

PROBLEMS OF SELF-GOVERNMENT IN EAST PALO ALTO:

A NEW ANALYSIS FOR THE 1970s

Initiative for Improvement in
Education and Governance

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CONCLUSIONS AND RECOMMENDATIONS

(1) The incorporation of East Palo Alto is financially feasible. Local residents should struggle for incorporation and should also initiate legal actions aimed at challenging and ending some of the inequalities the community has suffered at the hands of several surrounding local governments. The new city must have the involvement of large numbers of local residents and creative leadership to build a city that serves the needs of the people, and is not just a self-serving bureaucracy protecting the profit interests of private businesses and a few wealthy residents.

(2) While incorporation of EPA is feasible and is an important aspect of securing full democratic rights for its mainly Black population, the entire community should realize that incorporation will have very little impact on the deepening crisis of U.S. capitalism and its destructive consequences on the community and on its residents: unemployment, inflation, deteriorating public services, increasing taxes, police harassment, education and social welfare cutbacks, etc. These problems result from the very nature of the society in which we live. To end these problems, a more decisive struggle for a new social order is necessary — a social order in which all the wealth of this country is used to serve the needs of the masses of people that produce it and ceases to be used just to enrich a few.

To accomplish the general aims of incorporation, we recommend:

(1) That immediate planning start to put the incorporation question to a vote of the people of the community; that the resources of the Municipal Council and such programs as the 701 Comprehensive Planning Program be aimed specifically at developing alternative plans for providing for municipal services in an incorporated East Palo Alto; (2) That legal action be initiated by residents of East Palo Alto against several surrounding local governments and the State of California which have illegally and unconstitutionally taken land from East Palo Alto, destroying its tax base, raising its taxes, reducing the quality of its public services, and putting additional roadblocks to the just struggles of the community for self-determination and a greater voice in the conduct of local community affairs.

(3) That an extensive community involvement and education program be undertaken to provide broad support in securing incorporation and planning how to build a new city that serves all the people of East Palo Alto.

INTRODUCTION

In 1972 Mothers for Equal Education approached the John Hay Whitney Foundation with a proposal for funding a project entitled "A Community Plan for an Experimental School District." The intent of this proposal was to follow-up the work of the 701 Comprehensive Planning Program's Education Committee and investigate the feasibility of a community-oriented unified school district. As an amendment to this proposal, another request was submitted to fund a study team on "Problems of Self-Government in East Palo Alto." The purpose of this study team was to investigate the financial feasibility of incorporation, but more importantly to suggest some alternatives for ending the oppression that the community has suffered from government agencies and private business interests. The Whitney Foundation approved funding for what came to be called "The Initiative for Improvement in Education and Governance." This is a report of the work done under the governance component, and a discussion of the implications of our findings.

Both of these requests for funding came in the midst of one of the many periods of crisis that has historically gripped Nairobi. Specifically, this period witnessed the murder of a young Black citizen of the community by the San Mateo County armed forces which gave rise to struggles for community control of police. There were also community struggles over cable television, storm drainage, and education. With these events as a point of departure, our study team initially placed great emphasis on the practical nuts and bolts of incorporation as one means to secure a greater measure of self-government and self-determination

for the citizens of East Palo Alto. To accomplish this, we laid out a research procedure that covered over a year (from April, 1972 through August, 1973) of extensive investigation into many issues related to self-government. We were also active participants in on-going community struggles around several related issues (like community control over police and cable television.)

While we have learned a lot from this study and struggle, the shortcoming of our work — in retrospect — is that we were not guided by a clear and correct analysis of exactly what the causes of the problems facing East Palo Alto were, and, therefore what solutions were required. There is an African proverb which states: "If you don't know where you are going, any road will take you there." In our case, and in the case of many of the struggles to improve the quality of life in East Palo Alto, not knowing exactly what the problems are and what forces are causing these various problems has allowed us to proceed along many, different roads, none of which have led to the success in solving community problems that we need and desire. But still another proverb from Africa says: "A fall in the pit, a gain in one's wit." That is, we must try things, and when they fail, we must admit our mistakes and learn from them, continue to try and solve the problems trying to correct our mistakes, and eventually achieve success in the future.

