 223 of Form 1). The tax rate should be 48% of income over $35,000, but due to numerous loopholes and deferred taxes that are rarely paid, the effective rate is far below this. For information on how to research income, property and other tax abuses, write Tax Reform Research Group, 733 15th St., N.W., Washington, D.C. 20005.

There are many things a company does which cannot be explained unless you understand the various legal, tax and regulation requirements of your state as well as the nation. For example, saving taxes is a prime reason big companies now lease their fleets of vehicles and office buildings rather than owning them. Special provisions or laws are frequently provided utilities by the state legislature. For example, the Southern Company saves $600,000 annually in state taxes on subsidiary companies owned outside Georgia because of a provision in the Georgia Code exempting certain holding companies from certain taxes. Because of their contacts with state legislators, union leaders may help identify allies who could explain such special privileges, discuss the company's lobbying efforts (usually intense for the "regulated" utility industry), and name those who are "bought" by the power company.

Examine the price of a kilowatt hour (kwh) of electricity for the three general classes of consumers: residential, commercial and industrial. If Metcalf's does not have this data for your company, or if it's too dated, simply look in the company's annual report to stockholders and divide the electric revenue of a class by the kwh consumption of that class to get the per kwh price. Invariably, the highest price is paid by commercial buildings, then the residential consumer, then industry. Also, you can determine from the annual report the relative percentages of the company's total electric sales in dollars and the kwh's attributable to each class, which will reveal another type of discrimination against the resident. For example, Georgia Power sells 24% of its electricity to household consumers but gets 32% of its revenue from their pockets, while it sells industry more kwh's but collects fewer of their dollars.

A rate schedule for how the company figures the charges to its various customers is on file with the state's Public Service Commission. You should make an appointment with one of the staff people with the PSC and ask them to go over the schedule with you, explaining the rationale behind different rates for different customers. In addition to the discrimination **between** classes of customers (residents effectively subsidizing industry's use of electricity), you will want to ask the PSC staff person about discrimination **within** classes, particularly why low users pay higher per kwh rates than big residential users. In a time when even the utilities are hollering about the "energy crisis," there is little rationale for continuing to encourage folks to use electricity by charging them lower rates if they use more. See the December, 1972, issue of **Public Utilities Fortnightly** on revenue erosion for more on this absurd practice of utilities. If the utility claims it's cheaper to supply big users since fixed costs (like meters, billing, transmission lines) can be spread over a larger number of kwh's, then ask to see those cost studies—and ask whether they include the cost of new multi-million dollar plants required to serve the increasing demand from large users. Write to John Musial, City Planning Commission, 801 City-County Building, Detroit, Michigan, for his study showing how Detroit Edison discriminates against low income people, and then get the appropriate data to perform the same study for your utility.

A second study by Musial's group discusses who causes the need for new generating plants, and thus who should pay the rate increases asked for in the name of meeting increased demand. This is a critical piece of research: to show whose use of electricity is growing fastest from year to year (usually industry and the air conditioner set) in order to argue effectively that the rich should pay any rate increases. The PSC staff person can help get the information for these calculations. See also the journal **Science**, December 15, 1972, pages 1186-88 for a discussion on what effect various policies implemented by the utility or the state could have on demand. Ask for the company's projections of growth in electric usage and load demand (get the PSC person to explain the difference), how they arrive at these figures, what the PSC or utility are doing to lessen the growth, etc.

A patient person in the PSC is worth a thousand hours, so tread lightly and make a friend. Many of the accounting procedures required by such bodies are rather unique, and need careful explanation to the layman. Once you fully comprehend the rationale of the regulators (as with the company), you'll be in a better position to know how to attack it or alter it for your own ends—you'll know the assumptions that need to be changed to bring about different results. The staff person will also know intimate details of property ownership transactions, tax write-offs, depreciation gimmicks, promotion and sales activities, the financial structure of the company and how it compares as a profit maker with other I.O.U.'s.

Pollution and Promotion

These days, US corporations and particularly electric utilities are vulnerable as polluters. Several studies have documented the environmental impact of utilities and the relation of their promotional practices, including advertising and discount sales, on pollution levels. Write to the Council on Economic Priorities, 456 Greenwich Avenue, New York, N.Y., for a copy of their study on utility polluters entitled

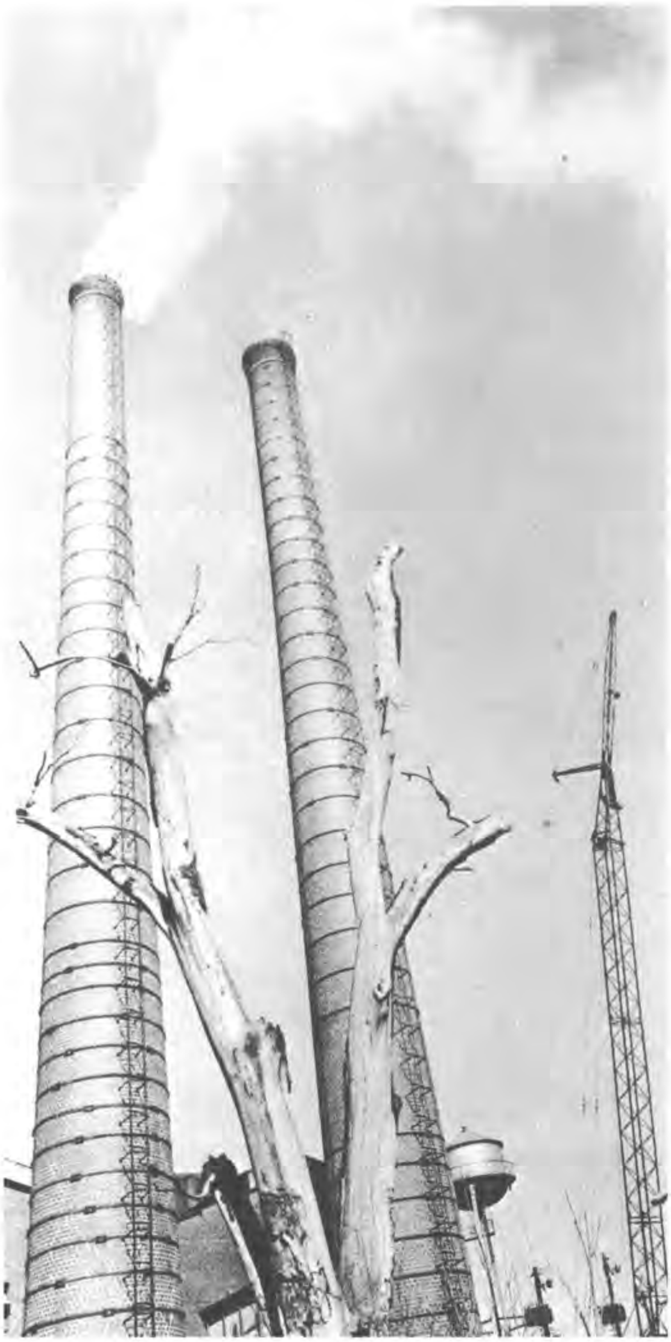


photo by Tom Coffin

The Price of Power, and tell them which company you're interested in. Much of the data in the study was taken from another report utilities are required to submit to the Federal Power Commission: Form 67. It includes loads of information on advertising and promotional expenses (sometimes obscured by being included in different accounts), research and development programs, the fuels consumed and pollutants emitted by each of the company's generating facilities.

For more background studies on pollution and promotion, write Eric Hirst, Oak Ridge National Laboratory, Oak Ridge, Tennessee, for his "Electric Utility Advertising and the Environment"; the Federal Power Commission, Washington, D.C., for their study "Promotional Practices of Public Utilities: A Survey of Recent Actions by State Regulatory Commissions"; and the National Law Center, George Washington University, Washington, D.C., for D.H. Permar's "A Legal Solution to the Electric Power Crisis: Controlling Demand Through Regulation of Advertising, Promotion and Rate Structure."

Environmental Protection Agencies, Atomic Energy Commissions, Natural Resources Departments, or Air and Water Quality Control Boards exist on the federal, state and sometimes city levels. Each should allow you—with an aggressive approach on your part—to examine the files on your company, their statement of compliance or program of getting there, and specific investigations undertaken by the agency. Be sure to get the information describing the standards the agency is supposed to enforce; in many cases, utilities are in violation of existing standards, but have obtained special permission (sometimes illegally) for a "program" of compliance.

Local environmental organizations may be helpful in identifying the most helpful people in these governmental agencies. Ecology groups should also be interviewed for information on various aspects of the utility's earth degrading program: e.g., land development projects surrounding hydroelectric units, nuclear waste, use of strip-mined coal, thermal and air pollution. Some utilities have taken actions to co-opt the ecology movement by making donations of land, sponsoring clean-up programs and the like. In Atlanta, the president of one environmentalist group is married to a Georgia Power executive vice-president, so the group has not been heard to criticize the firm. Sportsman and wildlife organizations may also be helpful in identifying streams or timberlands messed over by the company. And neighborhoods with large generating plants in them may be a source of valuable information on pollution, mis-management, worker grievances, health problems tied to the plant's pollution, etc. All these groups can be allies—you just have to take the initiative to find them.

Labor and Racism

Nothing scares a company more than such simple questions as "What percentage of your executives are black?" or "How do the wages of a line man compare with the salary of a management trainee?" Information about the utility's relation to minorities and workers are among the best kept secrets of a company, partly because workers and blacks have organized themselves so well: they have used such information to win certain concessions.

Check the phone book for the International Brotherhood of Electrical Workers (IBEW) local, the Building and Trades Council and the AFL-CIO state or city councils. They should represent the workers employed by the utility and the construction companies building the utility's new plants. It's best to scout around to find who sympathetic union leaders may be, rather than approaching them cold. You need to make it clear that you are not threatening the union (if you want to get their help), but this may be difficult. Some labor bureaucrats don't want to publicly attack the rate increases of a "hand that feeds them." Ask them about wages and fringe benefits, how they compare with other workers', about attempts to organize the utility, grievances, health and safety record, contract negotiation problems and issues, and sex and race discrimination. Find out which parts of the company are unionized, which construction jobs use union labor, how such sites are determined, other unions that have jurisdiction over utility related workers, how important the utility's construction program is for the union (Georgia Power's construction budget is bigger than all other industrial expansion in the state combined!), what special deals go on between the construction contractors and the utility, etc. It's also helpful and interesting to stop and chat with rank-and-file workers you see on the street fixing utility lines. A friend in this position may also provide such information as how company crews are used to clean up the yards of executives or how facilities are used for personal gain by higher-ups. You should also try to make contact with secretaries and clerical workers in the offices to discover new angles on the company's operations. If you have a friend who is looking for a job, have them apply at the utility: the more eyes and ears you have, the better.

Established black groups like the NAACP, SCLC, or the Urban League in your region may have had a run-in with the utility, so ask them for information on working conditions and hiring/promotion practices for blacks in the company. Ask for statistics, if they have them, or ask who might supply them. They may refer you to attorneys who have handled race and sex discrimination suits against the company. The National Organization of Women (NOW) chapter may be of help here also. If a suit has made it to the courts, check the appropriate court records for statistical information that breaks down the utility's employment by job category, race and sex. Ideally, you need the EEO-1 report which gives this breakdown and which must be filed by the company with the Equal Opportunity Commission. The EEOC is prohibited by law from giving such reports out. The groups above may know a friend in the EEOC who would be helpful, or they may know or have a member who works for the company, and who would be willing to supply this information. EEO-1 information is also submitted to the Office of Federal Contract Compliance (OFCC), of which there will be a branch or regional office nearby. Under a recent court decision, this information is available from them under the Freedom of Information Act.

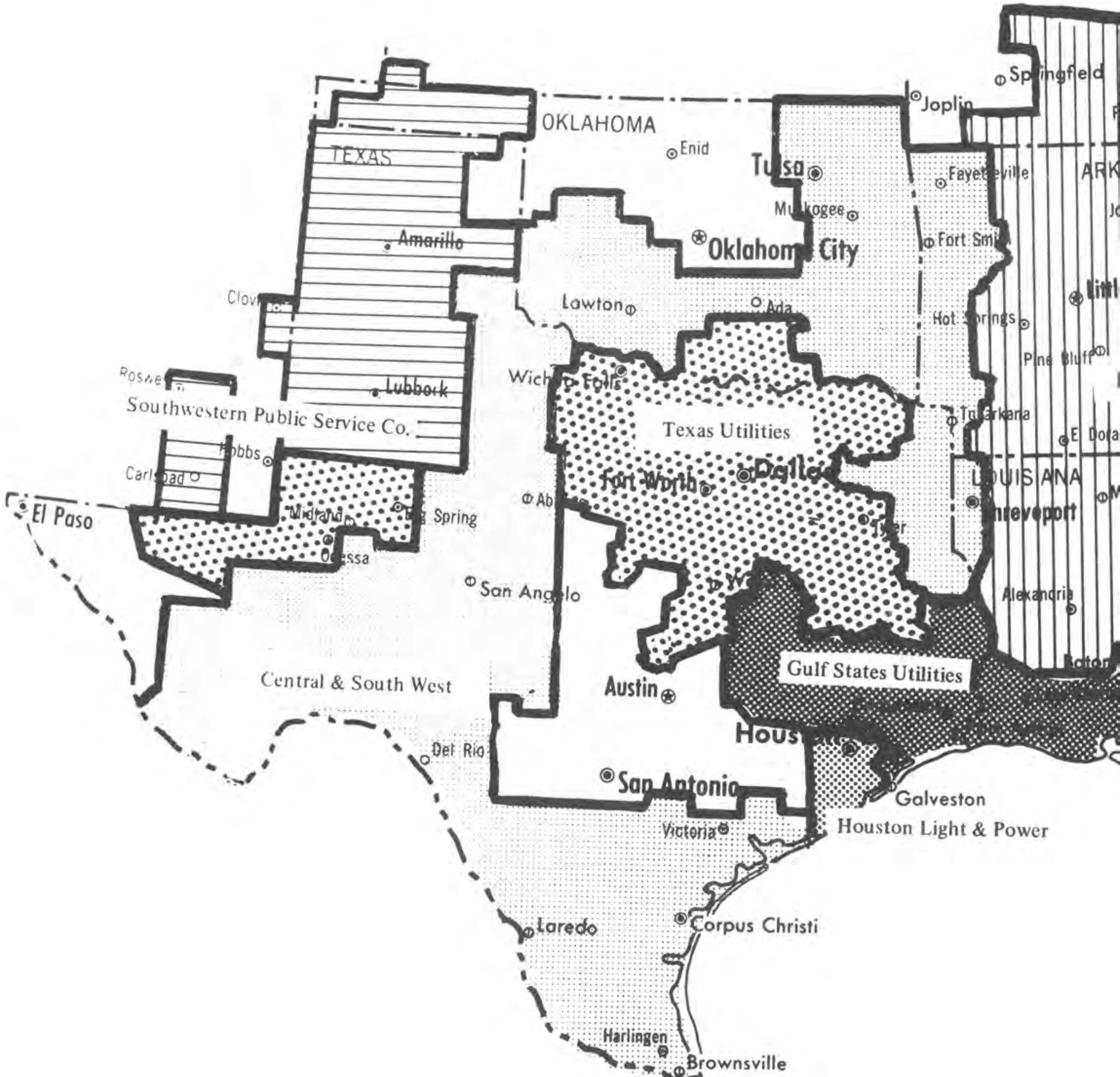
One important thing to check in the utility's foundation report is the comparative funding of black and white educational institutions, civic organizations, and community projects. If a report is not available from the company, ask your city library whether it is a depository for 990 forms of foundation tax reports. If not, write for the forms for the desired year to The Foundation Center, 888 Seventh Avenue, New York, N.Y. Also examine the contributions listed in the Form 1 (see pages 304 ff. and 427 ff. of the report). And check to see if black organizations or firms get a share of the company's business or gifts.

Service Abuses

You should carefully document abuses to customers, particularly those affecting low-income people. These would include arbitrary cut-offs of electricity, failure to read meter, overcharging or charging for switch-on when it was the company's mistake, erratic service, failure to return deposit or demanding too high a deposit. Careful interviewing is required to get all the facts of the aggrieved party straight. Don't promise to fix the problem when you can't deliver. If you are working for an organization that has publicized its phone number, then devise a form that the telephone answerer can use as he or she takes down the information from the complainer. A stack of such complaints is good ammunition against a company's proposed rate increase: demand that a public hearing on the company's service record precede the rate increase hearing. No utility deserves a nickel more of the public's money if it isn't providing adequate service.

You should also attempt to find out the race, sex and income background of the meter readers and sales personnel, including the "home economic" advisors (the people in the company who help residents design their kitchens—all-electric ones, that is). Also compare the expenditures by the company and service provided to apartment complex builders, commercial customers and industry in contrast to the little user.