It is in this spirit that this summary and analysis of work done since 1969 (and by many others before 1969) is shared with the people of East Palo Alto. It is not a complete statement of the 1,2,3, or the a,b,c, of how to incorporate East Palo Alto, as we initially projected in 1972-73. Rather, it is an attempt to spell out a framework for understanding the exact nature of the problems facing the people of East Palo Alto (and Black people and the masses of people in the U.S.) These problems are still the same roadblocks which stand in the path of self-determination and improvements in the quality of life in East Palo Alto. The body of this report is mainly an effort to sum up the lessons of our work, draw the correct implications for Nairobi, and to include more recent developments in the U.S. and the world. All of this forms the framework we think is necessary to understand East Palo Alto in the 1975, and to guide our efforts in solving its problems. This report is extensive because we hope it will serve as a summary of many years of study and struggle that the people of Nairobi have carried on. We hope that it will therefore aid in directing future study and struggle at the real enemies that are standing in the path to a better life for the people of the community, the U.S., and the world.

Two closing comments. Undoubtedly, some who read this report will say that it includes a lot of theory. They are essentially correct. But the theory in this report flows from a careful analysis of the concrete conditions of East

Palo Alto, its history, and the struggles that have been waged to improve these conditions. Amilcar Cabral, the assassinated African leader who led the people of Guinea-Bissau to self-determination through ten years of relentless armed struggle against Portuguese colonialism, once said: "...every practice produces a theory; ...nobody has yet made a successful revolution without a revolutionary theory." East Palo Alto is still struggling for self-government, and an end to increasing problems of unemployment, inflation, drug addiction, inadequate community services, poor housing, increased taxation (without representation), and many others. All of us should make a more conscious effort to analyze the exact causes of these problems and re-direct our activities at these causes. In other words, our activities and struggles not guided by a correct analysis of the problem - a correct theory - will miss its target. Only when we fully understand the problems and their causes can we be assured of eventual success in solving them.

Secondly, some who read this report will undoubtedly attempt to deny our position that self-government in East Palo Alto is tied to the struggle of the masses of people in the U.S. against exploitation and oppression by the U.S. ruling class - a small elite group which controls the major corporations, banks, insurance companies, mass media, agricultural lands, means of transportation and communication, and all things

necessary for the functioning of this society. They will also attempt to deny that this same ruling class has successfully blocked self-determination for Black people in the U.S. since we got here in 1619, and in East Palo Alto. The analysis of the facts presented in this report pinpoints the U.S. ruling class as the enemy of self-determination and a better life for the masses of Black people and for the entire society. For those who see "radical" or "revolutionary" implications in the suggestion that it is this class that we must struggle against, again this is essentially correct. But this is no new view. We quote the words of two noted Black leaders:

"The whole history of the progress of human liberty shows that all concessions yet made to her august claims, have been born of earnest struggle. If there is no struggle there is no progress. Those who profess to favor freedom and yet deprecate agitation, are men who want crops without plowing up the ground, they want rain without thunder and lightning. They want the ocean without the awful roar of its many waters.

This struggle may be a moral one, or it may be a physical one, and it may be both moral and physical, but it must be a struggle. Power concedes nothing without a demand. It never did and it never will. Find out just what any people will quietly submit to and you have found out the exact measure of injustice and wrong which will be imposed upon them, and these will continue till they are resisted with either words or blows, or with both. The limits of tyrants are prescribed by the endurance of those whom they oppress." (Frederick Douglass, West India Emancipation Speech, August, 1857)

"When profit motives and property rights are considered more important than people... a civilization can flounder. We must honestly admit that capitalism...has often left a gulf between wealth and poverty, has created conditions permitting necessities to be taken from the many to give luxuries to the few.

The great masses of people are determined to end the exploitation. The earth is being redistributed. Oppressed people cannot remain oppressed forever."

(Martin Luther King, Where Do We Go From Here?)