Southern Power C



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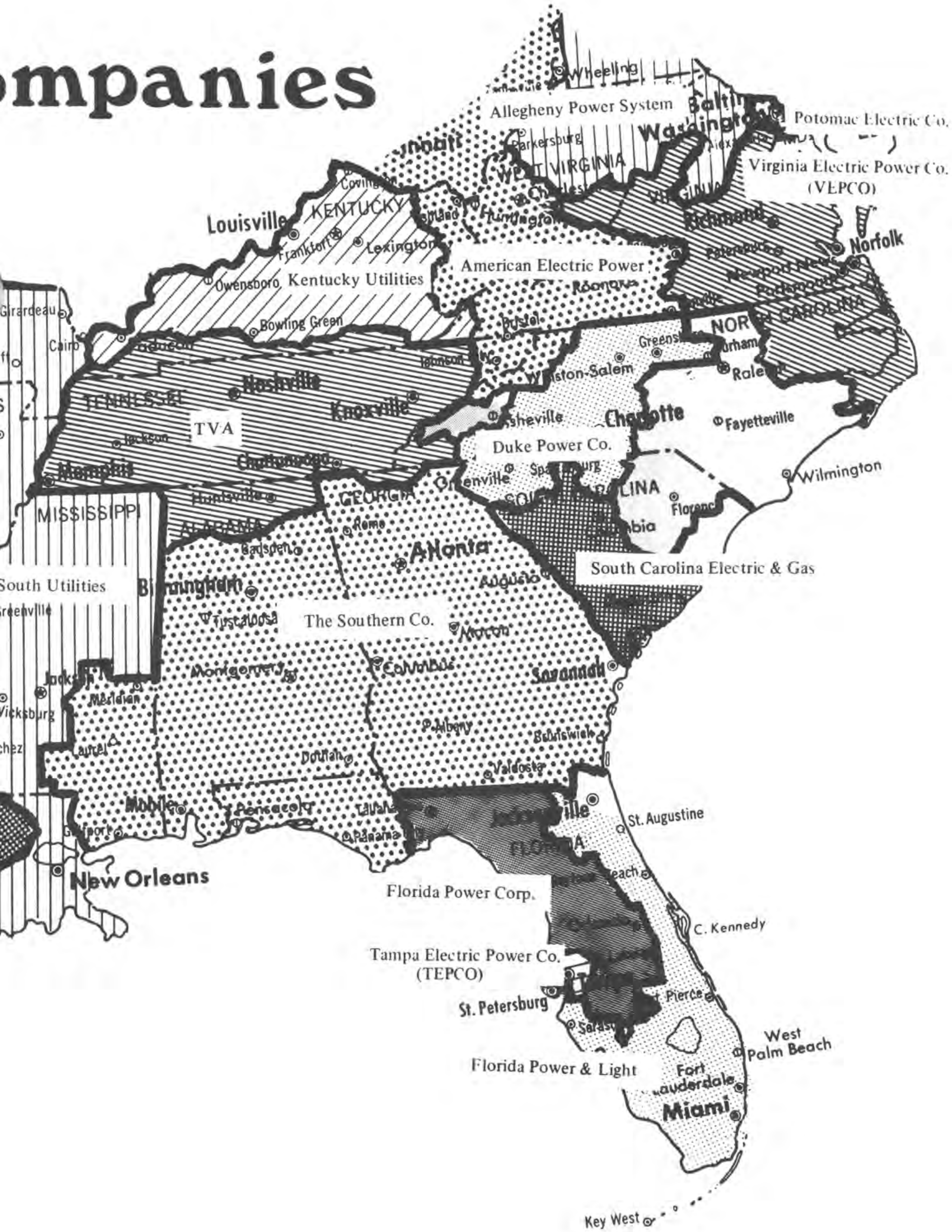

Allegheny Power System
Potomac Electric Co.
Virginia Electric Power Co.
(VEPCO)
American Electric Power
Kentucky Utilities
TVA
Duke Power Co.
South Carolina Electric & Gas
South Utilities
The Southern Co.
Florida Power Corp.
Tampa Electric Power Co.
(TEPCO)
Florida Power & Light
Wheeling
Parkersburg
WEST VIRGINIA
Washington
Richmond
Norfolk
Petersburg
Newport News
Portsmouth
NORTH CAROLINA
KENTUCKY
Louisville
Covington
Frankfort
Lexington
Owensboro
Bowling Green
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Savannah
Jackson
Meridian
Vicksburg
Laurel
Albany
Brunswick
Dothan
Valdosta
Mobile
Pensacola
Gulfport
Panama City
Jacksonville
St. Augustine
FLORIDA
New Orleans
C. Kennedy
St. Petersburg
Fort Pierce
West
Palm Beach
Fort
Lauderdale
Miami
Key West

key to charts

Board of Directors: Each line indicates that the appropriate director of the utility is also a director of the designated financial institution or other business (interlocking directors). The titles above the lines indicate that the person is also an officer of the other firm; if the title is followed by an asterisk (*), then the person may not be a director of the firm. The city following the person's name is his (there is one woman on the list, and to our knowledge, only one black male; both are on the board of Virginia Electric Power Co.) principal residence or business address. If the person is an officer of the company or one of its subsidiaries (subs.), this is noted below his name. Except where obvious, the nature of the businesses are given. See abbreviations below. SOURCES: 1972 Annual Reports and Proxy Statements for each utility; **Standard & Poor's Directory of Corporations and Executives; Dun & Bradstreet's Million Dollar Directory, Middle-Market Directory; Moody's Manuals of Public Utilities, Finance, Transportation and Industrials;Who's Who in America, in the South and Southwest, in Business & Finance.**

Stockholders: This list gives the top ten stockholders for each of the operating utilities. This information comes from the Form 1 reports (page 106) filed by each operating utility with the Federal Power Commission in Washington. Since holding companies, like AEP and Texas Utilities, do not have to file these reports, stockholder information is unavailable. The list for the Southern Company came from the exhibit filed by their subsidiary, the Georgia Power Company, in a rate hearing. In many cases, the stockholders are listed by "nominee" or "street" names, which are merely the account names used by an organization (usually a bank) for its own bookkeeping. Thus, one bank may appear on the top ten list two or three times through its nominee names. Such multiple holdings have been totalled for one entry, but each nominee name is also provided. But there may be other nominees of the same bank further down the list, so our totals for each institution do not necessarily represent their total holdings.

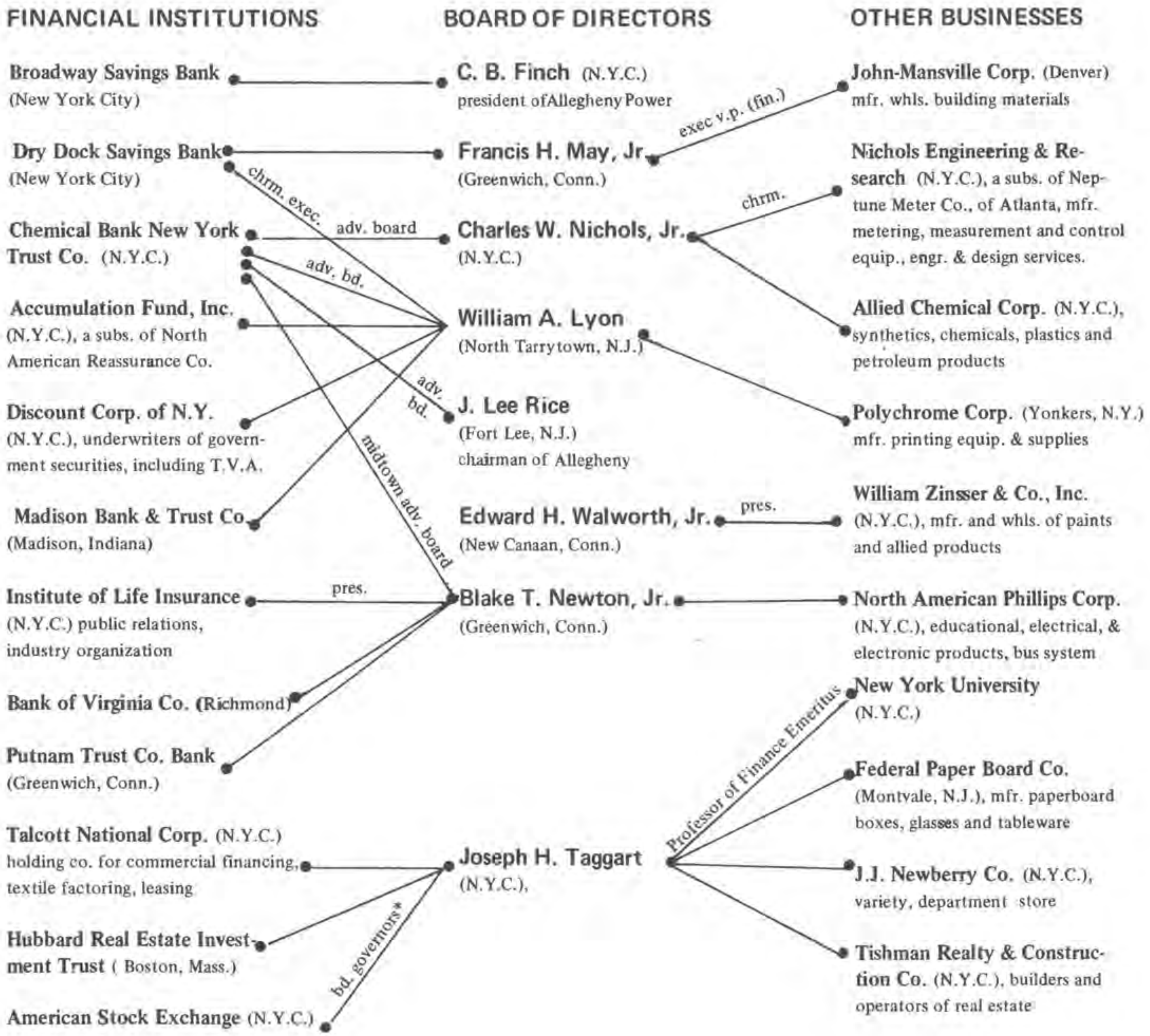
Each share entitles the holder to one vote in running the company. The percentage of votes controlled by the top ten stockholders is given at the end of the list. It usually ranges from 16 to 20%. If the top thirty stockholders were analyzed, they would consist of almost the identical group of banks and financial institutions. Their share of control would increase to roughly 25-30% of the votes. Needless to say, such a block of votes by large financial institutions weighs heavily on the minds of the operating officers of the utility as they make their decisions. One of the startling things included in several "expense items" in the next chart are large payments by the utilities to their stockholders for various services.

Statistical Chart: The material for these tables came from the Form 1 reports filed with the FPC and the individual companies' annual reports to their stockholders and The Value Line Investment Survey, pages 700-84, May 11, 1973. All figures are for 1972, except the Typical Light Bills. This information is for 1971 and comes from "Typical Electric Bills, 1971," prepared by the FPC. SERVICE AREA: in several cases, a utility serves more than one state, and the percentage of revenues derived from sales in each state is included in parentheses. EMPLOYEES: includes salaried and wage earning personnel. REVENUES: a gross (rather than net) figure of the companies' sales, with an indication of how much of this is from selling electricity (if not 100%). ASSETS: includes cash, accounts receivable, investments in subsidiaries, etc., in addition to the value of the utility's plants and equipment. NET INCOME: the consolidated figure of the company's profits before payments of any dividends to its stockholders. % OF INCOME TAX: the figure for the actual federal income tax paid expressed as a percent of net income; the base rate after the first $10,000 is 48% of net taxable income, but special provisions pull this figure down for most companies. PRICE PER KWH: the average price paid by residential and industrial customers for each kwh they use (or the total number of sales dollars from each class divided by the number of kwh consumed); it costs the same to produce a kwh no matter who uses it, but the gap in price is rationalized by the company as a standard promotional practice (the more you buy, the cheaper each unit gets) despite the energy crisis. TYPICAL LIGHT BILLS: the typical light bill for a residential consumer of 750 kwh in the designated city. EXPENSE ITEMS: includes the firm or person paid, their city, the purpose of payment and amount of payment in 1972, although not all this information is given for each item; these items are not meant to be exhaustive or even representative of the company's pattern of spending, although they are suggestive; for a fuller list, consult pages 104, 303, 353, 354 and 427 of the Form 1 for your utility.

Abbreviations:

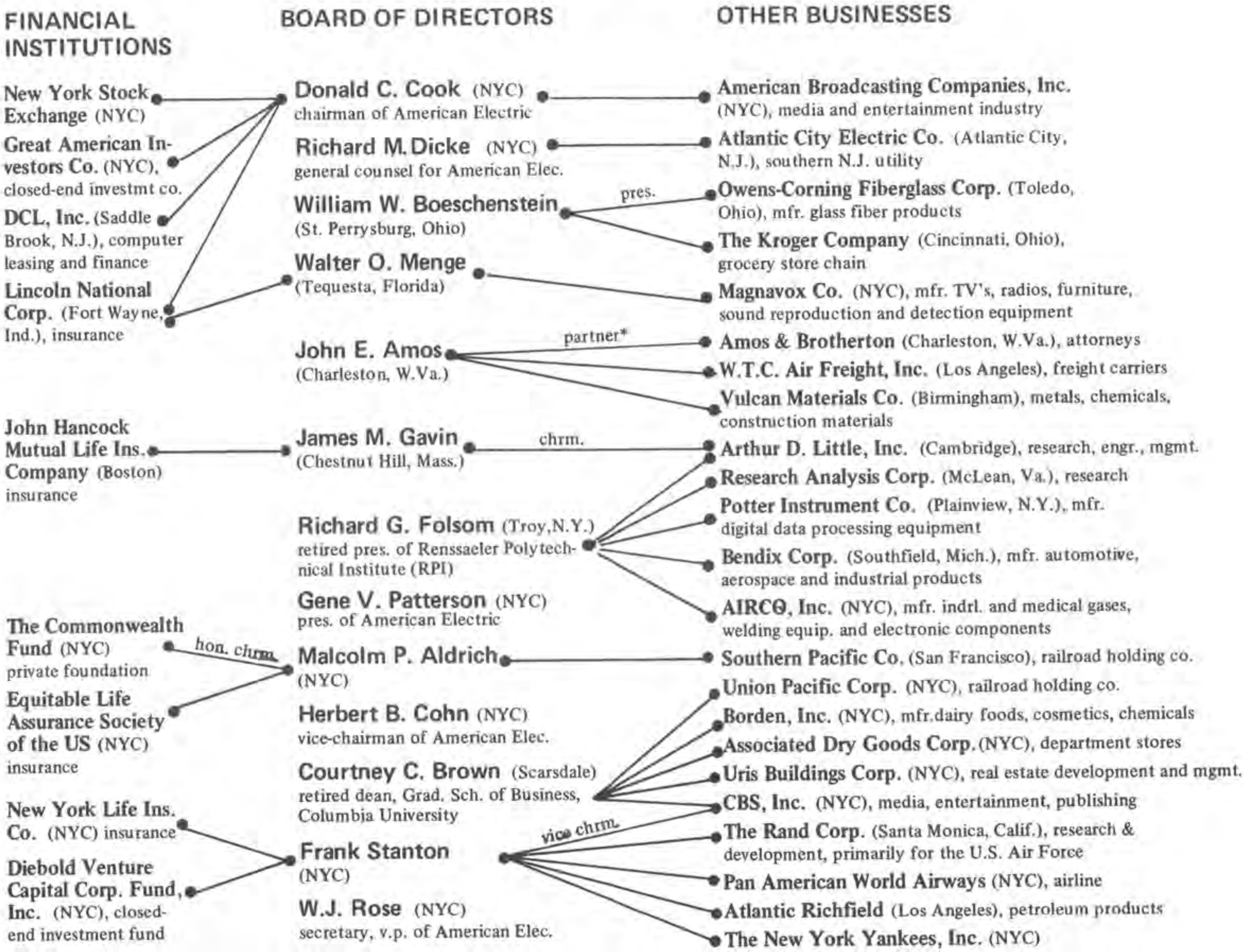
adv. = advisory
assn. = association
assoc. = associate
bd. = board
C.P.A. = Certified Public Accountant
chrm. = chairman
comm. = committee
cons. = construction
dept. = department
devel. = development
dir. = director
distr. = distributor
engr. = engineering
equip. = equipment
exec. = executive
fin. = finance
gen. = general
indrl. = industrial
ins. = insurance
inst. = institute
intl. = international
invstmt. = investment
mfr. = manufacturer
mgmt. = management
mgr. = manager
pres. = president
prod. = production
ret. = retail
subs. = subsidiary
trans. = transmission
v.p. = vice president
whsl. = wholesale

ALLEGHENY POWER



Service Area: parts of five states: Penn. (49% of revenues), Ohio and W. Va. (27%), Maryland and Virginia (24%)
Employment: 6,250
Revenues: $346,800,000 **Assets:** $1,523,916,000
Net Income: $58,333,000 **% Income Tax:** 16%
Price Per Kwh: for residents: 2.25 ¢ **for industry:** 1.00 ¢
Typical Light Bills: Morgantown, W.Va., $13.65, Parkersburg, W.Va., $13.59; Winchester, Va., $15.03
Expense Items: Monongahela Power Co.: salary for gen. mgr. (L.S. Singley), $46,000. Sullivan & Cromwell (NYC), attorneys, $29,000. Consolidated Coal Co. (NYC), research, $73,000. Sargent & Lundy, Inc.(Chicago), engr., const. & mgmt. services, $896,000. Manufactures Hanover Trust (NYC), transfer agent, $11,300. West Virginia Strawberry Festival, $400. Mountain State Forest Festival, $790. Hearst Metrotone News, $4,000. **The Potomac Edison Co. of Virginia:** Kuykendall, Hall & Whiting (Winchester, Va.), attorneys, $35,144. L. Robert Kimball (Edensburg, Pa.), engr., $16,600. Boy & Girl Scouts, $170. United Givers of Winchester, $1,200

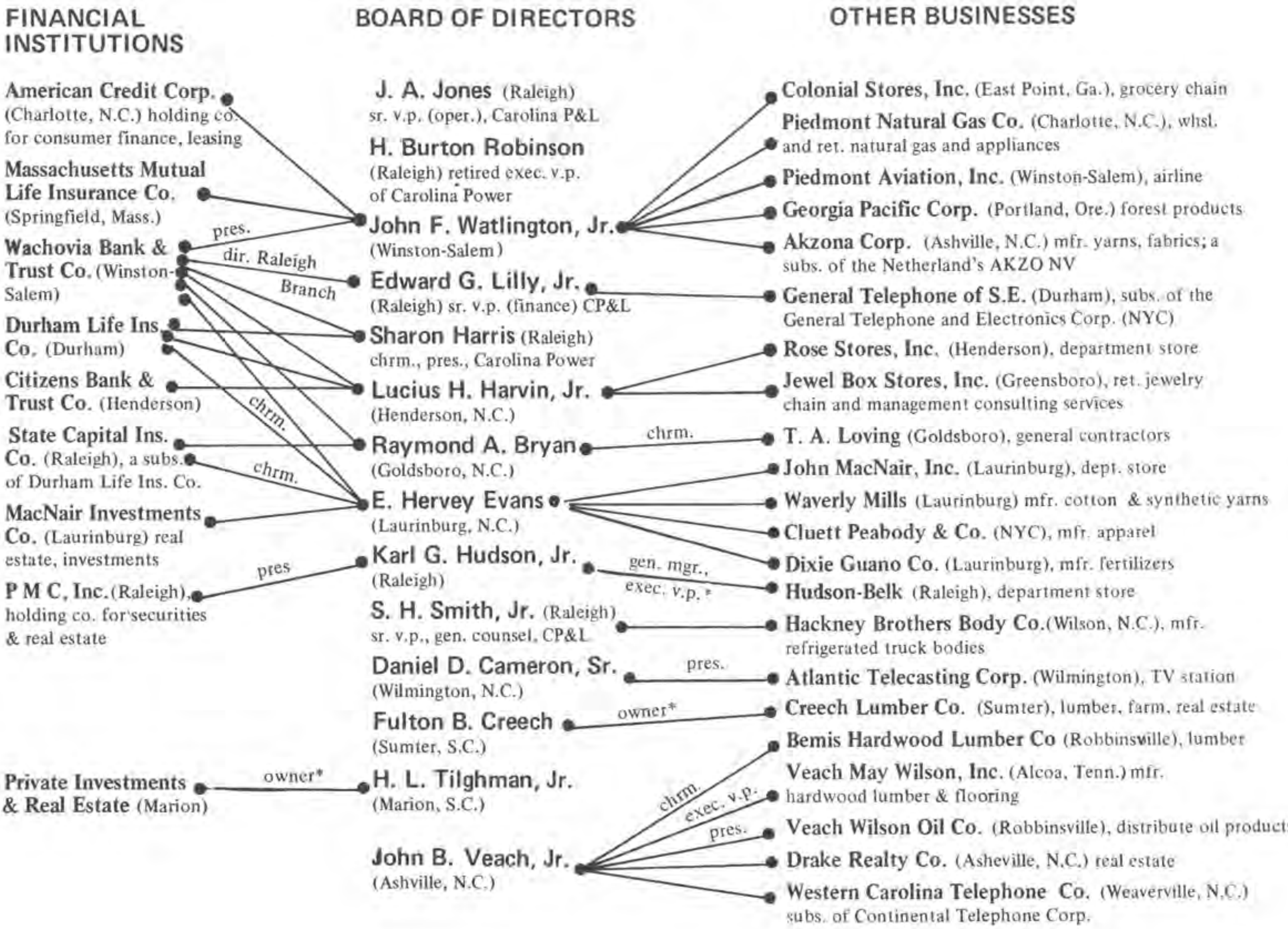
AMERICAN ELECTRIC POWER



Service Area: parts of seven states: Virginia (15% of revenues), W. Va. (17%), Kentucky (5%), Tenn. (1%), Ohio (37%), Michigan (4%), Indiana (21%)
Employment:
Revenues: $860,642,000 **Assets:** $4,434,439,000
Net Income: $176,600,000 **% Income Tax:** 0%
Price Per Kwh: for residents: 1.93 ¢ **for industry:** 0.94 ¢
Typical Light Bills: Hazard, Ky., $13.86; Roanoke, Va. $13.26; Charleston, W.Va., $13.26; Kingsport, Tn. $11.25
Expense Items: Appalachian Power Co.: Simpson, Thacher & Bartlett, attorneys, $132,350. James, Wise, Robinson, Magnuson, attorneys, $110,350. Woods, Rogers, Muse, Walker & Thornton, attorneys, $133,100. Rate increase hearings, $138,000. Directors fees, $6,100. Va. Polytechnical Institute, $10,750. United Negro College Fund, $1,000. Roanoke Country Club, $3,150. Hunting Hills Country Club, $4,150.
Kentucky Power Co.: salary for exec. v.p. (W.S. LaFou), $38,004. Directors fees, $5,075. Reddy Kilowatt, $828. Pikeville College Science Bldg. Fund, $10,000. New York University, $2,360. Greater Ashland Foundation, $5,000. Club membership dues, $2,000. Rate hearings, FPC, $15,000.
Kingsport Power Co.: salary for exec. v.p. (C.J. Bryan), $30,000. Club dues and memberships, $2,600.
Wheeling Electric: James, Wise, Robinson & Magnuson, attorneys, $7,250. Club memberships, $3300. Rate increase request before W.Va. PSC, $13,100. New York University, $1,100. Ohio Valley Industrial & Business Development Corp., $5,000.
Comments: Electric utility subsidiaries of this holding co. include four serving southern states. These bring the company 38% of its revenues. They are Appalachia Power, serving West Virginia and Virginia; Kentucky Power Co., serving part of Kentucky; Kingsport Power Co., serving the Kingsport, Tn. area; Wheelin g Electric serving the Wheeling, W. Va. area. Other subsidiaries of American Electric Power (AEP), include several coal companies: Central Appalachian Coal Co., Central Coal Co., and Southern Appalachian Coal Co.