Only when we have built a new social order in which there is absolutely no exploitation and oppression of the masses in the interests of a few will the problems facing East Palo Alto and the entire society be solved.

SELF-GOVERNMENT IN EAST PALO ALTO: THE PROBLEM DEFINED

There have been many "grass-roots" expressions of what the struggle for self-government means to the people of East Palo Alto. This is one of them:

Among the many factors that have contributed to the growth and development of America, one of the most important has been local self-government. It therefore seems extremely important that East Palo Alto should become an incorporated city, or at least have self-determination.

There exists in every community a community spirit which influences and is influenced by each individual's opinion of himself and his relation to his fellow citizens. We believe that in a democratic self-governing community the people have the best possible method of working together to achieve common goals for the greater benefit of the whole community.

Democracy as a way of life is a way of feeling about humanity and society and centers around a recognition of human dignity. It is perhaps in this respect that self-government is most vitally needed in East Palo Alto. For we cannot forget that the people of this community, the majority of which are Negroes, are also, Americans. And like all Americans, they too have been taught that government should be of the people, by the people, and for the people.

The above statement prepared by a group of Black East Palo Alto residents in 1967-68 is a clear statement of the strivings for self-government and self-determination. These strivings have taken various forms: struggles to build and support an educational system (public and private) that would function in the interest of the community, struggles to control the development of a cable television system, struggles to develop a cooperative community-based food market, and a host of struggles to control the variety of public services, especially the police.

In recent years, the United States--and the entire world--has witnessed a massive upsurge in movements for "local control". In the U.S., such struggles as Ocean Hill-Brownsville controversy over community control of schools, the struggle of the Boston United Front to make Roxbury an independent city, and the struggles of Black people in Atlanta, Nashville, Chicago and several other cities to gain an effective community voice in the operation of the police stand out. Internationally, the heroic struggles of the peoples of Guinea-Bissau, Angola, and Mozambique in Africa and the peoples of Vietnam and all of Asia to take control of their lives out of the hands of the foreign and domestic enemies of their people also are notable examples.

One observer of these events on the U.S. scene has characterized "this eruption of local power and its hundred faces" as the "revolution of local control"--control over public schools, over police, over economic activity, over governmental functions like welfare, and over many other activities of "outside" agencies that affect the community. In the words of Milton Kotler:

Neighborhood residents have been organizing their territory for years, for control of their institutions to serve their own, rather than outside, interests. Sometimes by peaceful transfer, sometimes as a result of rebellion, the public agencies and the real estate and business interests in Black communities are coming into local hands. It remains to be seen how far this transfer will go...

East Palo Alto has not been an exception to this widening struggle for self-government and self-determination. To get a clearer picture of what form these struggles for self-determination have taken, we need only to review some

of the recent struggles in this community.

LAND SWAP OR LAND SWIPE?

Because of its lack of self-government, East Palo Alto fell victim to what was then called a "land swap" but what really turned out to be a "land swiipe" costing the residents of this community many dollars in higher taxes. How did this happen?

Palo Alto owned 560 acres of land in San Mateo County and wanted to annex this land to Santa Clara county. It was prevented from doing so because there was a state law which prohibited a city from annexing land across county lines. San Mateo County challenged Palo Alto's annexation plans in court and won. In 1962, Palo Alto, Santa Clara County and San Mateo County agreed on a development plan for this land in South San Mateo County which included annexation of the land to Palo Alto. The two counties agreed to a boundary line "swap"--the valuable land in South San Mateo County (East Palo Alto) going to Palo Alto and almost worthless land near Skyline going over to San Mateo County. The two counties cooperated in getting enabling legislation in Sacramento, since a change in county boundaries within five miles of the county seat was illegal by state law.

Protests over this land swap (or land swiipe!!) were lodged by both the Ravenswood City School District and the Ravenswood Recreation District. They were both ignored by the San Mateo County and thus both districts lost valuable tax revenue producing lands without compensation. Residents of both districts, primarily in East Palo Alto, now face spiraling tax rates to meet the cost of providing the districts' services. There is some doubt as to whether the land which was due to have been

transferred into San Mateo County was never transferred. The "swap" was thus nothing but a land giveaway--or a land swipe!