AEP
AMERICAN ELECTRIC POWER

CAROLINA POWER & LIGHT



Service Area: portions of North Carolina (83% of revenues) and S.C.
Employment: 3510
Revenues: $307,136,000 **Assets:** $1,418,804,000
Net Income: $60,500,000 **% Income Tax:** 15%
Price Per Kwh: for residents: 1.98 ¢ **for industry:** 1.06 ¢
Typical Light Bills: Asheville & Wilmington, N.C., $12.48; Sumter, S.C., $13.69
Expense Items: salary of pres./chrm. (S. Harris), $102,083. Wachovia Bank & Trust Co. (Winston-Salem, interlocks and major stockholder), transfer agent, $120,000. Retail and Wholesale rate increase requests, $198,000. Reid & Priest (NYC), attorneys, $180,000. McKinney & Silver (Raleigh), advertising, $385,000. Brown & Root (Texas), engr., $4,375,000. Daniel Const. Co. of S.C., $260,000. United Fund, $24,700. Visit of U.S. Congressional Delegation to company's Brunswick Nuclear Plant, $4,500.

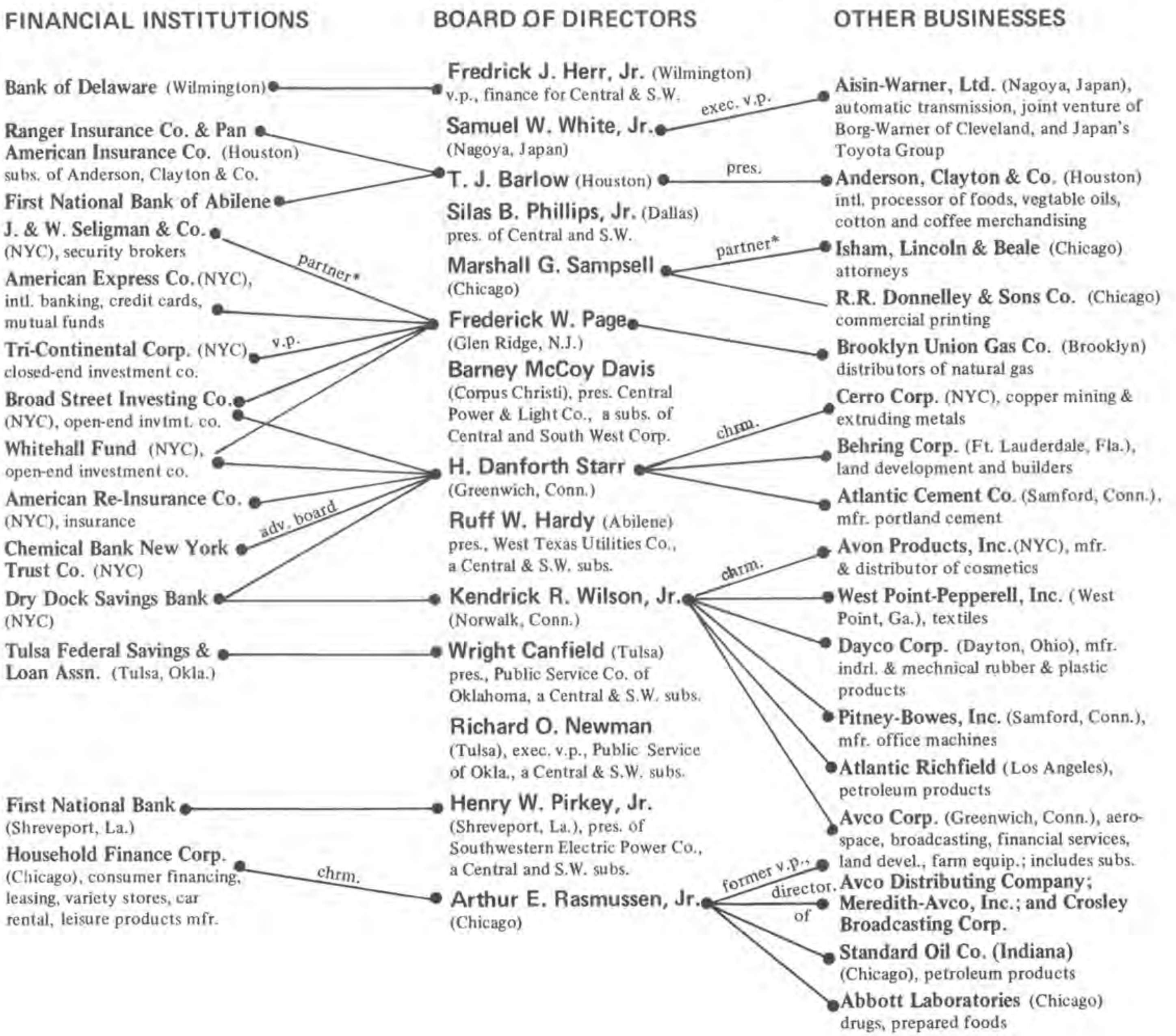
Top Ten Stockholders:

First National City Bank, NYC Stuart & Co. Thomas & Co. King & Co.	1,254,654
Merrill Lynch, Pierce, Fenner & Smith, NYC	770,995
Mfr. Hanover Trust, NYC (Sigler & Co.)	638,475
Wachovia Bank & Trust, Winston-Salem (Wake & Co.)	332,986
Girard Trust Bank, Philadelphia (Steere & Co.)	276,512
Fiduciary Trust Co., NYC (Dengel & Co.)	227,815
Chase Manhatten Bank, NYC (Kane & Co.)	221,978
First Jersey Natl. Bank, Jersey City (Firjer & Co.)	185,000

total number of outstanding shares: 19,345,756
% held by the top ten stockholders: 20%

CP&L
Carolina Power & Light Company
P. O. Box 1551, Raleigh, N. C. 27602

CENTRAL & SOUTH WEST CORP.



Service Area: holding co. with subs. serving Texas (54% of revenues), Oklahoma (31%), Louisiana (9%), Ark. (6%).
Employment: 6,000
Revenues: $438,444,000 **Assets:** $1,407,027,000
Net Income: $75,200,000 **% Income Tax:** 59%
Price Per Kwh: **for residents:** 2.35 ¢ **for industry:** 1.00 ¢
Typical Light Bills: Fayetteville, Ark., $13.64; Tulsa, Okla., $12.76; Shreveport, La., $13.20; Corpus Christi, Tx., $14.20.
Expense Items (for select subs.): Central Power & Light Co.: salary for pres. (B. M. Davis), $54,600. Sargent & Lundy (Chicago), engr., $1,483,000. Adcraft Advertising Agency (Corpus Christi), $285,700. Central & South West Foundation, $50,000. The Conference Board (NYC), $1,000.
Southwestern Electric Power Co.: salary for pres. (H. Pirkey), $39,600. Isham, Lincoln & Beale (Chicago, interlock), attorneys, $30,500. Sargent & Lundy (Chicago), engr., $647,700. N.W. Ayer & Son (Philadelphia), advertising, $28,000 Glen Mason & Associates (Shreveport), advertising, $202,600. Wilkinson, Woods, Carmody & Peatross (Shreveport), attorneys, $71,400. Continental Illinois Natl. Bank (Chicago), $35,700. Fountain for Bossier Parish Police Jury, $2,600. American Rose Foundation $5000. Longview, Texas, Chamber of Commerce, $1,000.
West Texas Utilities Co.: salary for pres. (R.W. Hardy), $60,320. Isham, Lincoln & Beale (Chicago, interlock), attorneys, $19,300. Wagstaff, Harrell, Alvis, Erwin & Stubberman (Abilene), attorneys, $30,600. Civic & Country Club dues, $25,000. Directors fees, $10,800.

DUKE POWER

FINANCIAL INSTITUTIONS

Morgan Guaranty Trust Co. (NYC)

Discount Corp. of N.Y. (NYC), underwriters of government securities, including T.V.A. & the World Bank

The Duke Endowment (NYC), trust established by James B. Duke, as is also **The Doris Duke Trust** (NYC); together the trusts hold 42% of the stock of Duke Power Co.

Bankers Trust of S.C. (Columbia, S.C.)

Federal Reserve Bank of Richmond, Charlotte Branch (Charlotte)

Jefferson Pilot Corp. (Greensboro), holding co. for insurance, broadcasting, real estate, mutual funds

Wachovia Realty Investments (Winston-Salem), real estate investment trust

Holderness & Co. (Greensboro) closed-end investment co.

Southwestern Life Ins. Co. (Dallas), insurance

First National Bank of Dallas

First National Bank of Nashville

Wachovia Bank & Trust Co. (Winston-Salem)

BOARD OF DIRECTORS

Carl Horn, Jr. (Charlotte), pres., the Duke Power Co.

B. B. Parker (Charlotte), exec. v.p., gen. mgr. Duke Power

T. L. Perkins (Rye, N.Y.) chrm., the Duke Power Co.

chrm. exec. sec.

Richard B. Henney (Merrick, N.Y.)

William B. McGuire (Denver, Colo.)

vice chrm.

Marshall I. Pickens (Charlotte, N.C.)

D. W. Booth (Charlotte), sr. v.p. (ret. oper.), Duke Power

Robert C. Edwards (Clemson, S.C.)

W. S. Lee (Charlotte), sr. v.p. (eng. & cons.) Duke Power

A.C. Thies (Charlotte), sr. v.p. (prod. & trans.) Duke Power

Howard Holderness (Greensboro, N.C.)

R. E. Frazer (Charlotte), v.p. (finance) Duke Power

J. D. Hicks (Charlotte), v.p. (corp. affairs) Duke Power

J. P. Lucas, Jr. (Charlotte), v.p. (public affairs) Duke Power

Herman W. Lay (Dallas, Texas)

W. H. Grigg (Charlotte), v.p. (gen. counsel) Duke Power

Charles B. Wade, Jr. (Winston-Salem)

OTHER BUSINESSES

General Motors Corporation (Detroit, Mich.), mfr. vehicles, auto financing, appliances

American Cyanamid Co. (Wayne, N.J.), drugs, chemicals, explosives, acrylics, synthetics, real estate development

partner*

Perkins, Daniels, & McCormack (NYC), attorneys

Piedmont & Northern Railroad (Richmond), controlled by Seaboard Coastline Railroad

Dan River, Inc. (Danville, Va.), textile mfr.

pres.

Clemson University (Clemson, S.C.)

chrm. fin. comm.

Burlington Industries (Greensboro, N.C.), textile mfr.

Carolina Telephone & Telegraph Company (Tarboro, N.C.), subs. of United Telecommunications, Inc. (formerly United Utilities of Kansas City, Mo.)

chrm. exec. comm.

Pepsico, Inc. (Purchase, N.Y.), beverage, sporting equip., snack food, & equipment leasing

Braniff International Airways (Dallas, Texas), airline

R.J. Reynolds Industries & its subs.

v.p.

R.J. Reynolds Tobacco Co. (Winston-Salem)

Hennis Freight Lines (Winston-Salem)

Atlantic & East Carolina Railway (Winston-Salem), subs. of Southern Rway.

Service Area: the Piedmont or central N.C. & S.C.
Employees: 12,500
Revenues: \$508,232,000 **Assets:** \$2,521,597,000
Net Income: \$79,728,000 **% Income Tax:** 0% (deficit)
Price Per Kwh: for residents: 2.00 ¢ **for industry:** 0.85 ¢
Typical Light Bills: Greenville, S.C.: \$15.11; Durham, N.C. \$13.46
Expense Item: salary for pres. (C. Horn), \$88,117. Morgan Guaranty Trust Co. of N.Y. (a major stockholder and interlock), transfer and paying agent, \$334,600. Perkins, Daniel & McCormack (NYC, and an interlock), attorneys, \$120,500. McConnell Downs Advertising, \$47,500. Reddy Kilowatt, Inc., \$11,000. N.W. Ayer & Son (Philadelphia), advertising, \$66,260. Georgeson & Co., proxy solicitation (a strange expense, since 42% of the votes are cast by Duke Trusts), \$50,200. Natl. Tax Equity Assn. (Washington), \$500; The Tax Foundation, \$1300 (note the co. did not pay any federal income taxes!). Environmental Conference at U.N.C., \$3,000. Keep N.C. Beautiful, Inc., \$1000. Billy Graham Charolette Crusade, \$1500.

Top Ten Stockholders

The Duke Endowment, NYC	13,035,100
The Doris Duke Trust, NYC	2,020,052
The New York Stock Exchange (Cede & Co.) NYC	1,792,091
Morgan Guaranty Trust (Powers & Co.) NYC	1,018,215
Mfrs. Hanover Trust Co. (Sigler & Co.) NYC	846,708
Merrill Lynch, Pierce, Fenner & Smith, NYC	635,585
Wachovia Bank & Trust (Meck & Co.), Winston-Salem	578,500
Bankers Trust Co. (Hemfar & Co.), NYC	385,500
First National City Bank (King & Co.), NYC	315,206
The First Jersey Natl. Bank (Firjer & Co.) Jersey City	200,000

total number of outstanding shares: 35,474,312
% held by the top ten stockholders: 59%

FLORIDA POWER CORP.

FINANCIAL INSTITUTIONS		BOARD OF DIRECTORS		OTHER BUSINESSES
Peoples Bank (Lakeland)		**George W. Jenkins** (Lakeland, Florida)	chrm.	**Publix Super Markets, Inc.** (Lakeland), grocery store chain
Pinellas Central Bank & Trust Co. (Largo)	vice chrm.	**George W. Jenkins**	pres.	**Lone Palm Operating Corp.** (Lakeland), restaurant & golf course
First Natl. Bank (Miami)		**George W. Jenkins**	v.p.	**Roadcraft Mfr. & Leasing Corp.** (Garden City, Calif.), mfr. & leases house & office trailers
Charter Bankshares, Inc (Jacksonville), bank holding co.		**Angel P. Perez** (Tampa) chrm., Florida Power		
		Baya M. Harrison (St. Petersburg)	partner*	**Harrison, Green, Mann, Davenport & Stanton** (St. Petersburg), attorneys
Union Trust National Bank (St. Petersburg)		**Andrew H. Hines, Jr.** (St. Petersburg) pres. Fla. Power		
Southside Bank (St. Petersburg)		**Richard M. King** (St. Petersburg)	pres.	**Rutland-King, Inc.** (St Petersburg), department store
Citizens National Bank (Leesburg)		**Byron E. Herlong** (Leesburg)	pres.	**A. S. Herlong Packing Co.** (Leesburg), citrus operations
		Byron E. Herlong		**Tampa Southern Railroad** (Tampa) controlled by Seaboard Coast Line RR
City & Trust Co. (St. Petersburg)		**R. E. Raymond** (St. Pete.), sr. v.p., Fla. Power		
First at Orlando Corp. (Orlando), bank holding co.	vice chrm.	**Frank M. Hubbard** (Orlando)	chrm.	**Hubbard Construction Co.** (Orlando), general contractors, road builders
		Frank M. Hubbard		**Florida Rock Industries, Inc.** (Jacksonville), limerock, concrete, & holding co.
Irving Trust Company (NYC), bank	sr. v.p.	**John F. Childs** (New York City)		
Bank of Seminole (Seminole)	vice chrm.	**Richard C. Johnson** (Seminole, Fla.)	exec. v.p.	**Seminole Nurseries** (Seminole, Fla.) landscapping, plants
First Commercial Bank (St. Petersburg)	chrm.	**Richard C. Johnson**		
		Harry M. Smith (Winter Garden)	owner	**Winter Garden Nursery** (Winter Garden)

Service Area: west coast and central citrus and phosphate district of Fla. Population served, 2,288,400
Employees: 3,300
Revenues: $201,857,000 **Assets:** $817,500,00
Net Income: $53,113,000 **% Income Tax:** 28%
Price Per Kwh: for resident: 2.09 ¢ **for industry:** 1.09 ¢
Typical Light Bills: St. Petersburg, $16.29; Winter Park, $16.29
Expense Items: salary for chrm. (A. Perez), $92,000. Rate increase petition before Fla. P.S.C., $48,500. Carlton, Fields, Ward, Emmanuel, Smith & Cutler (Tampa), attorneys, $200,800. Gilbert Associates (Reading, Pa.) engr., $3,870,000. United Fund, $38,700. Eckerd College, $25,500. Univ. of Fla., environmental research, $136,500. Suncoasters, Inc., $450.

Top Ten Stockholders:

Chase Manhatten Bank, NYC	Cudd & Co. Kane & Co.	835,835
Morgan Guaranty Trust, NYC	Schmidt & Co. Stawis & Co. Carson & Co.	749,233
National Bank of Detroit, Detroit (Trussal & Co.)		334,422
New York Stock Exchange, NYC (Cede & Co.)		308,156
Northwestern Natl. Bank of Minneapolis (Perc & Co.)		300,000
Wilmington Trust Co., Wilm., Del. (Dean & Davis)		206,715
First National City Bank, NYC (Thomas & Co.)		168,328

total number of outstanding shares: 10,573,959
% held by top ten stockholders: 28%

FLORIDA POWER & LIGHT

FINANCIAL INSTITUTIONS	BOARD OF DIRECTORS	OTHER BUSINESSES
Atlantic Bank (St. Augustine), controlled by Atlantic Bancorporation of Jacksonville	**Lewis E. Wadsworth** (Bunnell, Fla.)	pres. **Wadsworth Lumber Co.** (Bunnell) timber, lumber; v.p. **Argyle Forests, Inc.** (Jacksonville), land holdings
	Robert H. Fite (Miami) former pres., Florida P&L	**Burnap & Sims** (W. Palm Beach) telephone equip.
	Marshall McDonald (Miami) pres. Fla. P&L	
pres. **State Street Investment Corp.** (Boston) open-end investment co.; partner* **State Street Research & Management Corp.** (Boston), invstmnt advisor, mgmt.; pres. **Federal St. Fund** (Boston) invstmt fund; **John Hancock Mutual Life Ins. Co.** (Boston), insurance; **U.S. & Foreign Securities Corp** (NYC), closed-end investment co.	**George F. Bennett** (Boston)	**Middle South Utilities** (NYC), utility holding co.; **New England Electric System** (Westboro, Mass.), holding co. for gas & electric utilities; **Commonwealth Oil Refining Co.** (NYC); **Hewlett-Packard Co.** (Palo Alto, Calif.), mfr. electronic, medical instrumentation, digital computers; **Ford Motor Co.** (Dearborn, Mich.), vehicles; **Hanna Mining Co.** (Cleveland, Ohio), intl. mining
	R. C. Fullerton (Coral Gables), chrm. Fla. P&L	
chrm. **Palmer Bank Corp.** (Sarasota)bank holding holding co. and real estate investments	**Benton W. Powell** (Sarasota)	
chrm. **Dade Natl. Bank** (Miami); **American Bankers Life Assurance Co.** (Miami), insurance	**Will Manier Preston** (Miami)	partner* **McCarthy, Steel, Hector & Davis** (Miami) general counsel for Fla. P&L; **Wackenhut Corp.** (Coral Gables), counter-business espionage, guards, security systems
Financial Life Ins. Co. (Ft. Lauderdale); **Bank of Commerce** (Ft. Lauderdale); **Bankers Bank of Fla.** (Ft. Lauderdale)	**Joseph P. Taravella** (Ft. Lauderdale)	pres. **Coral Ridge Properties, Inc.** (Pampano Beach), land development, hotels, clubs; a subs. of Westinghouse Electric Corp. of Pittsburg
chrm. **Consolidated Bankshares of Fla., Inc.** (Ft. Lauderdale), bank holding co.; **First Federal Saving & Loan** (Broad Co.); **Wright & Putnam, Inc.** (Ft. Lauderdale), insurance agency; **Harbor Beach Cos.** (Ft. Lauderdale), real estate investments	**George W. English** (Ft. Lauderdale)	partner* **English, McCaughau & O'Bryan** (Ft. Lauderdale), attorneys
First National Bank (Bradenton); **First Federal Saving & Loan** (Manatee Co.)	**Ed H. Price, Jr.** (W. Bradenton, Fla.)	exec v.p. **Tropicana Products, Inc.** (Bradenton), fruits, citrus products; **General Telephone of Florida** (Tampa), a subs. of General Telephone & Electronics, NYC

Service Area: the east coast and southern third of Fla.
Employees: 8,400
Revenues: $567,334,000 **Assets:** $2,068,237,000
Net Income: $114,400,000 **% Income Tax:** 21%
Price Per Kwh: for resident: 2.07 ¢ **for industry:** 1.47 ¢
Typical Light Bills: Miami: $15.16; Sarasota: $15.16
Expense Items: salary for chrm. (R.C. Fullerton), $100,000, and for pres. (M. McDonald), $100,000. Rate increase hearings before Fla. P.S.C., $455,000. Bishopic & Fielden, Inc. (Miami), advertising, $165,000. McCarthy, Steel, Hector & Davis (Miami; interlock), attorneys, $653,000. Univ. of Miami, environmental research, $103,600. Miami Dophin season tickets, $2,300. U. of Fla. tickets, $1,900. Gator Boosters, $1,500. United Negro College Fund, $1,000.
Comment: Director George Bennett, who is also a director of Middle South Utilities, is pres. of the State Street Investment Corp. of Boston, which owns 101,500 shares of Fla. P&L common, and he is treas. of Harvard Univ., which owns 256,263 Fla. P&L shares--for a combined holding that ranks among the top five stockholders. First Natl. City Bank and Manufacturers Hanover Trust, both large stockholders, each have bank notes good for **$22,500,000** with the company, due June, 1979.

Top Ten Stockholders

First National City Bank, NYC	Thomas & Co. King & Co. Stuart & Co.	1,802,732
Chase Manhattan Bank, NYC	Kane & Co. Cudd & Co.	1,481,784
United States Trust Co., NYC (Atwell & Co.)		669,566
N.Y. State Teachers Retirement System, Albany, NY		542,700
First National Bank of Boston (Don & Co.)		370,170
Hartford Accident & Indemnity Co., Stamford, Conn.		300,000
Mfr. Hanover Trust, NYC (Sigler & Co.)		296,381

total number of outstanding shares: 32,800,000
% held by the top ten stockholders: 17%

GULF STATES UTILITIES

FINANCIAL INSTITUTIONS

Louisiana & Southern Life Insurance Co. (New Orleans)

City National Bank (Baton Rouge)

First Security National Bank (Beaumont)

Colonial Growth Shares, Inc., (Boston), open-end investment co.

First National Bank (Port Arthur)

New Jeff Company (Port Arthur), timberland, real estate, leasing investment

Lakeside National Bank of Lake Charles (Lake Charles)

American National Bank (Beaumont)

First National Bank (Conroe, Texas)

Guaranty Bond State Bank (Tomball, Texas)

Louisiana National Bank (Baton Rouge)

Capital Building & Loan Co. (Baton Rouge)

BOARD OF DIRECTORS

Samuel L. Adams (Beaumont, Texas), sr. v.p., Gulf States

John W. Barton (Baton Rouge, La.)
pres.

Eldon A. Werner (Beaumont) retired pres., Gulf States

Floyd R. Smith (Beaumont), pres., Gulf States Utilities

v.p.
Edwin W. Hiam (Boston, Mass.)

Fred V. Wilson (Port Arthur, Texas)
pres.
co-owner

Harrell R. Smith (Lake Charles, La.)
retired gen. mgr.*

Oliver P. Stockwell (Lake Charles), legal counsel for Gulf States in Lake Charles area
partner*

Glenn E. Richard (Beaumont) retired chairman of Gulf States

Benjamin D. Orgain (Beaumont), legal counsel for Gulf States
partner*

chrm. pres.
Seth W. Dorbandf (Conroe, Texas)

Norman Lee (Beaumont) sr. v.p., Gulf States

Charles P. Manship, Jr. (Baton Rouge)
pres.
sec., treas.
publisher

J. R. Murphy (Beaumont), v.p., Gulf States Utilities

OTHER BUSINESSES

Jack's Cookie Corp. (Charlotte), biscuits, cookie mfr.

Louisiana Aircraft, Inc. (Baton Rouge), aircraft distributors

Southern Industries Corp. (Mobile, Ala.), sugar refineries, processes shells for feeds, mfr. concrete products

Baton Rouge Aircraft, Inc. (Baton Rouge) aircraft distributors

Standard Brass & Mfr. Co., Inc. (Port Arthur), aluminum, brass, copper products

City Services Oil Co., Lake Charles Refineries petroleum products

Stockwell, St. Dizier, Sievert & Vicellio (Lake Charles), attorneys

Orgain, Bell & Tucker (Beaumont) attorneys

Norvell-Wilder Supply Co. (Beaumont) oil field supplies; subs. of Mayeaux Industries, Inc.

Tyrrell Hardware Company (Beaumont), hardware

Capital City Press (Baton Rouge), publishes daily newspapers

Baton Rouge Broadcasting Corp. (Baton Rouge), TV station

State-Times & Morning Advertiser (Baton Rouge), daily newspaper

Service Area: south central Louisiana and southeast Texas
Employees: 3,100
Revenues: $240,010,000 (91% electric) **Assets**: $1,108,960,000
Net Income: $45,168,000 **% Income Tax**: 49%
Price Per Kwh: **for resident**: 2.23 ¢ **for industry**: 0.75 ¢
Typical Light Bills: Lake Charles, La. $15.42; Beaumont,Tx. $15.47
Expense Items: salary for pres. (F. Smith), $91,667. Orgain, Bell & Tucker (Beaumont, interlock), attorneys, $258,800. Stockwell, St. Dizier, Sievert & Vicellio (Lake Charles, interlock), $33,600. Wald, Harkrader, Nicholson & Ross (Washington, D.C.), attorneys, $105,800 First Security Natl. Bank (Beaumont, interlock and major stockholder), trustee & stock registrar, $19,700. Mfr. Hanover Trust (NYC, major stockholder), trustee & paying agent, $51,100. N.W. Ayer & Son (Philadelphia), advertising, $37,200. Bechtel Corp. (San Francisco), engr., $1,146,800. Beaumont United Appeal, $28,000. Texas Research League (Austin, interlock), $3,600. Council for a Better Louisiana (New Orleans), $5,000. LSU Foundation, $10,000. Harvard College (Cambridge, Mass.), $2,000. Texas Nuclear Science Symposium, U. of Texas, $1,320. Lamar U. (Beaumont), football tickets, $100. Directors Fees. $41,100.

Top Ten Stockholders:

Morgan Guaranty Trust, NYC	Schmidt & Co. Stawis & Co.	1,031,200
First National Bank of Chicago	Eagle & Co. Olen & Co.	741,624
Mfr. Hanover Trust Co., NYC (Sigler & Co.)		664,464
New York Stock Exchange, NYC (Cede & Co.)		494,001
Chase Manhattan Bank, NYC (Kane & Co.)		488,836
First Security Natl. Bank of Beaumont, Texas (Firbeau Co.)		417,040
Bank of Delaware, Wilmington (Carothers & Clark)		400,000
Bank of California, San Francisco (Rucal & Co.)		360,050

total number of outstanding shares: 25,547,328
% held by top ten stockholders: 18%

GULF STATES UTILITIES COMPANY

HOUSTON LIGHTING & POWER

FINANCIAL INSTITUTIONS	BOARD OF DIRECTORS	OTHER BUSINESSES
	P. H. Robinson (Houston) chrm., Houston Power & Light	
Southland Financial Corp. (Dallas) holding co. for ins., real estate; **Houston First Financial Group** (Houston), bank holding co.; **Houston First Savings Assn.**; **9th District Fed. Home Loan Bank** (chrm.)	**Gail Whitcomb** (Houston)	**Houston Metro Airlines** (Houston), airlines; **Lawyer & rancher**
	Thomas H. Abell (Wharton, Texas)	owner: **Abell Cattle Company** (Wharton), ranch; partner*: **Abell & Young** (Wharton), law office
	C. B. Sherman (Houston) pres., Houston Power & Light	
	Frank W. Michaux (Houston)	owner*: **F. W. Michaux, Independent Oil and Gas Producer** (Houston)
American General Ins. Co. (Houston), operates ins, real estate, mortgage banking, TV station broadcasting (chrm.); **Variable Annuity Life Ins.** (Houston) (chrm.); **Texas Commerce Bank** (Houston)	**Benjamin N. Woodson III** (Houston)	
	William R. Brown (Houston)	partner*: **Baker & Botts** (Houston) attorneys, gen. counsel for Houston P&L
Bank of the Southwest, N.A. (Houston), bank holding co.; **Texas Employers Ins. Assn.**	**Edward J. Mosher** (Houston)	chrm.: **Mosher Steel Co.** (Houston), fabricators of structural steel
pres.: **Citizens National Bank & Trust Co.** (Baytown, Texas)	**John C. Echols** (Baytown, Texas)	
	J. G. Reese (Houston), sr. v.p., Houston P&L	
owner*: **Private Investments & Timberland**; vice chrm.: **Industrial State Bank** (Houston)	**Wendel D. Ley** (Houston)	

Service Area: Houston & environs; population, 2,102,000

Employment: 6,730

Revenues: $363,640,000 **Assets:** $1,247,000

Net Income: $65,673,000 **% Income Tax:** 75%

Price Per Kwh: for residents: 1.83 ¢ **for industry:** 0.71 ¢

Typical Light Bills: Houston & Galveston, $14.38

Expense Items: Baker & Botts (Houston, interlock), attorneys, $487,000. Brown & Root (Houston), engr., $70,400. Electric Power Institute, $9,100. Norris Tucker (Houston), medical consultant, $34,200. Wilson, Morris, Crain & Anderson (Houston), architects, $32,200. Salvation Army, $5,000. Radio Free Europe, $200. Houston Grand Opera, $500. Baylor College of Medicine, $17,000. United Fund of Houston & Harris County, $108,800.

Top Ten Stockholders:

First National City Bank, NYC	Thomas & Co. Stuart & Co.	698,596
First Natl. Bank of Chicago	Olen & Co. Finat & Co.	668,919
New York Stock Exchange, NYC	(Cede & Co.)	386,475
Chase Manhattan Bank, NYC	(Cudd & Co.)	354,553
National Bank of Detroit	(Trussal & Co.)	281,029
State Street Bank & Trust Co., Boston	(Myers & Co.)	235,700
The Fidelity Bank, Philadelphia	(Anderson & Co.)	224,259
U.S. Trust Co. of New York, NYC	(Atwell & Co.)	213,941

total number of outstanding shares: 21,099,524
% held by the top ten stockholders: 15%

KENTUCKY UTILITIES

FINANCIAL INSTITUTIONS

Commonwealth Life Insurance, Inc. (Louisville)

First Security Natl. Bank & Trust Co. (Lexington)

Citizens Union Natl. Bank & Trust Co. (Lexington)

Louisville Trust Co.

chrm. adv. comm.

Louisville Investment Co. (Louisville), closed-end investment co.

BOARD OF DIRECTORS

Arthur A. Tuttle (Lexington), former sec. of Kentucky Utilities

William A. Duncan (Lexington), pres. Kentucky Utilities

Samuel R. Ogden (Louisville), general counsel, Ky. Utilities

John Kirtley (Owensboro)

W. Emmet Milward (Lexington)

Robert Stevenson (Chicago, Ill.), special utility attorney

A. Clay Stewart (Lexington) vice pres. (finance), Ky. U.

Earl R. Muir (Louisville)

Samuel F. Newman (NYC) formerly C.P.A. with N.Y.C. Tax Bureau, retired

OTHER BUSINESSES

Ohio Valley Electric Corp. (Pikeston, Ohio), jointly owned co. by ten utilities to deliver electricity to the Atomic Energy Commission's gaseous diffusion plant

partner*

Ogden, Robertson & Marshall (Louisville), attorneys

Brown-Forman Distillers Corp. (Louisville), whiskey

pres.

Cypress Valley Farms, Inc. (Owensboro), livestock & grains

partner*

W. R. Milward Mortuaries (Lexington) funeral homes

Isham, Lincoln & Beale (Chicago), attorneys

Chemetron Corp. (Chicago), gases, heating equipment, meters, meats, packing equipment

American Air Filter Co., Inc. (Louisville), air conditioning, air pollution controls

Stitzel Weller Distillers (Louisville), whiskey

Argus Co. (Louisville), distributors of chemical compounds

Todd-Donigan Co. (Louisville), distributors of indrl. equip.

Carman Industries, Inc. (Louisville), mfr. material handlers

Service Area: central and western Kentucky, and through subs., Old Dominion Power Co., southwestern Virginia. Population: 900,000.
Employment: 1,600
Revenues: $106,500,000 **Assets**: $428,417,400
Net Income: $15,954,000 **% Income Tax**: 33%
Price Per Kwh: for residents: 2.26 ¢ **for industry**: 1.21 ¢
Typical Light Bills: Muhlenberg County, Ky., and Lexington, Ky., $13.90; Norton, Virginia, $13.90
Expense Items: Salary for pres. (W. Duncan), $66,325. Rate proceedings in Ky., $115,700. Odgen, Robertson & Marshall (Louisville, interlock), attorneys, $109,000. Sargent & Lundy (Chicago), engr., $1,792,400. Middle West Service & Co., mgmt consultants, $130,000. Davis Advertising Agency (Louisville), advertising, $46,200. Edison Electric Institute, $77,000. Directors fees, $21,700. Kentucky Independent College Foun., $24,000. Christman donation, $7,800.

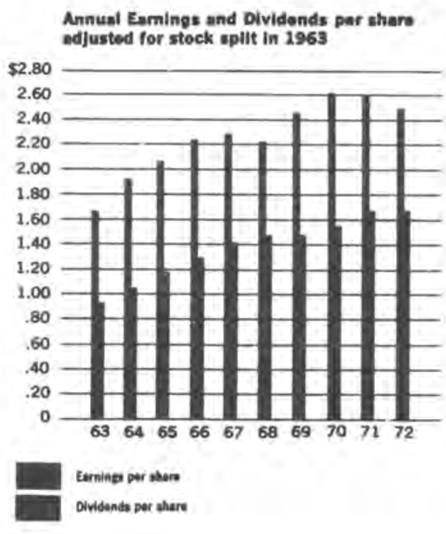
Top Ten Stockholders:

Chase Manhatten Bank, NYC (Cudd & Co.)	279,334
New York Stock Exchange, NYC	209,470
Brown Brothers Harriman & Co., NYC	90,819
First National Bank of Chicago (Olen & Co.)	73,890
Kentucky Trust Co., Louisville (Kenag & Co.)	68,253
Chock Full O'Nuts Corp., NYC	61,900
Citizens Fidelity Bank & Trust, Louisville (Cittrest Co.)	61,691
Hartford Accident & Indemnity Co., Stamford, Ct.	60,000
First Security Natl. Banking & Trust, Lexington, Ky. (Tuyl & Co.)	52,441
First Natl. Bank of Minneapolis (Bruch & Co.)	48,257

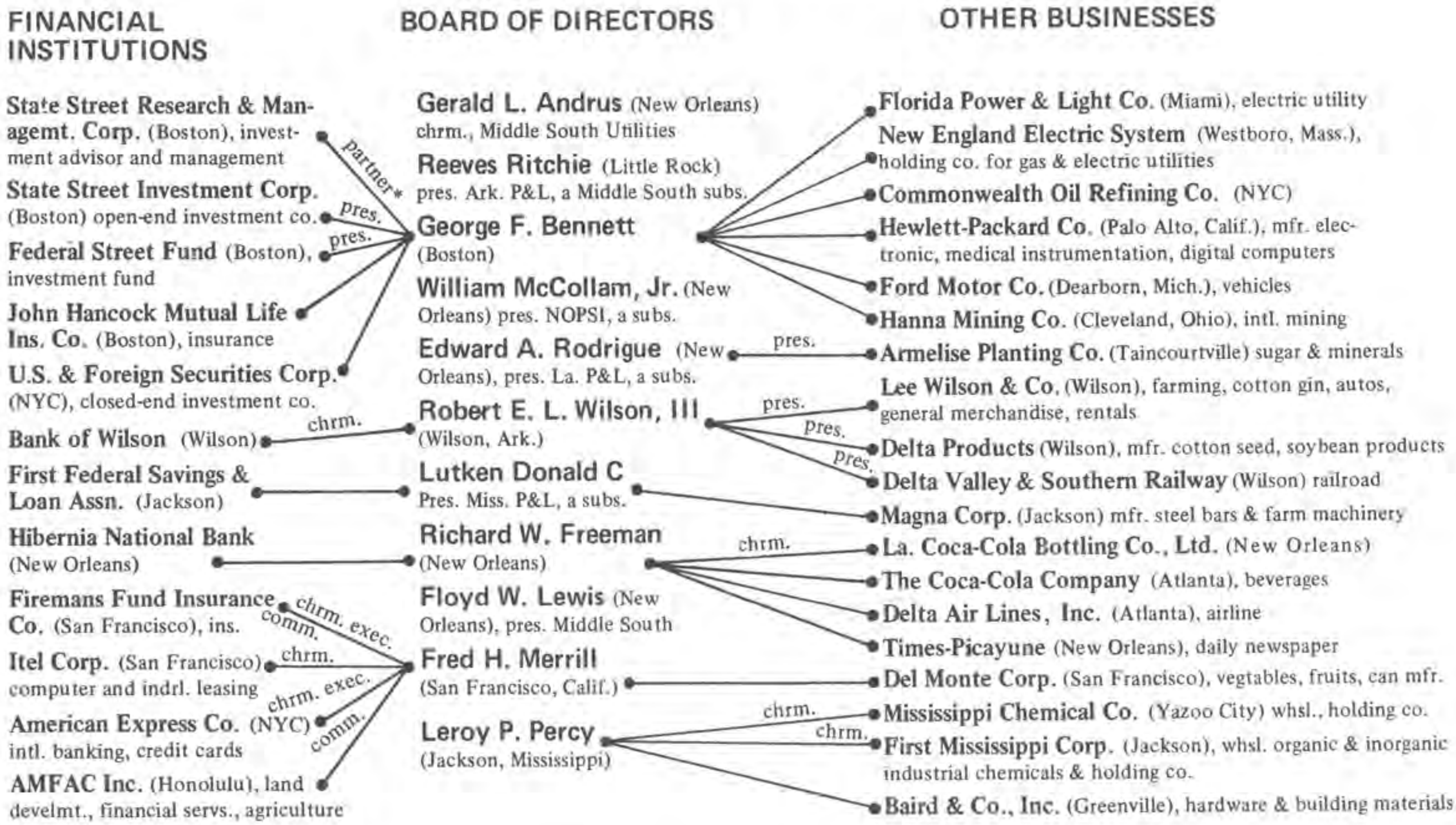
total number of outstanding shares: 5,904,351
% held by the top ten stockholders: 17%