There is another related development. When the county was attempting to encourage the school and recreation district to consent to the land giveaway, which they never did, the districts were told that Santa Clara County and Palo Alto would push for the industrial development of another 95 acres called Faber Tract which Palo Alto owned in East Palo Alto. Years later, we find not only has development not taken place, but the city of Palo Alto has encouraged its voters to decide that the land should be designated as open space--possibly forever forbidding industrial development of any kind and decreasing the tax base of East Palo Alto even more.

THE MURDER OF GREGORY WHITE

On Thursday, March 9, 1972, Gregory White, a 15-year old student at Menlo-Atherton High School and a resident of East Menlo Park, was shot in the back and killed by Sheriff Deputy Larry Bringhurst. Young White was allegedly running away from a car reported stolen when the shooting occurred. Within a matter of hours, community outrage over the murder was obvious. The sentiment of the community was accurately summed up by Rev. Bernel Virdue of the South San Mateo County N.A.A.C.P.:

The concept of justice to the Black community has been foreign to law enforcement agencies of the white power structure throughout the history of the United States. Attempts to make the law and justice of the white majority apply fairly to minorities that have been systematically excluded from the main society have met with more failure than success, for the law protects its own, and white society--especially middle and upperclass white society--is the law's own. The murder of Gregory White is a perfect case in point.

There were many specifics involved in the reaction of the community to this brutal slaying. Eyewitnesses to the shooting claimed that Bringhurst yelled no warning to the fleeing youth but merely fired from a distance of 40 feet. Bringhurst fired a .357 magnum bullet, one so powerful that it is banned in international warfare by the Geneva Convention. At several meetings of 200 to 500 residents the community demanded (1) the creation of a police investigation and review board chosen by the community, (2) that Bringhurst have criminal charges brought against him, (3) full community participation in the formulation of law enforcement guidelines, and (4) monetary restitution for the Gregory White family. Several thousand signatures supporting the above demands were presented to the East Palo Alto Municipal Council and the Board of Supervisors within three days after the shooting.

But what followed this significant display of community sentiment and unity was just another example of the racist manner in which East Palo Alto is controlled and ignored. The San Mateo County District Attorney's office ruled that the murder of Gregory White was justifiable homicide less than two weeks after the murder and that no criminal charges would be brought. Sheriff Earl Whitmore ruled that no violation of Sheriff Department policy had occurred and that Bringhurst would not be subject to suspension--temporary or otherwise--in spite of the fact that General Order Number 65 of the Sheriff's Internal Policy states that an officer may shoot only when he believes the fleeing suspect to be armed and dangerous. James Fitzgerald of the Board of Supervisors held court over

lunch with Bringhurst and publicly declared the innocence of Bringhurst in the shooting, praised him for a "job well done" and asked the Black community to join him in such praises. Federal authorities failed to respond to requests for investigation.

One outcome of the Gregory White murder was one which periodically indicated the extent of the powerlessness of residents of East Palo Alto and their "elected representatives" to bring about any meaningful change. On May 24, 1972, Willia Gray announced her resignation from the Municipal Council and disavowed her association from any other San Mateo County governmental bodies. Her resignation was in response to the murder of Gregory White and the inability of the Council to do anything about it. Mrs. Gray commented, "I cannot be part of a system that kills a Black kid and fights for the right to continue doing it."