KENTUCKY UTILITIES COMPANY

Rate Matters



MIDDLE SOUTH UTILITIES



Service Area: portions of Arkansas, Louisiana, and Mississippi

Employment: 9,900

Revenues: $593,400,000 (93% electric) **Assets:** $2,277,300,000

Net Income: $90,400,000 **% Income Tax:** 38%

Price Per Kwh: for residents: 2.00 ¢ **for industry:** 0.97 ¢

Typical Light Bills: Batesville, Ark. $13.58; Little Rock, $13.77; New Orleans, $13.01 (La. P&L customers), $14.33 (NOPSI customers); Grambling, La. (La. P&L), $13.11; Jackson, Ms. (served by overhead lines), $12.55; (served by underground lines), $13.55

Expense Items: Arkansas-Missouri Power Co.: Pres.'s salary (F. G. Smith), $43,667. Directors fees, $22,000. (Buys most its power from Ark. P&L.) **Arkansas Power & Light Co.:** salary of pres. (R.E. Ritchie), $88,400. Reid & Priest (NYC), attorney, $42,800. Morgan Guaranty Trust (NYC), registrar, $48,800. Cranford-Johnson & Associates (Little Rock), advertising, $788,000. Cromwell, Neyland, Truemper, Millet & Catchell (Little Rock), $44,800. Compensation for retired director, $1,200. Ark. Game & Fish Commn., $400. U. of Ark. FFA Recognition Banquet, $1,160. U of Ark. "The Atomic World," $6,500. United Fund of Palaski County, $34,600. **Mississippi Power & Light:** salary of pres. (D.C. Lutken), $62,800. Reid & Priest (NYC), attorneys, $61,200. Holcomb, Connell & Fleming (Clarksdale), $23,400. Wise, Carter, Child, Steen & Caraway (Jackson), $133,000. Bechtel Corp. (San Francisco), engr. $836,000. Godwin Advertising Agency (Jackson), $405,600. Miss Mississippi Pageant, $300. Mississippi Press Assn., $150. Central Mississippi Growth Foundation, $30,000. Natl. Tax Equity Assn., $750. Airplane operation, $48,200. Mississippi Safety Council, $1,500. Miss. College, $100,000. Jackson State, $2,500. **Louisiana Power & Light:** salary for pres. (E. A. Rodrigue), $68,333. Reid & Priest (NYC), attorneys, $59,400. Monroe & Lemann (New Orleans), attorneys, $466,500. Ebasco Services, Inc. (NYC), research and engr., $8,500,000. Fitzgerald Advertising, Inc. (New Orleans), $343,700. Cranford-Johnson & Associates (Little Rock), $320,000. Edison Electric Institute, $92,200. Legislative lobbying activities, $19,000. Tulane U. (interlocks), $24,500. Southern Univ., $1,500. Bacchus Carnival, $800. Company airplane operations, $22,700. Pickwick Club membership dues, $360. **New Orleans Public Service (NOPSI):** Anderson, Brown & Orn (Houston, Texas), attorneys, $35,600. Chaffee, McCall & Phillips (New Orleans), $29,700. Chase Manhattan Bank (NYC), trustee, $19,700. Rohrer, Hibler & Replogle (Chicago), indrl. & psychological counseling, $26,800. Rate increase application to Council of the City of New Orleans, $191,900. Greater New Orleans Golf Tournament, $340. Times-Picayune Doll & Toy Fund, $1,000. Zulu Social & Pleasure Club, $200. Tulane U., $26,000. Loyola U., $10,000. United Fund of N.O., $113,100. Salary for pres. (McCollam), $65,000.

POTOMAC ELECTRIC POWER

FINANCIAL INSTITUTIONS

Union Trust Company (Washington)

National Savings & Trust Co. (Washington)

Acacia Mutual Life Ins. Co. (Washington)

Riggs National Bank of Washington

Washington Mutual Investors Fund, Inc. (Washington), open-end investment co.

Metropolitan Life Ins. Co. (NYC)

National Bank (Washington)

Perpetual Building Savings & Loan Assn. (Washington)

Equitable Life Ins. Co. (Washington)

Eastern Liberty Federal Savings & Loan Assn. (Washington)

BOARD OF DIRECTORS

George E. Hamilton, Jr. (Washington)

Daniel Hurson (Kensington, Md.)

Theodore R. Hagans, Jr. (Washington)

R. Roy Dunn (Washington) retired chrm., PEPCO

W. Reid Thompson (Washington), pres., chrm. PEPCO

Leweylln A. Jennings (Chevy Chase, Maryland)

Joseph B. Danzansky (Washington)

Louis W. Prentiss (Washington)

Carleton D. Smith (Washington)

George Bisset (Washington)

Lee D. Butler (Washington)

Osby L. Weir (Washington)

OTHER BUSINESSES

Hamilton & Hamilton (Washington), attorneys

Smithfield Packing Co. Inc. (Smithfield, Va.) meat packing and whsl. seafood

Evening Star Broadcasting Co. (Washington)

Hagans Management Inc. (Washington), management of apartment properties

Garfinkel, Brooks Brothers, Miller & Rhodes, Inc. (Washington), dept. store

Chesapeake & Potomac Telephone Co. (Washington), subs. of A.T. & T.

Giant Foods, Inc. (Landoner, Md.), holding co., whls. groceries, carpet stores.

Pepsi-Cola Bottling Co. (Washington)

American Road Builders Assn. (Washington) highway industry lobby

RCA Corp. (Washington), mfr. electronic products & services, TV-radio broadcasting

Lee D. Butler, Inc. (Washington) auto dealer

Kinloch Farms (Fredericksburg, Va.), cattle timber, farm crops

Woodward & Lothrop (Washington), dept. store

Sears, Roebucks, Co., Washington-Baltimore Metropolitan Area Stores

Line labels: chrm.; chrm. exec. comm.; chrm.; partner*; pres.; pres.; pres.; retired exec. v.p.*; consultant*; pres.; owner*; chrm. exec comm.; gen. mgr.*

Service Area: Washington D.C. (43% of revenues), and parts of Maryland (55%), and Virginia (2%).

Revenues: \$272,717,500 **Assets:** \$1,215,614,000

Net Income: \$44,860,000 **% Income Tax:** 24%

Price Per Kwh: for residents: 2.48 ¢ **for industry:** 1.42 ¢

Typical Light Bills: Washington, D.C., \$13.07; Bethesda, Md. \$14.07; Arlington, Va. (part), \$13.28

Expense Items: salary for chrm./pres. (W.Thompson), \$132,000. Hamilton & Hamilton (Washington, interlock), attorney, \$74,000. R. Roy Dunn (Washington, interlock), retainer, \$18,000. Brown & Root (Houston), engr., \$383,200. Boothe, Prichard & Dudley (Alexandria), attorneys, \$13,700. Sullivan & Cromwell (NYC), attorneys, \$72,500. Resources Research, Inc. (Reston), air quality engr., &126,000. Natl. Economic Research Assoc., Inc., \$69,100. American Univ., \$3,000. Geo. Washington Univ., \$5,000. Committee for Economic Development, \$1,000. Columbia Country Club, \$6,700. Lobbying activities, \$48,300. Office building decorations, \$600. Industry assn. dues, \$158,800.

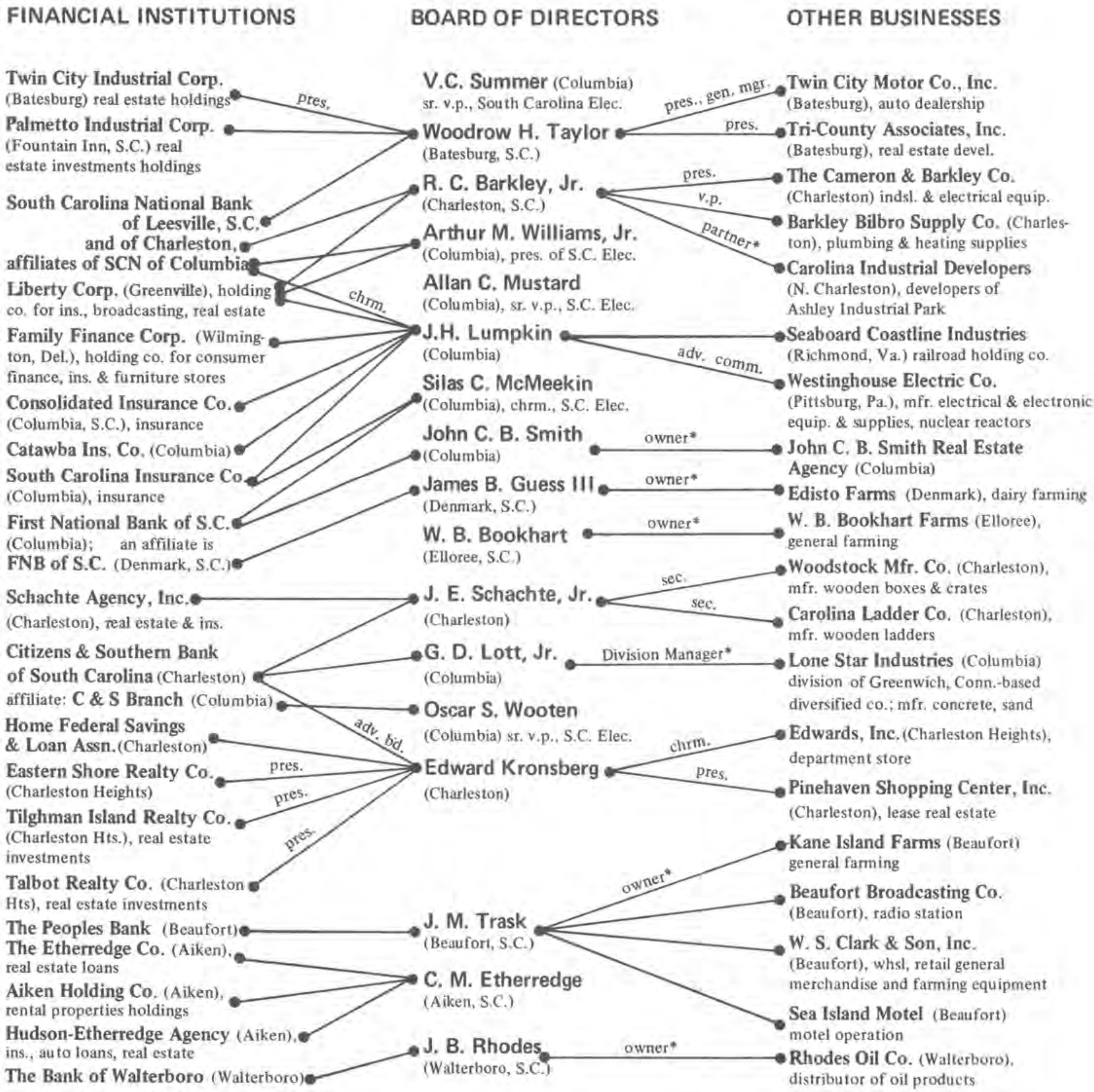
Top Ten Stockholders:

New York Stock Exchange, NYC (Cede & Co.)	1,873,982
Merrill Lynch, Pierce, Fenner & Smith, NYC	403,523
American Security & Trust, Washington (Johol & Co.)	147,590
The Natl. Bank of Washington (Hanab Co.)	143,181
Bessemer Securities Corp., NYC (Bess & Co.)	120,000
Natl. Savings & Trust Co., Washington (Alten & Co.)	115,991
The Riggs Natl. Bank, Washington (Broshaw & Co.)	109,647
Chase Manhattan Bank, NYC (Cudd & Co.)	105,340
Home Insurance Co., NYC (Hico)	100,000
The Bank of New York, NYC (Lerche & Co.)	90,478

total number of outstanding shares: 24,346,466
% held by the top ten stockholders: 13%

Potomac Electric Power Company

SOUTH CAROLINA ELECTRIC & GAS



SOUTH CAROLINA ELECTRIC & GAS COMPANY

Service Area: supplies electricity and gas to central and southern S.C.

Revenues: $180,383,000 (79% electric) **Assets:** $711,667,000

Employment: 2,600

Net Income: $26,783,000 **% Income Tax:** 9%

Price Per Kwh: for residents: 2.21 ¢ **for industry:** 0.88 ¢

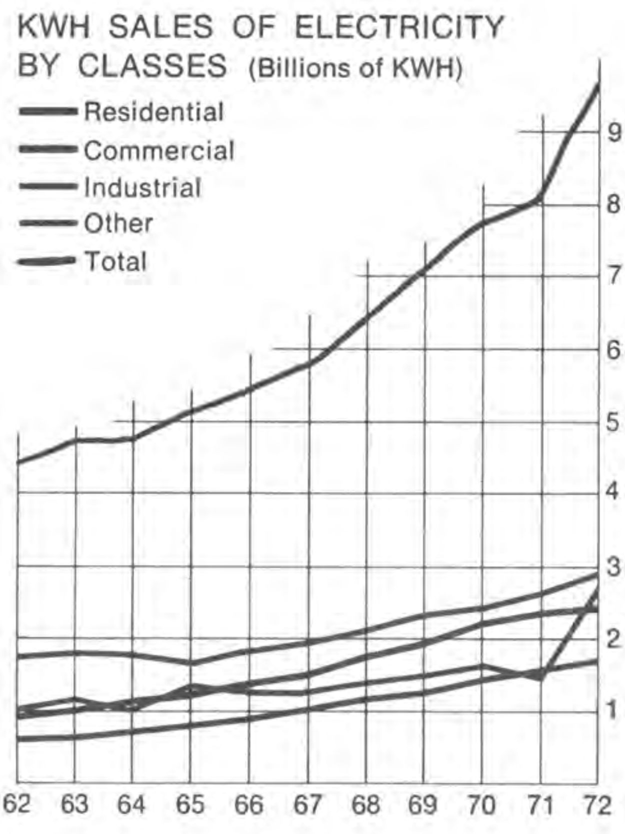
Typical Light Bills: Columbia and Charleston, $15.46

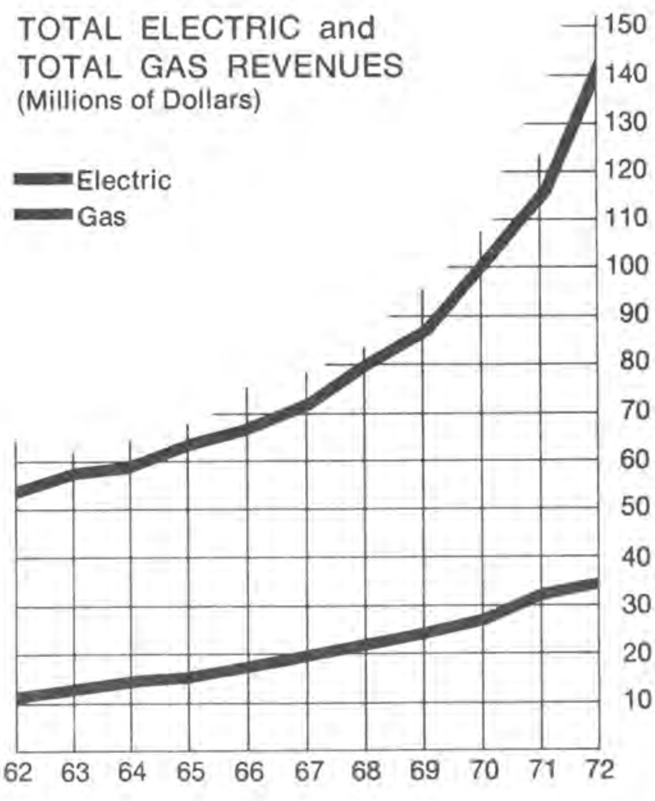
Expense Items: salary for chrm. (S.C. McMeekin), $25,000. Salary for pres. (A. Milliams), $103,390 Reid & Priest,(NYC), attorneys, $86,800. Rate increase request before S.C. P.S.C., $76,800. Morgan Guaranty Trust (NYC, major stockholder), trustee & paying agent, $70,500. Manufacturers Hanover Trust (NYC, major stockholder), trustee & paying agent, $44,000. S.C. Natl. Bank (Columbia, interlock), pension trustee, $22,100. First Natl. Bank (Columbia, interlock and major stockholder), registrar, $12,700. Cagill, Wilson & Acree (Charlotte), advertising, $504,600. F.R. McMeekin (Columbia) consultant, $10,000. Gilbert Associates, Inc. (Reading, Pa.), engr. & labor relations, $3,228,500. Soil Consultants (Charlotte), engr. $97,000. College of Charleston Foundation (Charleston), $4,500.

Top Ten Stockholders:

Morgan Guaranty Trust NYC	Douglass & Co. Lynn & Co.	441,000
New York Stock Exchange, NYC (Cede & Co.)		431,762
Manufacturers Hanover Trust, NYC (Sigler & Co.)		371,888
First National City Bank, NYC (Thomas & Co.)		303,323
Chase Manhattan Bank, NYC (Cudd & Co.)		284,100
Teachers Retirement System of Texas, Austin		177,248
First Natl. Bank of South Carolina, Columbia		159,814
Continental Illinois Natl. Bank & Trust, Chicago (Mutual & Co.)		135,000
Harvard College, Cambridge (Harvard & Co.)		119,513

total number of outstanding shares: 10,618,707
% held by the top ten stockholders: 22%





THE SOUTHERN COMPANY

FINANCIAL INSTITUTIONS

- **Citizens & Southern Natl. Bank of Colquitt County**
- **Citizens & Southern Realty Investors** (Atlanta) real estate investment trust
- **First Natl. Bank** (Atlanta)
- **Founders Financial Corp.** (Tampa), insurance
- **City Investing Co.** (NYC), holding co. for ins., financing, mfr., real estate, construction;
- **Hayes Intl. Corp.** (Birmingham), a subs., mfr. aircraft & missile parts
- **Protective Life Ins. Co.** (Birmingham)
- **First National Bank** (Birmingham)
- **Appalachian Life Ins. Co.** (Knoxville, Tenn.)
- **Knox Development Corp.** (Birmingham), real estate investments
- **Liberty National Life Insurance Co.** (Birmingham)
- **Hancock Bank** (Gulfport, Mississippi)
- **Citizens & Southern Natl. Bank of Atlanta**
- **Pascagoula-Moss Point Bank** (Pascagoula, Ms.)
- **Commercial Bank of Panama City**
- **Springfield Commercial Bank** (Springfield, Fla.)
- **Federal Reserve Bank, Atlanta**
- **Exchange National Bank** (Birmingham)
- **Life Insurance Company of Georgia** (Atlanta)
- **First Union Real Estate Equity & Mortgage Investment** (Cleveland, Ohio)

BOARD OF DIRECTORS

- **William C. Vereen, Jr.** (Moultrie, Alabama)
- **Robert H. Ratcliff** (Point Clear, Alabama
- **Edwin I. Hatch** (Atlanta) pres., Georgia Power, a subs.
- **Clyde A. Lilly, Jr.** (Birmingham), pres. Southern Services, a subs.
- **William J. Cabaniss** (Birmingham)
- **Alvin W. Vogtle, Jr.** (Atlanta), pres., Southern Co.
- **William S. Morris III** (Augusta, Georgia)
- **William J. Rushton III** (Birmingham)
- **Alfred M. Shook III** (Birmingham)
- **Joseph M. Farley** (Birmingham), pres. Alabama Power Co., a subs. of The Southern Co.
- **Frank P. Samford, Jr.** (Birmingham)
- **A. J. Watson, Jr.** (Gulfport,Ms.) pres., Mississippi Power, a subs.
- **Peyton J. Anderson** (Macon)
- **A. F. Dantzler** (Moss Point, Mississippi)
- **M. G. Nelson** (Panama City, Florida)
- **H. G. "Pat" Patillo** (Atlanta)
- **William W. McTyeire** (Birmingham)
- **Robert F. Ellis** (Pensacola, Fla.), pres., Gulf Power Co., a subs of The Southern Co.
- **William A. Parker, Jr.** (Atlanta)

OTHER BUSINESSES

- **Moultrie Cotton Mills** (Moultrie), textiles
- **Riverside Mfg. Co.** (Moultrie), mfr. indrl. uniforms
- **Flowers Industries** (Thomasville, Ga.), mfr. breads and bakery products
- **B-R Dredging Co.** (Point Clear), dredging
- **Ryan Stevedoring Co.** (Mobile), ship loading
- **Grand Hotel Co.** (Point Clear), hotel operations
- **Seaboard Coastline Industries** (Richmond, Va.), railroad holding company
- **Morris Communications Corp.** (Augusta), publishers of daily newspapers in Augusta, Ga.
- **Athens Daily News, Banner Herald Publishing Co.** (Athens), daily newspapers
- **Shook & Fletcher Supply Co.** (Birmingham), electrical utility equip., air conditioning installation, iron ore mining
- **Birmingham Realty Co.** (Birmingham) real estate
- **Twin Seam Mining Co.** (Tuscaloosa) lease coal mining property
- **Alabama Great Southern Railroad Co.** controlled by The Southern Railway Co, as is
- **Georgia Southern & Florida Railroad Co.**
- **South Central Bell Telephone & Telegraph** (Birmingham), a subs of A.T.&T.
- **Golden Flakes, Inc.** (B'ham), mfr. food products
- **Hackney Corp.** (B'ham), mfr. chain link fence
- **Knight Newspapers, Inc.** (Miami) newspaper chain
- **Dantzler Boat & Barge Co.** (Pascagoula, Miss.)
- **Mississippi Export Railroad Co.** (Moss Point, Ms.)
- **Atlanta & St. Andrews Bay Railway Co.** (Dothan, Ala.), owned by International Paper Co.
- **Nelson Buick Co.** (Panama City), auto dealership
- **Patillo Construction Co.** (Atlanta) gen. contractors
- **Birmingham Ornamental Iron Co.** (B'ham), mfr. iron furniture; a subs. of Champion Intl. Corp. (NYC)
- **American Electric Corp.** (Leeds, Ala.), mfr. non-electrical equip. & assess.; a subs.of Square-D Co.
- **DeVault Ultra Precision, Inc.** (Huntsville) precision tool grinding, machine shop, esp. for aerospace
- **Nelson Brantley Glass Co.** (B'ham) mfr. glass
- **Genuine Parts Co.** (Atlanta), auto parts, hardware

The Southern Company system

Alabama, Georgia, Gulf, and Mississippi Power companies, Southern Services, Inc., and Southern Electric Generating Co.

Service Area: Georgia (52% of revenues), Alabama (33%), southeast Mississippi (8%), and northeast Florida (7%)

Employment: 17,400

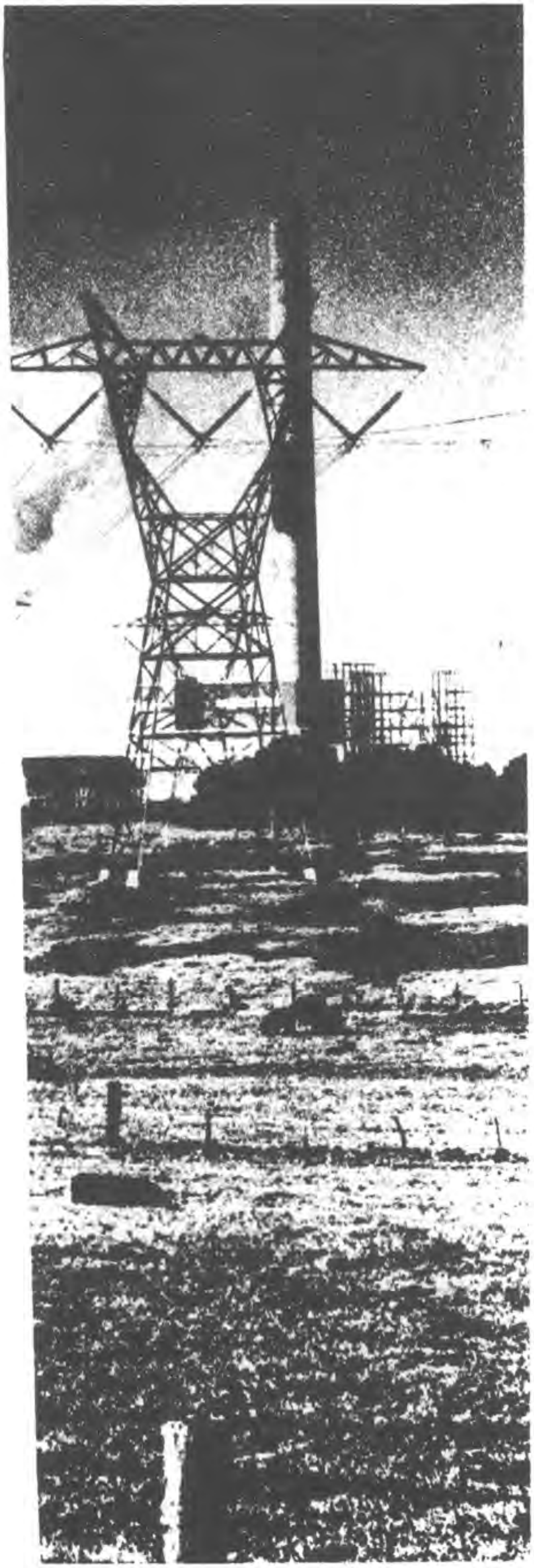
Revenues: $983,233,000 **Assets**: $4,502,086,000

Net Income: $145,200,000 **% Income Tax**: **9%**

Price Per Kwh: **for residents**: 1.91 ¢ **for industry**: 1.05 ¢

Typical Light Bills: Birmingham, $12.79; Atlanta, $11.98; Pensacola, $14.67; Hattiesburg, Miss., $13.95

Expense Items: **Alabama Power Co.**: salary of pres. (J. M. Farley), $74,692. Balch, Bingham, Baker, Hawthorne, Williams & Ward (Birmingham), legal, incl. rate increase work, $493,400. Rate increase hearings before Ala. PSC, $320,000. Cagill, Wilson, Acree (Birmingham), advertising, $868,800. Liller, Neal, Battle & Lindsey (Atlanta), advertising, $204,800. Chemical Bank (NYC), trustee, $63,700. National Economic Research, Inc. (NYC), research for nuclear plants, $20,000. Billy Graham Birmingham Crusade, $3,000. Southern Research Institute (Birmingham, interlocks), $25,000. Lurleen Wallace Meml. Cancer Hospital Fund (Birmingham), $20,000. Junior Achievement, $6,000. **Georgia Power Co.**: salary of pres (E.I. Hatch), $98,462. Troutman, Sanders, Lockerman & Ashmore (Atlanta), attorneys, incl. rate increase work, $682,000. Rate hearings before FPC & Ga. PSC, $350,000. LeBoeuf, Lamb, Leiby & McRea (NYC), attorneys, $59,000. Lowe & Stevens (Atlanta), advertising, $52,800. Emory Univ. (Atlanta, interlocks), $36,300. Georgia Conservancy (Atlanta, interlocks), $10,300. Morehouse College (Atlanta), $15,000. United Negro College Fund, $2,000. Richard B. Russell Foundation, $8,700. Ducks Unlimited (Chicago), $200. Mayor's Day, $1,000. Testimonial Dinner for Retiring Chief of Police (Atlanta), $500. Atlanta Woman of the Year, $6,500. **Gulf Power Co.**: salary of pres. (R.F. Ellis), $50,346. Beggs, Lane, Daniel, Gaines & Davis (Pensacola), attorneys, $64,500. Rate increase requests before FPC and Fla. PSC, $184,700. Directors fees, $11,800. Stockholders meeting for Southern Co., $11,300. Country clubs memberships, $2,700. Kiwanis Clubs, $1,300. **Mississippi Power Co.**: salary for chrm. (A.J. Watson), $63,875. Winthrop, Stimson, Putnam & Roberts (NYC), attorneys, $99,200. Eaton, Cottrell, Galloway & Lang (Gulfport), attorneys, $85,200. Bankers Trust (NYC), trustee for pension fund, $14,600. Reddy Kilowatt program, $1,700. Retirement party, $600. Goodwin Advertising Agency (Jackson), $23,700. Naus & Newlyn, Inc., efficiency expert, $129,000. Boy Scouts, $2,150. Miss. Economic Council (Jackson), $1,000. Gulfport Little League, $1,000. Ms. Safety Council, $1000.

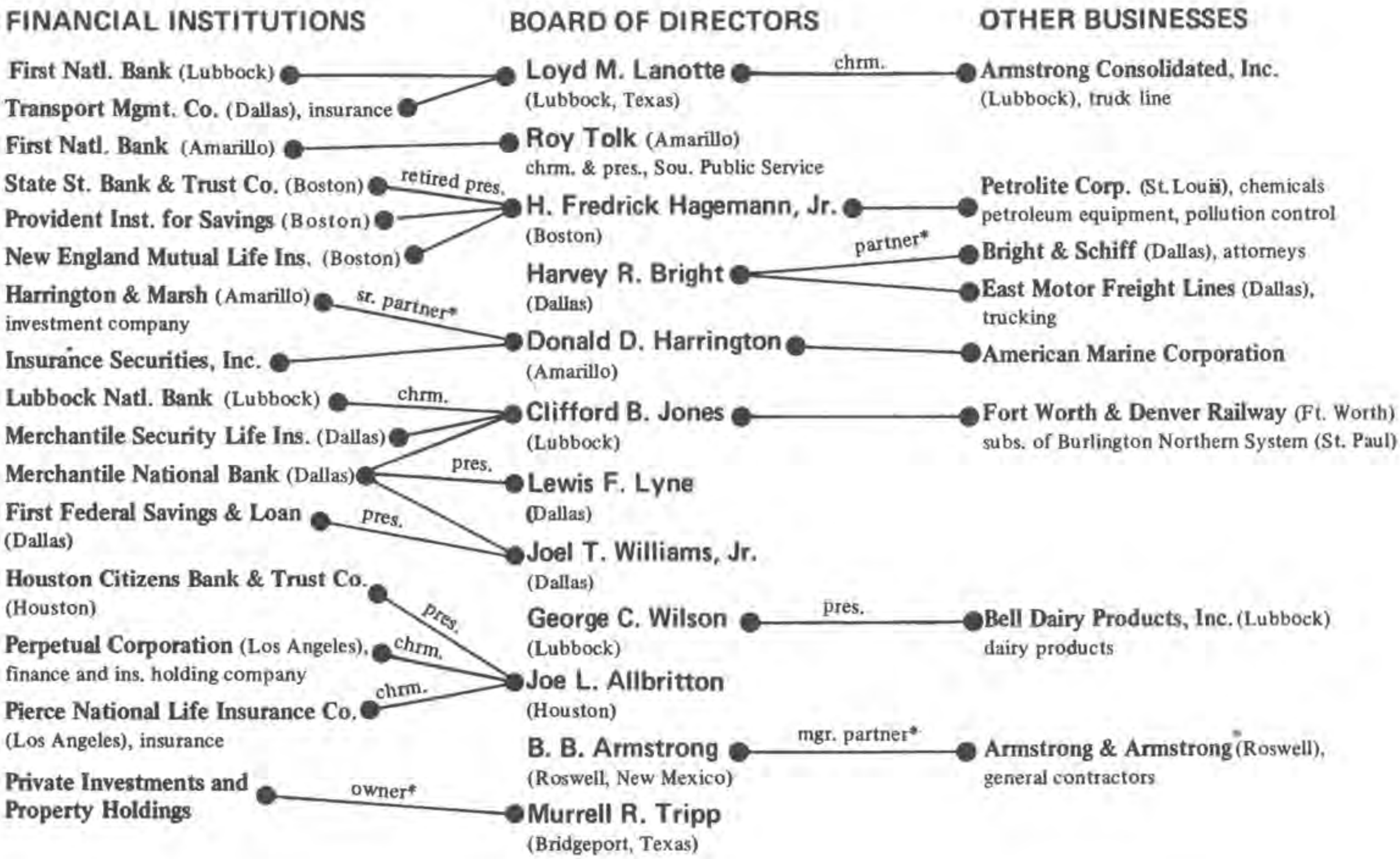


Top Ten Stockholders:

New York Stock Exchange, NYC (Cede & Co.)		2,601,601
Chase Manhattan Bank, NYC	Kane & Co. Cudd & Co.	2,187,323
First National City, NYC	A-C Stuart & Co. A-C King & Co.	2,093,833
Manufacturers Hanover Trust, NYC (Sizler & Co.)		943,720
First Jersey Natl. Bank, Jersey City (Firier & Co.)		720,000
Morgan Guaranty Trust, NYC (Douglass & Co.)		666,950
The Bank of New York, NYC (O'Neill & Co.)		558,100
Savings Bank Trust Co., NYC (Sabat & Co.)		557,300

total number of outstanding shares: 62,449,500
% held by the top ten stockholders: 17%

SOUTHWESTERN PUBLIC SERVICE



Service Area: Texas Panhandle (78% of revenues), southeast New Mexico (18%), and Oklahoma panhandle (3%), part of Kansas (1%)

Revenues: $103,472,363 (99% electric) **Assets:** $397,016,000

Employees: 1,800

Net Income: $21,078,000 **% Income Tax:** 56%

Price Per Kwh: for residents: 2.69 ¢ **for industry:** 1.00 ¢

Typical Electric Bill: Amarillo, Texas, $13.11

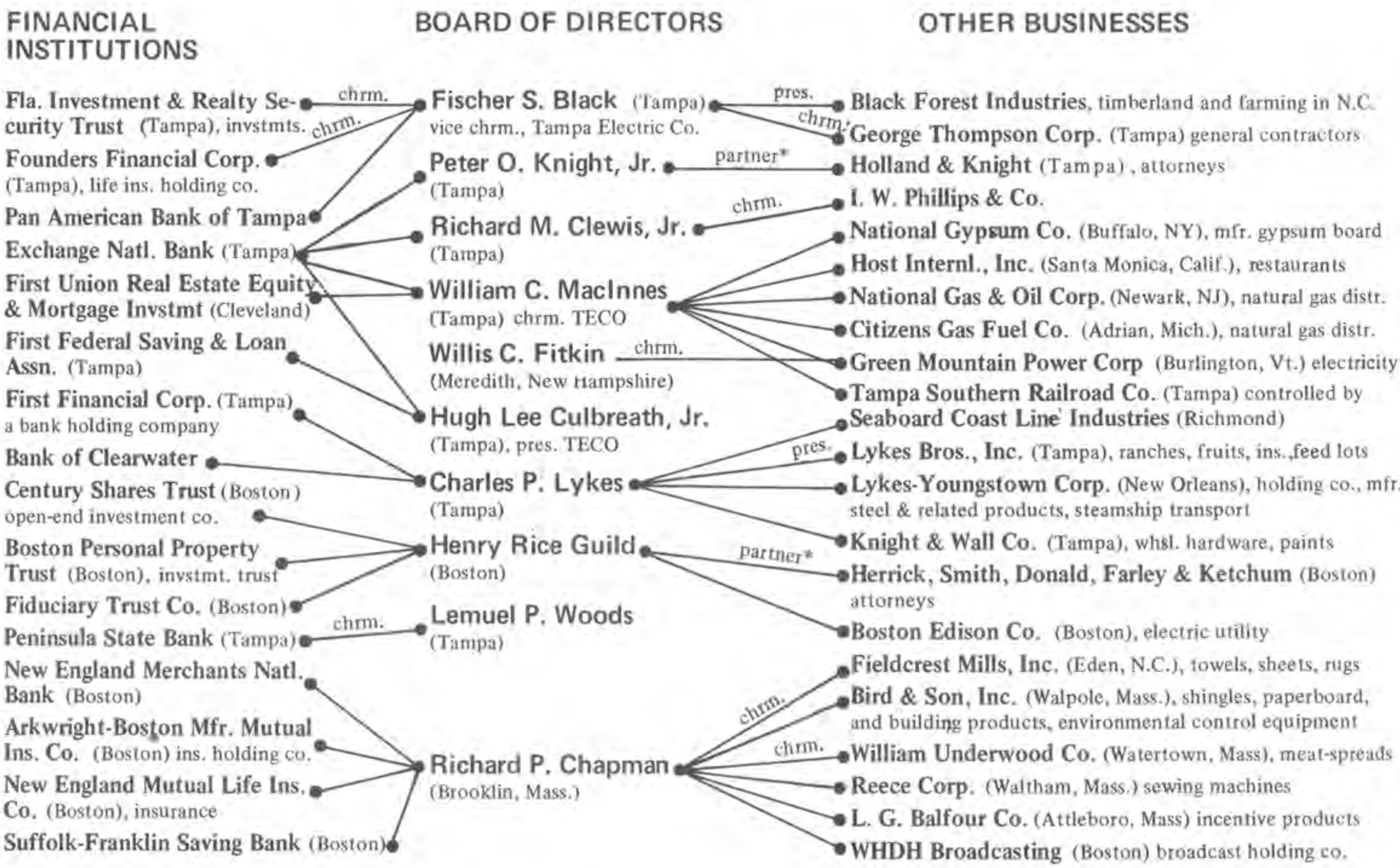
Expense Items: salary of chrm./pres. (R. Tolk), $79,000. Hinkle, Bondurant, Cox & Eaton, attorneys, $23,300. Lubbock Christian College, $2,750. United Fund of Amarillo, $14,000. Wayland Baptist College, $1,000. Livestock shows, $1,900. Amarillo Little Theatre Season Tickets, $375. New Mexico Military Institute (Roswell, N.M.), $1,700.