Mrs. Gray was not the only resident to see the obvious connection of the murder of Gregory White to the lack of self-determination in East Palo Alto, and the powerlessness of the Municipal Council. The letter quoted above from Rev. Virdue continued:

Specifically, we want to stress the need for the East Palo Alto Municipal Council to seize the present high level of awareness of the community to direct it and lead it in the direction of incorporation, self-determination, and self-control (see Point No. 7, report of Investigating Committee.) For real self-determination and self-control, incorporation may well be the only long-range solution. Meanwhile, some form of local control, especially of police, is absolutely essential. Members of the Black community cannot continue to let themselves be subjected to the insulting destructive processes used by San Mateo County whenever community problems arise (from Point No. 10, Investigating Committee Report). All efforts must be made to obtain effective police control immediately. The community

must insist that the Municipal Council get to work on this question now. They can look to other areas for examples (Point No. 9, report of Investigating Committee) or they can figure out something on their own, but immediate action is necessary. If the Municipal Council can not do it, Blacks will have to form and support other groups that can, both in East Palo Alto and in East Menlo Park. We must not allow Gregory White's death to have been in vain.

CABLE TELEVISION

Before the community could "recover" from the tragedy of Gregory White's murder and finalize a community strategy to prevent such activities in the future, it was again faced with another situation growing from its lack of self-govern^{ment}:

The San Mateo County Board of Supervisors and the Menlo Park City Council were considering the transfer of a cable television franchise from one large monopoly corporation to another. This brought an immediate reaction from residents who were familiar with the tremendous impact that a cable television system could have on this community in terms of providing a source of revenue for community development as well as serving as a community communications system.

The Coalition for Community Television was formed in an effort to make sure that the interests of East Bayshore were well represented. It took a court suit in Menlo Park to stop the immediate approval of the transfer. San Mateo County was more responsive after this action. Several weeks of intensive study and preparation were carried out. The East Palo Alto Municipal Council endorsed the Coalition as its official cable television advisory group and adopted all of the Coalitions' recommendations and addressed a resolution to attest to the benefits of cable television to local communities and the viability of

a system controlled by local residents.

Despite all of this the outcome was predictable. The Board of Supervisors and the Menlo Park City Council approved the transfer of the franchise to a new company. This could not have happened if East Palo Alto was incorporated. To make matters worse, as predicted by the Coalition for Community Television, the new company has still not moved to initiate cable construction of the system and has indicated in some quarters that it will be difficult (if not impossible) for them to do so.

The precise importance of describing these struggles is to underscore a fundamental point: that Black people, too, have been taught the ideal of democracy--that government should be of the people, by the people and for the people. It is this consistent struggle for democratic rights--the right to participate meaningfully in decisions affecting our lives--that has been a persistent theme in the history of Black people in the U.S. It is this same persistent struggle for basic democratic rights that has been at the heart of the many struggles of the people of East Palo Alto. Two main points must be emphasized as to what we mean by this "struggle for democratic rights."

First, the struggle for democratic rights has had a long history. By democratic rights we mean those basic rights of equality that were supposed to be implied in this sentence from the Declaration of Independence: "that all men are created equal with certain inalienable rights, and among these life, liberty, and the pursuit of happiness." Through a long history of struggle, these rights have come to include the right to vote, to a fair and speedy trial judged by one's peers,

the right to freedom of religion, of assembly, and of speech, and equal access to all public institutions. The American Revolution was one form that this struggle for democratic rights took. But for Black people, the period of the Civil War and Reconstruction and the Civil Rights struggle of the 1960s were the more important periods.

Strangely enough, however, the U.S. now prepares to celebrate the 200th anniversary of its successful revolutionary struggle to secure these basic democratic rights. But Black people in this country still find ourselves not fully enjoying them, though we have fought long and hard beginning with the American Revolution. It is this historical and contemporary reality that places the struggle for self-determination and self-government in East Palo Alto squarely in the center of Black history and in the center of the Black liberation movement in 1975.

Second, we should point out that the struggle for self-determination is not a response to idealist and moralist sentimentality. Self-government does evoke strong sentiment. But the fact of the matter is that, particularly in East Palo Alto, the struggle for self-determination is a concrete response to concrete conditions of economic exploitation, political repression, and social and cultural oppression. As we have mentioned above and will show below, Black people in East Palo Alto have and continue to suffer at the hands of the dominant economic interests in the surrounding communities. Self-government has been viewed as one small step toward solving some of these problems.