Ten Top Stockholders:

New York Stock Exchange, NYC (Cede & Co.)	737,938
Provident Natl. Bank, Philadelphia (Saxon & Co.)	330,712
Merrill Lynch, Pierce, Fenner, & Smith, NYC	311,129
Union Bank, Los Angeles (Borla)	250,000
J. & W. Seligman & Co., NYC	201,500
Public Employees Retirement Bd. of Ohio, Columbus	200,000
Brown Brothers Harriman & Co., NYC	172,915
Morgan Guaranty Trust Co., NYC (Douglass & Co.)	150,000
State Permanent School Fund, State of Texas, Austin	144,800
Continental Illinois Natl. Bank & Trust, Chicago (Alsta & Co.)	130,544

total number of outstanding shares: 19,483,208
% held by the top ten stockholders: 14%

TAMPA ELECTRIC POWER



Service Area: Hillsborough County & environs; pop., 630,000

Employment: 1,900

Revenues: $127,000,000 **Assets**: $510,000,000

Net Income: $20,200,000 **% Income Tax**: 36%

Price Per Kwh: **for residents**: 2.29 ¢ **for industry**: 1.05 ¢

Typical Light Bill: Tampa, $15.98

Expense Items: salary of chrm. (W.C. MacInnes), $80,000. Salary of vice chrm. (F.S. Black), $64,000. Salary of pres. (H. Culbreath), $49,000. Holland & Knight (Tampa, interlock, and firm of a major stockholder), attorneys, $110,500. New England Merchants Natl. Bank (Boston, interlock, major stockholder), $50,250. Herrick, Smith, Donald, Farley & Ketchum (Boston, interlock), attorneys, $33,000. Byran, Harless, Schaffer, Reid & Associates (Tampa), consulting psychologists, $32,100. Environmental Engr. (Gainesville), $71,800. Directors fees, $20,600. Dues to 104 civic organizations, $7,200. Little League, $5,500. Institutional advertising, $354,800.

Top Ten Stockholders:

The Hartford Insurance Group — Hartford Accident Co., Hartford Fire Co.	160,000
St. Paul Fire & Marine Ins. Co. (Wilkin & Co.)	105,000
New England Merchants Natl. Bank, Boston (Stackpole & Company)	100,339
Peter O. Knight, Jr., Tampa	100,022
Boston Safe Deposit & Trust Co., Boston (Bost & Co.)	94,668
Morgan Guaranty Trust, NYC (Carson & Co.)	92,400
Fiduciary Trust Co., Boston (Bowen David & Co.)	90,313
Freya Fanning & Co., Boston	82,484
Church of Jesus Christ of Latter Day Saints	77,500

total number of outstanding shares: 11,480,194
% held by the top ten stockholders: 8%

TEXAS UTILITIES

FINANCIAL INSTITUTIONS	BOARD OF DIRECTORS	OTHER BUSINESSES
	T. L. Austin, Jr. (Dallas), pres., Texas Utilities	
	George L. MacGregor (Dallas) former chrm., Texas Utilities	
Federal Reserve Bank, Dallas	**Clarence A. Tatum, Jr.** (Dallas), chrm., Texas Utilities	
State Reserve Life Ins. Co. (Ft. Worth)	**William P. Bomar** (Ft. Worth, Texas)	chrm. **Chicasha Cotton Oil Co.** (Ft. Worth) cotton ginning, supplies, & cotton oil, prepared animal feeds **Missouri-Kansas-Texas Railroad Co.** (Dallas)
	Burl B. Hulsey, Jr. (Ft. Worth), pres. Texas Elec. Services, a subs.	
City National Bank (Wichita Falls) **Southwestern Life Ins. Co.** (Dallas)	**Charles N. Prothro** (Wichita Falls)	
City National Bank (Mineral Wells)	**J. F. Bailey** (Mineral Wells)	pres. **Can-Tex Industries** (Mineral Wells), mfr. plastic and clay pipes, waste disposal equip.; a division of Harsco Corp. of Campco
American Savings & Loan Assn. (Dallas)	**Stephen J. Hay** (Dallas)	chrm. **Hesse Envelope Co.** (Dallas), envelopes
	Leland S. Turner, Jr. (Dallas) pres. Dallas P & L, a subs of Texas Util.	
Hartford Fire Insurance Co. (Hartford, Conn.) sr. v.p. **Connecticut Bank & Trust Co.** (Hartford, Conn.) assoc. dir.	**William Griffin** (Hartford, Conn.)	

Service Area: east, north central & west Texas; pop. served, 1,182,000

Employments: 8,800

Revenues: $563,274,400 **Assets:** 2,121,041,000

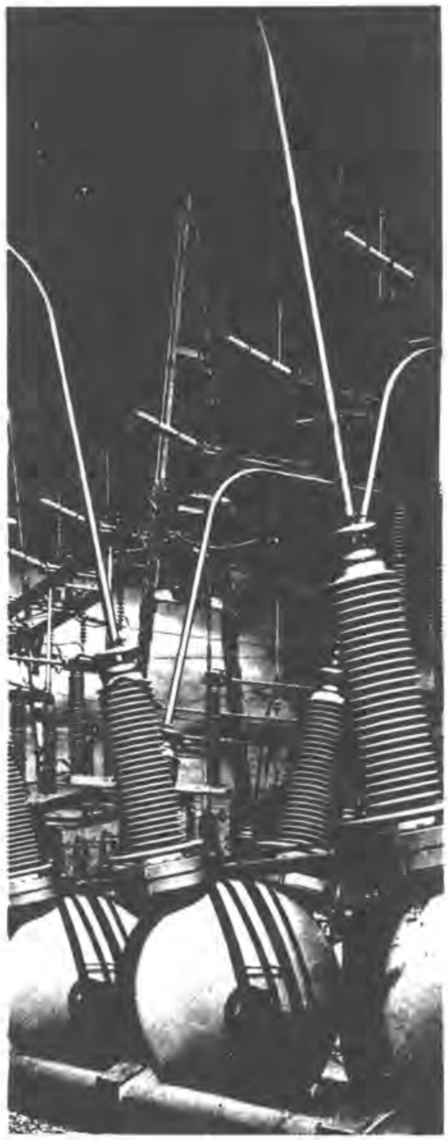
Net Income: $104,137,200 **% Income Tax:** 18%

Price Per Kwh: for residents: 1.99 ¢ **for industry:** 0.95 ¢

Typical Light Bills: Dallas, winter-$12,43; summer-$13.25. Wichita Falls, winter-$12.86, summer-$13.75. Waco, $13.51

Expense Items: Dallas Power & Light: salary of pres. (T.L. Austin), $73,000. First Natl. Bank (Boston), $27,400. Bechtel Corp. (San Francisco), engr., $615,000. N.W. Ayer & Son (Philadelphia), advertising, $27,200. Worsham, Forsythe & Sampels (Dallas), attorneys, $87,000. United Fund of Metro. Dallas, $155,000. Dallas Symphony Orchestra, $6,000. Texas Research Institute, $12,000.
Texas Electric Service Co.: salary of pres. (B. Hulsey), $73,000. Cantey, Hanger, Gooch, Cravens & Munn (Ft. Worth), attorneys, $138,000. Reid & Priest (NYC), attorneys, $39,200. Witherspoon & Associates (Ft. Worth), advertising, $332,200. N.W. Ayer & Son (Philadelphia), $39,400. Edison Electric Institute, $274,500. Circle T Girl Scouts, $7,500. Texas Christian Univ., $155,000. Ranger Indrl. Foundation, $4,300.
Texas Power & Light: salary of pres. (Skelton), $54,700. Republican Natl. Bank (Dallas), pension & trustee & registrar, $100,800. Burford, Ryburn & Ford (Dallas), attorneys, $146,700. Rominger Advertising Agency (Dallas), $239,600. N.W. Ayer & Son (Philadelphia), $46,300. Southwestern Research Institute, $39,400. Chamber of Commerce dues, $43,000. Annual press dinner, $7,800. Community Chest & United Funds $74,000.

Comment: Texas Utilities and its operating utilities also have gas transmission and transport operations to fuel their electric generating plants–such as Old Ocean Fuel Company, Bi-Stone Fuel Company.



VIRGINIA ELECTRIC POWER

FINANCIAL INSTITUTIONS	BOARD OF DIRECTORS	OTHER BUSINESSES
Interstate Corp. (Chattanooga, Tenn.), ins. & transport services **Bank of Virginia Co.** (Richmond), bank holding co.	**John M. McGurn** (Richmond), chrm., VEPCO	**Robertshaw Control Co.** (Richmond), mfr. thermostats, indrl. switches, air conditioning & heating controls
	William M. Ferguson (Newport News) — partner*	**Ferguson & Mason** (Newport News), attorneys, general counsel for VEPCO in Newport News area
	W. S. Peebles III (Lawrenceville, Va.) — manager*	**W. S. Peebles & Co.** (Lawrenceville), dept. store
Life Insurance Co. of Va. (Richmond) **Richmond Corp.** (Richmond) holding co. for ins., real estate pres. **Monroe-Prestwould Corp.** (Richmond) real estate investmts. **Central National Bank of Richmond**	**E. Clairborne Robins** (Richmond)	chrm. **A. H. Robins Co.** (Richmond), mfr. pharmaceuticals **Thalhimer Brothers** (Richmond), dept. store **Chesapeake & Potomac Telephone Co. of Virginia** (Richmond), subs. of A.T. & T. **Ethyl Corp.** (Richmond), mfr. industrial chemicals, paper and paper coatings
	Mrs. J. L. Frey, Jr. (Culpeper, Va.)	
Central National Bank of Richmond adv. bd. **First Fund of Va.** (Richmond), open-end investment	**T. Justin Moore, Jr.** (Richmond), president, Virginia Electric Power	**Universal Leaf Tobacco Co.** (Richmond), whsl. tobacco and holding company
	Allix B. James (Richmond) — pres.	**Virginia Union University** (Richmond)
Planters National Bank & Trust Co. (Rocky Mt., N.C.)	**Shirley S. Pierce** (Ahoskie, N.C.)	**Ahoskie Fertilizer Co., Inc.** (Ahoskie, N.C.), fertilizers & agricultural supplies
Transport Insurance Co. (Dallas, Texas)	**Roy R. Smith** (Swoope, Va.) — pres. chrm.	**Smith's Transfer Corp.** (Stanton, Va.) truck line
	Charles F. Burroughs, Jr. (Norfolk)	pres. **Royster Co.** (Norfolk), mfr. chemicals & fertilizers, animal feeds; subs., include New Bern Oil & Fertilizer Co. (New Bern, N.C.), Pamlico Chemical Co. (Washington, N.C.) **Illinois Nitrogen Corp.** (Norfolk) mfr. nitrogen solutions
George H. Rucker Mortgage Corp. (Arlington) — pres. **Clarendon Trust Co.** (Arlington)	**Ashton C. Jones, Jr.** (Arlington, Va.)	
United Virginia Bankshares Corp. (Richmond) bank holding co., which includes as a subs. — chrm.	**Kenneth A. Randall** (Richmond)	**Chesapeake Corp. of Va.** (West Point, Va.), mfr. paperboard boxes, wood products, and holds timberland
United Virginia Bank/First Citizens (Alexandria)	**W. F. Vosbeck, Jr.** (Alexandria) — mgr. partner*	**Vosbeck, Vosbeck, Kendrick, Redinger** (Alexandria), architectural, engineering, planning firm

Service Area: most of Virginia, northeastern North Carolina, and portions of West Virginia

Employment: 6,500

Revenues: 470,853,000 (95% electric) **Assets:** $2,576,902,000

Net Income: $103,740,000 **% Tax Income:** 0% (credit)

Prices Per Kwh: for residents: 2.29 ¢ **for industry:** 1.14 ¢

Typical Light Bills: Richmond & Charlottesville, winter-$14.76, summer-$15.66. Williamston, N.C., $13.78. Hinton, W. Va., $14.32

Expense Items: Salary of chrm. (J. McGurn), $110,500. Rate proceeding costs, $491,400. Hunton, Williams, Gay & Gibson (Richmond), $803,000. Chase Manhattan Bank (NYC, major stockholder), transfer agent & mortgage trustee, $359,400. American Oil Co., magmt. services, $269,000. Brown & Root (Houston), engr. services, $1,458,000. Chamber of Commerces, $39,400. Reddy Kilowatt promotional program, $12,900. Wall Street Club & St. Regis-Sheraton Hotel, $1,500.

Comment: Other energy resource involvements of VEPCO include the operation of natural gas transmission/distribution for 5% of its revenues; subsidiary Laurel Run Mining Co., a coal mining operation with a book value of $5,000,000; and sale of timber off co. land for receipts in 1972 of $11,250.

Top Ten Stockholders:

First National City Bank, NYC (Stuart & Co., King & Co., Thomas & Co.)	2,209,294
Mnfrs. Hanover Trust, NYC (Sigler & Co.)	1,617,937
Merrill Lynch, Pierce, Fenner & Smith, NYC	1,567,736
Chase Manhattan Bank, NYC (Kane & Co.)	749,431
Natl. Bank of Detroit, Detroit (Trussal & Co.)	682,535
United Virginia Bank/ State-Planters (Hamac & Co.)	622,011
Morgan Guaranty Trust, NYC (Schmidt & Co.)	615,351
First Jersey Natl. Bank, Jersey City (Firjer & Co.)	600,000

total number of outstanding shares: 45,696,760
% held by the top ten stockholders: 19%

book reviews

Work in America. Report of a Special Task Force to the Secretary of Health, Education and Welfare. MIT Press. 1973. $2.95

Workers' Control. Edited by Gerry Hunnius, John Case, and G. David Garson. Vintage Paperbacks. 1973. $2.95.

Looks like the "govmint" has published a genuinely remarkable book, no less remarkable for what it says as for what is left unsaid. After Nixon's Labor Day remarks in 1972, to read what at least a part of his administration is saying about the nature of work in America, anomalies fairly leap off the pages.

The unifying thought in the entire study is concerned with dissatisfaction, the notion that the entire productive apparatus of the United States is rife with a profound dislike on the part of the producers for the products, the processes of production, and apparently for the entire system of work. While the book deals with the problematic questions of productivity, technology, and health, at times it even goes a layer deeper into what must be called Marxist categories: alienation and control. As events are beginning to make clearer, these problems are not native to traditional capitalism alone, the mixed economies of Europe and the statist establishment in the Soviet Union are also encountering problems deep within the industrial social fabric.

Since the government exposes and legitimizes the fact that people are dissatisfied with work, it would certainly be untoward for them to think about letting people devise their own solutions to the dilemma. So come now the nostrums. Prefacing with a splendid attack on the work of the father of industrial efficiency, Frederick Winslow Taylor (an attack based firmly in arguments at least fifty years old), our bureaucrats issue a clarion call for "job redesign." Exactly what job redesign means is a matter of some cloudiness, and depends largely on the separate applications tried so far. But two facts are clear, dissatisfaction can be diminished and productivity enhanced.

Another problem the study seeks to confront is job obsolesence. For this they would institute massive retraining programs which would involve up to three million people per year. It is also gratuitously pointed out that such a scheme would have the effect of reducing unemployment by tying up a measurable percentage of the work force in training all the time.

It is beyond the capacity of this reviewer to comprehend a study of this sort. In a section entitled "Perspectives on Women and Work," the quite revolutionary notion that work in the home is simply uncompensated labor is posited, but in an utterly pointless frame of solutions which differ very little from the liberal band-aid programs which have poured out of Washington steadily since 1933.

The difficulty of comprehension is compounded by a thoroughgoing avoidance of anything approaching the vital question of property. It is assumed in a pollyanna fashion that capital wants these reforms, that government wants them, that workers want them, that, in fact, they are so keen that the only real barrier to heaven on earth is the lack of experts and consultants to speed along the execution. It is admitted that some sections of management and labor may be loath to lose some carefully nurtured positions of privilege but surely the commonweal will triumph.

Another book which is equally uneven, cuts even closer to the core in the problem of work: *Workers' Control, a Reader in Labor and Social Change.* Without dealing specifically with the question of ownership, the entire book does deal with the proprietary aspects of control of productive property. Since workers' control is still much more slogan than fact, the various attempts at it are surveyed. Examinations ranging from what amounts to "job enrichment" in Scandinavia to paper co-management in West Germany, and the private, union, co-op amalgam of Israel through the nearly total workers' councils of Yugoslavia make up the bulk of the book.

The introduction of the study is an essentially Proudhonist moral argument on the question of responsibility for work–that is, work considered as property. While moral arguments delight this reviewer because of personal predilection, the inevitable problems of an essentially evil world tend to overshadow their force. Other sections deal with the problems connected with the question of the role of trade unions and the state. While a direct confrontation with the concept of political revolution is uneasily avoided, its specter very clearly looms behind every attempt to reorder the present system of property control and management in the capitalist world.

The value of the collection lies in its examination of the current state of workers' control as a movement and as an established method of production. It is well worth reading for anyone interested in the potential of democracy extended into the economic base of industrial society. *Work in America* is worth reading if sociological statistics fascinate you or if you wish to keep up with the latest thinking in the left wing of "pointy-headed bureaucrats."

Neill Herring

SDS. Kirkpatrick Sale. Random House, 1973.

Throughout the 1960's—the "decade of defiance," as Kirkpatrick Sale calls it—SDS was a major force in the radicalization of a generation of students. From its beginnings as an organization of white intellectuals hoping to re-politicize the universities and to begin to develop a consistent radical analysis and practice, until its demise following the Weatherman-PL split, the history of SDS was marked by a growth, vitality, and dynamism that is unparalleled in America since the union organizing drives in the 1930's. With less than a hundred members in 1960, SDS grew until at the peak of its size and influence, it had over 100,000 paid members with many times that in active supporters.

Kirkpatrick Sale in *SDS* has tried to chronicle and analyze this history. Although never a member of SDS, Sale did a tremendous amount of research on the organization.He interviewed many former members and read all the back issues of SDS newspapers, pamphlets, and position papers. While the book can be criticized for being incomplete in many respects, ignoring important aspects of the movement of the 1960's while unduly emphasizing others, the effort to compile and to evaluate recent left history is extremely important at this point in time.

It is sometimes said that those who refuse to learn from history are condemned to repeat it. This has been proven all too well in the recent history of the American Left. Seemingly oblivious to the lessons and mistakes of earlier movements for change, the Left has repeated some of the same errors in theory and practice. In order to break this cycle, we must begin the conscious and serious study of past organizing efforts, their failure and success, as well as our own recent history, our own failures and successes. Studies such as *SDS*and *The Making of Black Revolutionaries* by James Forman and *A Long View From the Left* by Al Richmond, are the beginnings of this conscious re-evaluation.

Many of the problems that plagued SDS are still with us: the failure of many white radicals to understand the roots of their own radicalization; a lack of class analysis that reflects the realities of America in the 70's as an advanced technological society; the tensions in organization between the desire for democracy and the need for some form of centralized coordination; the failure to understand or respond to the oppression of women and gay people, or even of workers and third world people; and the need for radical leadership and ideology.

Sale in explaining why he wrote the book also explains why it is important for all of us to read it:

"But if SDS, and the Movement of which it was a part, has been successful in just one thing, the creation of a permanent left in America, it will have served its times invaluably, and if the lessons of its history, its mistakes as well as its successes, its entire ten-year transformation, are not forgotten, there may be an even newer and higher movement of challenge and change. It was for that reason that this book was written."

David Schlissel

Another Look At The Twentieth-Century South. George E. Mowry. Louisiana State University Press. 1973. 90 pp. $4.95.

George E. Mowry, Kenan Professor of History at the University of North Carolina, explores basic questions about Southern politics and culture in *Another Look At the Twentieth-Century South*. The book is a collection of three lectures that Mowry gave at Louisiana State University in 1972. In the first lecture he challenges the assertions of C. Vann Woodward and other Southern historians who have concluded that the Southern experience has been a unique one differing fundamentally from that of the rest of the nation. Comparing the South to what he calls the western middle West, Mowry finds similarities in the national origins of the people, their religious affiliations, their economic and political institutions, and even their literature.