It is at this point that we must raise our most fundamental

reassessment of the role of political self-determination and local self-government through the incorporation of East Palo Alto. The focal point of the struggle of Black people for democratic rights during the late 1960s was voting and electing Black officeholders. Today, Black mayors have served in Cleveland (1967-72), Gary(1967-), Newark (1970-), Los Angeles (1973-), Atlanta (1974-), and Detroit (1974-). In addition, the governing city councils and many top officeholders of these cities are Black.

While these gains are victories which must be applauded, it has now become abundantly clear that, as U.S. News and World Report recently stated, "what voters are starting to discover is that Black mayors by themselves aren't going to make the urban crisis vanish overnight." The fundamental question we must now answer is: Will the election of Black politicians qualitatively change the conditions of exploitation and oppression that the masses of Black people face?

The Cleveland case is a good one to assess the possibility of Black elected political power. During the 1968-72 administration of Carl Stokes, unemployment among whites in Cleveland's central city climbed from 3.3% in 1968 to 5.0% in 1972. But for Blacks during the same period, unemployment increased from 9.2% to 16.4%, remaining almost 3 times the rate for whites throughout the four year period. In Gary and Newark, similar patterns have developed. Newer Black mayors can expect more of the same. Detroit's unemployment rate has soared to over 20 percent. Last year, Detroit's police recorded 801 homicides---a record that caused many to call it not Motor City but "Murder City." The increasing crime and homicide have been linked to the crisis of

the economy, which has also forced the layoffs of 1,500 municipal workers.

To repeat, our purpose in citing these statistics is not to put down the tremendous effort of Black people and the hard work of many Black elected officials. We want to point out that Black "self-government" and Black elected officials exist in a larger context which determines the outcome of their activities to a much larger extent than their own decisions do.

Another very important development must be pointed out in this assessment of the potential of Black political power. When Black people get close to the political power using the existing rules of the game, we find that the rules of the game are suddenly changed. Thus, we are now watching a repetition of the historical patterns of political gerrymandering--1970 style. One report has documented the use of the city-county consolidation reform to counteract increasing Black voting strength in the central cities:

The urge to merge through consolidation can also be expected as a response to the election of Black mayors in a number of cities and to the continuing development of Black Power with its emphasis on community control. Consolidated metropolitan government may well become a part of the backlash to the ideology and potential reality of Black power...What happened in Jacksonville is an old story. At precisely that point in time when Blacks threatened to wrest their share of political power from others, the rules of the game were changed. ("Black Rule in the Urban South?")

Thus, we see that Black political power in the country's largest cities has not been sufficient to combat the deepening cycle of exploitation and oppression faced by Black people. The importance of this deepening crisis is that it has forced us to raise significant questions about the ultimate possibility of

such activities as the incorporation of East Palo Alto and other reformist community development schemes. We are not questioning if these reforms should be struggled for--but we must be clear on their long-range potential so that we do not mistake short term reforms for long range solutions. We must question one of the basic assumptions underlying this study: "that government itself is usually the focal point for most binding decisions which affect our lives...." This assumption is accurate, as far as it goes. But it fails to raise a more fundamental question: who determines what decisions government make and what policies they institute? If the "Black governments" of Gary, Cleveland and Newark have not been able to bring about fundamental changes in the lives of their residents--or even to maintain the status quo--what are the forces which ultimately determine the purpose and scope of political power? The answer to this question will help us understand the history of East Palo Alto and to chart a more successful course for future struggles.

Mayor Richard Hatcher of Gary has been struggling with these issues since 1967 and his experiences have led him to some answers about the forces shaping the exercise of political power, particularly Black political power. Let us quote him at length.

Although I have superficially summarized the opposition in terms of people, people are really not the basic problem. To comprehend this society, we must look beyond people to institutions and beyond institutions to systems. In large measure our values and priorities are determined by our system of productive relations--in other words, the way the society uses its material and human resources, how it does so, why, and for whom.