Among the substantive differences between the two regions he includes the presence of numerous blacks in the South, a large financial gap between the very rich and the very poor, and politics as practiced by the Southern ruling class which he describes as a conservative elite.

Examining Southern conservatism in his second lecture, Mowry finds a paradox in the behavior of certain Southern senators who were generally regarded as conservative or even reactionary, yet supported Roosevelt and most of the New Deal measures throughout the 1930's. He states, "Rarely in all political history has a group of so-called conservatives so consistently voted for radical and reform measures over as long a period of years as did these Southerners."As Southern politicians began to resist Roosevelt and the New Deal, a striking consistency characterized their political behavior in two important areas—labor and race relations. Aware that a labor-black coalition could seriously threaten their privileged status within the Democratic Party, Southern senators, with remarkable effectiveness, fought to preserve the status quo. As Mowry points out, "they were not wedded either to the Democratic Party, to national conservatism, or to states' rights but rather used both the party and the concepts as instruments to secure and maintain the existing socioeconomic society at home in the South and, of course, to secure their own personal careers."

In the final lecture, the author assesses the persistence of the Southern power elite. He convincingly argues that the ruling class recognized the vital relationship between economics and race. Their goal was nothing less than the preservation of white supremacy and the maintenance of a society characterized by a crippling economic disparity. He writes, "On the basis of present evidence the main thrust of the Southern conservative politicians and their commercial and professional allies has been to maintain this disparity, to see that the proper people were in their proper place on top, the masses of the poorer whites were near the bottom, and the Negro held in virtual poverty." Towards this end, the Southern elite resisted even the most meager efforts by government and organized labor to alter the existing wage differential or the practice of racial segregation. (Mowry alludės to a statement by "Cotton Ed" Smith that any worker could live in South Carolina on 50 cents a day.) The existence of two separate labor forces meant that employers could not only play one race against the other but could exploit both races economically.

The author maintains that although basic changes have occurred in the last two decades, particularly in race relations, the persistent Southern elite is alive and well. Workers in the region still earn less than those in the nation at large and black workers earn consistently less than their white counterparts. The right to work laws discourage unionism, and the number of Southern workers who belong to unions appears to have levelled off at only a small fraction of the work force. Thus, Mowry concludes that the Southern elite, because of its performance in the past, will most likely continue to exercise power and to influence the future of the South.

Although Mowry's insightful discussion of elites is limited to those in the South, his assessment raises the larger issue of political and economic elitism in American society as a whole. It appears unlikely that any substantive changes in Southern political elitism will occur as long as the hierarchical structure of American society survives in its present form. Current governmental policies, characterized as Southern strategies and benign neglect, support those elements in the South committed to the status quo. However, as evidence mounts that the national power elite is experiencing greater difficulties dealing with such persistent problems as inflation and militarism, the future of economic and political elites, whether on a national or regional level, grows increasingly uncertain.

Wayne Clark

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Religion and the Solid South. By Samuel S. Hill, Jr. Nashville and New York: Abingdon Press, 1972. Pp. 208. Paper, $2.95.

During the past several years an increasing amount of attention has been given to religion in the South. Professor Sam Hill of the University of Florida is one of the central figures in initiating the concern and in opening up new insights and understandings of the distinctiveness of Southern religion and Southern theology.

This book of essays, which follows Hill's important *Southern Churches in Crisis* (1967), includes contributions by Hill ("The South's Two Cultures" and "Toward a Charter for a Southern Theology"), Edgar T. Thompson ("God and the Southern Plantation System"), Anne Firor Scott ("Women, Religion and Social Change in the South, 1830-1930"), Charles Hudson ("The Structure of a Fundamentalist Christian Belief-System"), and Edwin S. Gaustad ("Religious Demography of the South"). The authors use a sociological aproach to their material and address the relationship between religion and culture in the South.

The Solid South, which is admittedly beginning to break apart, is first and foremost a religious category. Given the homogeneity of white Southern culture, it was evangelical protestantism shaped by the slave-master and Black-White relationships that cemented the White South together. The function of Southern religion has been to give divine sanction to the status-quo, that is, to the "Southern Way of Life." For religious thought and practice in the South this has meant a separation between love and justice or the individual and the community. While proclaiming an individualistic love-ethic between persons and denying any responsibility in the social/political arena, Southern religion has forfeited its claim to any prophetic function. Thus, by accepting the status quo of society it has been more "political" than Protestantism in other sections of the country.

The central weakness of the book is the failure to consider the Black Church or Black Theology. I agree with the late James McBride Dabbs (*Who Speaks for the South*, 1964 and

Haunted By God, 1972) that the new theology that will emerge from the resources of the Southern religious experience will come from the Black religious perspective. Serious attention must be given to Black religion in the South in any study of Southern religion.

If the omission of Black theology is a central weakness, the new insights provided for the reader by Anne Firor Scott are a central strength. Ms. Scott argues that women in the Southern Churches were a threat to the Solid South theme and the one force that brought a sense of social awareness and criticism to the Southern Way of Life.

And finally, in a most important essay Sam Hill struggles to make a constructive response to the history and function of Southern religion. The Christian community in the South must overcome its splits between love and justice, other-worldliness and this-worldliness, personal evangelism and social relevance. Reminiscent of several themes found in the writings of C. Vann Woodward, Hill sees the South as having the promise for overcoming its problems in the lived Southern experience (e.g., suffering, a sense of tragedy, a sense of human community). Out of a transformed life the South may well find a new vision, and in Hill's words, "the South . . . is now in a position to reclaim and give guidance to the entire nation." *Religion and the Solid South* is a book that moves us in that direction.

Ed Loring
Columbia Theological Seminary

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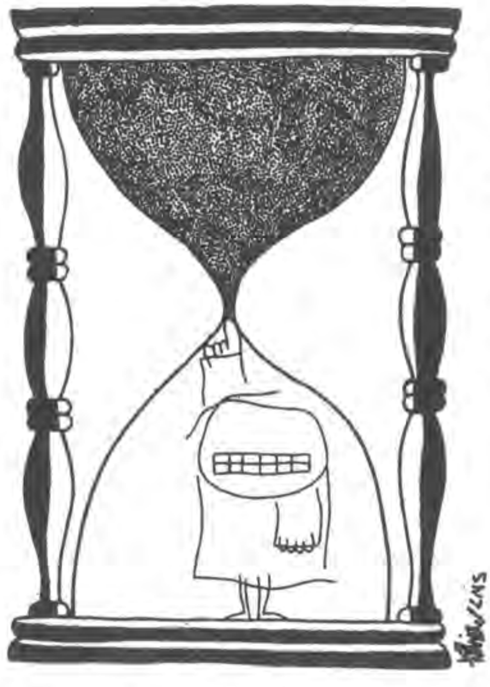
Beyond Repair: The Ecology of Capitalism. By Barry Weisberg. Beacon Press. 1971. PP. 184. $6.95.

In *Beyond Repair*, Barry Weisberg attempts to tie together the ecology movement with a solid political analysis. He makes an effort



to show that environmental destruction is rooted in the very nature of capitalist society and documents the world-wide destruction that springs daily from the US war machine.

Weisberg also argues that the automobile, along with the war machine, has been the backbone of capitalism's massive growth and expansion during the past century. In terms of effecting industrialization, urbanization, transportation, foreign policy, and ecological imbalance, the automobile and its allied industries (steel, petroleum, rubber, etc.) are unrivaled as the most dominant element of the American economy. Just as the automotive industry has been crucial to the development of capitalism, so too Weisberg argues, will this industry bring about its deterioration, as the car-based urban way of life continues to reek environmental destruction.

Although he argues convincingly that capitalism is 'beyond repair,' Weisberg is still weak in developing alternatives for reconstruction. He concludes by discussing the development of a socialist way of life as an answer to our ecological dilemma. But it is yet to be seen if industrialized socialist societies are any better at curbing environmental destruction, than capitalist countries, only that they create more viable structures for solving the problems that come with increasing industrialization.

Beyond Repair presents a good introductory overview of two of the major components of contemporary US capitalism (automobiles and war) along with some of the history of our present ecological impasse, and some sketchy thoughts on the future. And it's all presented with the unflinching Weisberg enthusiasm and faith in the working peoples' ability to bring about a new order.

Joseph Hughes

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The Autobiography of Miss Jane Pittman. By Ernest J. Gaines. Bantam Books, 1971. Pp. 246. $1.25.

It has been a long time now—since college, in fact, and a two-year infatuation with the writings of William Faulkner—that I have felt such unreserved admiration for a novel or a novelist as I feel for Ernest J. Gaines and *The Autobiography of Miss Jane Pittman*. The writing is superb, it moves, it evokes. The subject matter is immense, epic in scope, brilliant in execution. You will laugh, you will cry. You will not want to put the book down.

Miss Jane Pittman is a black woman, 108 or 109 years old. In the novel she tells her story, spanning a century, from a slave girl of 8 or 9 in Louisiana during the Civil War, through the brief flicker of hope of the early reconstruction days, followed by the hypocritical re-bondage in fact, if not in law, and up to the beginnings of the Civil Rights and Black Liberation Movements of the early 60's. It is her story, personal and painful and jubilant. It is also the story of a people, bound, enduring, triumphant. It is a true story, as true as a novel can be. Gaines is clearly a great writer. He should certainly be read.

Tom Coffin

Land Reform and Economic Development. By Peter Dorner. Penguin Books. 1973. Pp. 167. $2.95.

A discussion of the relationship between land reform and economic development, and the diversity of the existing tenure system of various countries. His conclusion: "The evidence seems quite clear that small farms, either co-existing with large farms . . . or operating as the end product of a distributive reform, have a better performance record of output per unit of land than do large estates."

*

The Myth of the Middle Class. By Richard Parker. Liveright. Pp 233. 1973. $7.95.

A documentation of the inequitable distribution of America's wealth and how it has maintained itself through cycles of war, depression, prosperity, liberal and conservative administrations. To offset the widely accepted myth of a large, middle class in comfortable surburban homes with two-car garages, Parker shows that only 30% of US families own a second car; many families have none. The median value of single-family, owner-occupied homes was $17,000 in 1970. He points out that according to Wright Patman's Banking and Currency Committee, 50% of Americans could not afford a mortgage on a home costing $20,000, yet less than one-fourth of the new homes sold for less. Other major points include:

Income: The total income of half the population is less than that of the wealthiest ten per cent. 70 million people live on family incomes of less than $17,000 a year, while 4,000 at the top are worth 4 billion collectively in known assets.

Wealth: The richest 5% own 50% of all wealth, and 83% of all corporate stock. The richest 1% own 60% of that wealth and 74% of those stocks.

Taxes: The cumulative effect of state and local property, sales and income taxes creates a situation in which those earning under $2000 a year pay an average of 25% of their income in state and local taxes, while those earning above $15,000 a year pay only 7% of their earnings.

Unfortunately, Parker argues for a "complete revolution in the tax structure." Given his own massive evidence, it doesn't seem reasonable that the revolution should be contained to the tax structure.

The New Socialist Revolution. By Michael Lerner. Delta Paperback. 1973.

A critique of modern-day capitalism by one of the founders of the New American Movement. Outlines the problems confronting contemporary American capitalism and suggests alternatives for a more just and democratic society.

*

For Reasons of State. By Noam Chomsky. Vintage. Paperback. 1973. $3.45.

An examination of the methods and ideology of those who cite "for reasons of state." It begins with a major analysis of the Pentagon Papers and includes essays on civil disobedience, intellectual freedom, and anarchism.

*

The Changing Politics of the South. Edited By William C. Havard. Louisiana State University Press. 1972. PP. 755. $17.50.

Billed as a complement and update of V.O. Key's classic of 1949, this lengthy and expensive volume takes a new look at regional politics. Its sixteen contributors have undertaken a state-by-state analysis of population shifts, social and economic changes, party structure and leadership, voting trends since 1948. It includes tables and graphs on population trends, voting records, and analysis of election results, as well as separate indices of persons and subjects and a bibliography.

*

Biracial Politics: Conflict and Coalition in the Metropolitan South. By Chandler Davidson. Louisiana State University Press. 1972. Pp. 301. $11.95.

Davidson is pessimistic about the on-the-surface victory of black Americans in the democratic process. His central thesis is that black political participation has not resulted in concomitant awards for black citizens, and maintains that the system which has at times both encouraged and denied their participation simply does not work. Including a vast array of statistics on the current economic status of blacks, Davidson concludes that "there does not seem to be any clear-cut connection between the political pressure exerted by Negro interest groups, Negro politicians, and the Negro electorate on the one hand, and progress in obtaining benefits on the other.

Viewing the black struggle as essentially a battle for economic justice, and defining its major aims as the abolition of poverty, job discrimination, and residential segregation, Davidson argues in favor of a progressive, bi-racial, class-based coalition. It stops short, however, of a realistic critique of this projected new populism.

*

And Still the Waters Run. Angie Debo. Princeton University Press. 1973. $2.95.

This book was originally published in 1940, but that was before the American Indian Movement and other native American organizations had forced 20th century America to deal with its genocidal history. It is the tragic story of the liquidation of five independent Indian republics in violation of solemn treaties that were to endure "as long as the waters run . . . ."

*

The Last of the Southern Girls. Willie Morris. Alfred A. Knopf. 1973. Pp. 287. $6.95.

Carol Honeywell, debutante from DeSoto Point, Arkansas, via Ole Miss, to debutante of Washington, DC—a place "starved for a beautiful, irreverant woman." Morris has developed in intricate detail the elegance, audacity, meanness, self-deceptions, and shallowness of Miss Honeywell, whose lifework is the perfection of herself as a fascinating woman. In the end, she becomes "too fine" for the "rawness and desperations" of the South. She finds she can't go home again for "she has lost something of her own inheritance," and chooses instead the sophistication of Washington.

Morris' writing ability aside, *The Last of the Southern Girls* is yet another volume in the literature of southern belles, the mythical figure surrounded by moss and rivers—and "daddy's money." A figure that has always been "too fine" for the rawness and desperation of the rest of the South, and a figure we could well afford to see the last of.

The Story of Coal and Iron in Alabama. By Ethel Armes. Birmingham. Book-keepers Press. 1972. Pp. 580. $14.95.

Originally published under the auspices of the Birmingham Chamber of Commerce in 1910, this volume has become a classic—partly due to the inclusion of material not now available.

*

Haunted by God. By James McBride Dabbs. John Knox Press. 1972. Pp. 255, $6.95.

In an effort to define southern "uniqueness," Dabbs focuses on plantations, Protestantism, and slavery. Described by one reviewer as "a lengthy sermon by a sophisticated, well-read, and liberal-minded Southern Presbyterian."

*

The Shameful Blight: The Survival of Racial Discrimination in Voting in the South. Washington Research Project, 1972. Pp. 214. $2.50.

Based on eight months of research, this compilation seeks to describe problems "substantial enough and common enough, that they should not be treated as isolated incidents." Problems treated are interference with black voter registration, lack of help for black illiterates, white control of the election process, and low percentage of blacks elected to office.

*

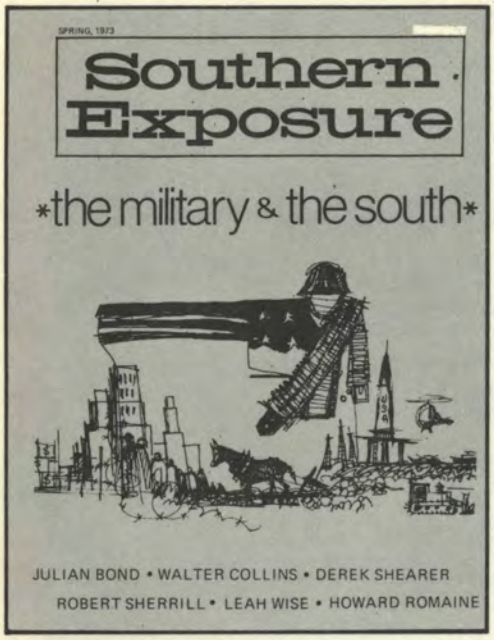
Absurd Convictions, Modest Hopes. Daniel Berrigan, Conversations After Prison with Lee Lockwood. Vintage Paperback. 1973.

The dedication of this book is worth noting: "to all resisters in American prisons — Prisoners of War in their own country." The book, consisting of taped conversations with Berrigan after his release from the Danbury Federal Penitentiary is both an indictment of the prison system in this country, as well as the repressive political apparatus that puts men and women there for acts of conscience. No one gets off easy in this book—not his fellow inmates, his co-conspirators, the prison professionals, the chaplains, or Berrigan himself. His insight and sensitivity cuts through the media message about his famous case and brings into sharp focus those things about prison life which are normally academic perceptions.

"Do we dare consider the possibility that such places can never work?," Berrigan asks. *"Do we dare consider whether or not the very conception of prison as such is antihuman and counter-productive? . . That they can't work because they are reflections of a society's will to punish its least protected members."*

Prison is no place for a free spirit like Dan Berrigan's, and he did not find it easy, despite his notoriety due to the events leading up to his arrest, and despite the fact that he was able to continue reading and writing from prison. Under the circumstances, it is not hard to see what prison does to the minds of others who are imprisoned under much more severe conditions, for according to Berrigan, even at Danbury, *"You saw on every hand the gap between society's rhetoric and its performance, between real values and stated values."*

It is an important document — this little book about convictions and hopes. It gives to our own recent political history the scrutiny that it deserves. His hopes are indeed modest and sobering: "Tell your children that, in such times, prison may be honorable and freedom a disgrace."



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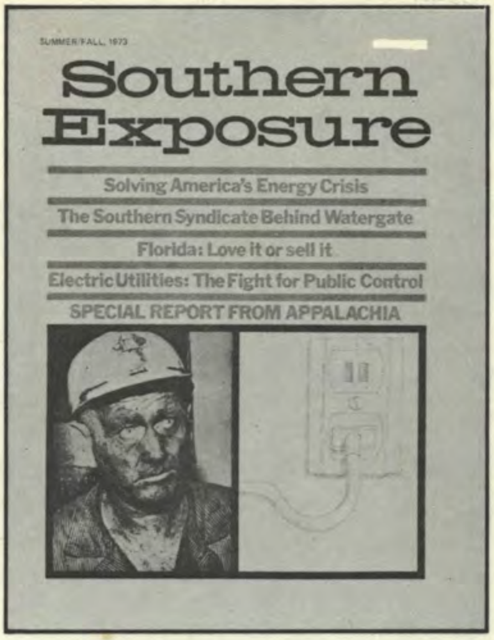

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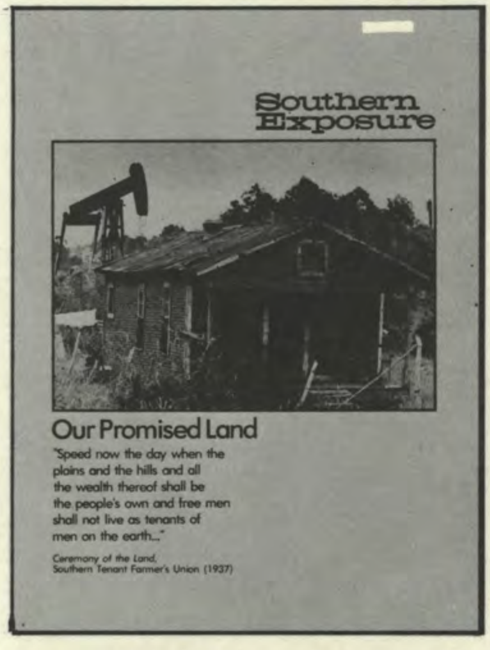

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