Today America's large corporations completely dominate the productive process. Economists tell us that in 1962 the five largest industrial corporations possessed over 12 per cent of all assets used in manufacturing. The fifty largest corporations had over a third of all manufacturing assets. The five hundred largest had well over two-thirds. In 1965 three industrial corporations --General Motors, Standard Oil (New Jersey), and Ford Motor Company--had more gross income than all the farms in the country. The revenues of General Motors in 1963 were eight times those of New York, and slightly less than one-fifth those of the total United States government. Prices, costs, production, and revenues are no longer established by the market, as they were in an earlier period in our economic history, but by the planning decisions of the large corporations. The current blather about free enterprise, the little businessman, and black capitalism are but amusing wives' tales, more appropriate to Alice in Wonderland than to serious discussion.

Because it is America's major corporations that dominate the market and the economy, it is they who set the priorities for our society. Corporate decisions are determined not by what is best for people, but by what will be most profitable. Through corporate control of advertising media and corporate penetration of the entire culture, the producers shape people's wants. Therefore, what the people need, they don't want, and what they want, they don't really need. The corporate system has had its effects on education in this country also. It should be amply clear by this time that the activist students and their supporters have evoked strong reactions, not so much because of their tactics but because they like the black movement in America, have touched upon a raw political nerve--namely, who sets social priorities in this country and how.

Hatcher has stated the fundamental point: the domination by large U.S. corporations of the American economy, and on the basis of this tremendous economic wealth and power, the control over all aspects of the entire society: the mass media, education, and most important for our analysis, all levels of government and politics.

Understanding this relationship of wealth and economic power to politics and political power is an essential starting point in understanding everything else about this society. The

explanation of this relationship is usually turned upside down and around, usually for the purpose of confusing us when we should be thinking clearly in these matters. In reality all of society rests on the level of development of its economic base, or its capacity to produce those basic necessities of life--food, clothing, housing, transport, medical care, etc. without which life would cease. Thus, whoever owns and controls the means of producing these necessities--farms, banks, factories, etc.--can effectively dictate the kind of society that will develop and the quality of life that the masses of people will enjoy. Or as Hatcher put it, "the way the society uses its material and human resources, how it does so, what and for whom."

The recent (so-called) energy crisis clearly demonstrated that, in fact, the gigantic oil monopolies had more control and impact and was more "a focal point for binding decisions" which affect the lives of the American people than did the U.S. government. Seven oil corporations--Exxon, Royal Dutch/Shell, Texaco, Gulf, Mobil, British Petroleum, and Standard Oil of California--control 60% of the world's crude oil production and tanker capacity and over 55% of the world's refinery capacity. Thus, these corporations were able to contrive crude oil shortages and push gasoline prices, resulting in record-breaking profits. In November 1973--in the midst of the oil shortage hysteria--all the major oil companies reported giant profit increases over the same period in 1972: Gulf, 91%; Exxon, 80%; Getty Oil, 71%; Mobil, 64%; Cities Services, 61%; Phillips Petroleum, 43%; Conti-

mental, 38%; and Standard Oil (Ind.), 37%.

But what was most significant for this study of East Palo Alto was the obvious complicity of the government in facilitating this tremendous increase in oil profits through allowing the prices of gasoline to soar while at the same time holding the wages of workers frozen, sanctioning allocation measures which aided the oil monopoly, repealing clear air, offshore drilling and other anti-pollution legislation, reducing highway speeds, allowing more than 19,000 service stations to be pushed out of business, etc. Every thing was controlled by the government except the super-profits of the oil monopoly. In the words of one U.S. senator responding to a report that big oil interests gave Richard Nixon over \$5.7 million in re-election funds:

"The big oil companies have Mr. Nixon in a double hammerlock. It is now clear why the administration has been so consistently pro-big oil."

We say that the same thing is equally clear whenever and whatever question is involved: the interest of U.S. big business dictates the policies to be followed by the U.S. government, and state and local government, as well. Only in times of extreme emergencies--like the Great Depression or during the current depression--are the people given a few concessions to stem our rising anger.

There is yet another important aspect of the role of large U.S. corporations that we should comment on--their extensive activities overseas. Again, in the words of Richard Hatcher:

The corporate system has spread its tentacles throughout the entire world, penetrating global markets and gaining hegemony over foreign lands. Flag and sword follow the corporate balance sheet. American foreign and military policies are designed to protect overseas investments and

ensure their future development. A conscript army is a necessity, and 35,000 dead American youth in Vietnam is the result. The effects of this state of affairs are clear to anyone willing to look beyond the public relations puff pieces that masquerade as news in our daily press. Vast portions of American profits are being used not to help people but to suffocate them. And the values created by this corporate society are largely false, evil, and antihuman.

It is this reality of the domination of U.S. economy and society by large corporations that we call monopoly capitalism--the domestic side of the coin. The international side of the same coin--the domination of the world economic and social system by these same large corporations is what is meant by imperialism.

The main point here is that in order to understand the social, political, and economic problems of Black people in E. Palo Alto and in the U.S., problems which exist for the entire society, we must first understand the system of monopoly capitalism and imperialism. This is the main controlling force of the U.S. and the world economy, and as a result, the dominant force in the entire society. This point echoes a conclusion reached by the noted Black sociologist Oliver Cromwell Cox over a decade ago:

To the social scientist, nothing could be more important than an understanding of the nature of capitalism. All major contemporary change involves, essentially, processes of the capitalist system--a system so pervasive that by opening of the twentieth century, the life of practically every individual on earth had been brought within its purview. Mankind has known no comparable culture...

More specifically, the main point for our analysis is the relationship of what we have called basic democratic rights and self-determination in the political sphere--such things as voting, equal access to public institutions like education and

health care, etc.--to what we will call basic democratic rights and self-determination in the economic sphere. Our analysis points to monopoly capitalism and imperialism--the ownership and control of the entire U.S. capitalist economy in the hands of a small almost all-white ruling class. This leads to the complete and total absence of basic democratic rights in the economic sphere for the masses of people in the U.S., particularly Black people. On the basis of this denial of economic democracy, we find that it is impossible to exercise and enjoy basic democratic rights in the sphere of politics and government. Another way of putting this is: he who pays the piper (economics) calls the tune (politics)!

Political power--at the Federal, state, county and local level--is manipulated and controlled by the owners of America's economic institutions in their own private interests. This is not to deny that there have been some important changes in the way this power is administered and manipulated in recent times especially with more Black people in office. But the late Kwame Nkrumah, leader of the African independence movement, has warned us in his book Neo-Colonialism, the Last Stage of Imperialism why we should not mistake the changes in the form of our oppression for fundamental changes in the content:

The essence of neo-colonialism is that the State which is subject to it is, in theory, independent and has all the trappings of international sovereignty. In reality, its economic system and thus its political policy is directed from outside. The methods and form of this direction can various shapes.

Applied to our own concrete conditions, Nkrumah's analysis can help to clarify the situation that Black politicians find themselves in--many unwilling and unknowingly. In Gary,

Richard Hatcher won the top political office, but once in office found that the real levers of power were still controlled by U.S. Steel. In Newark, it is Prudential Life. In Detroit, it is the GM/Ford/Chrysler/American Motors clique. In Cleveland, the Hanna/Mather/Eaton/Young financial group.

In every city the pattern is the same. Our responsibility is to ask who controls East Palo Alto and the Peninsula? What application does Nkrumah's analysis of neo-colonialism have to the creation of the East Palo Alto Municipal Council by the San Mateo County Board of Supervisors on July 5, 1967? What is the precise importance of the proliferation of federally (under) funded social welfare programs in Black communities across the country. (The good intentions of the Black people who occupy these positions or work for these agencies is a separate question).

Before exploring these questions, however, let us attempt to sum up this first overview section of the report and outline the main implications we see for the struggle for self-government in Nairobi.

SUMMATION: IMPLICATIONS FOR SELF-GOVERNMENT IN EAST PALO ALTO

A. What the Problems of Self-Government Is Not

(1) The problems of securing self-government in East Palo Alto is not the lack of citizen interest or concern about solving community problems. Incorporation struggles date back to the early 1950's, but the more recent efforts are most important. The issue of self-government has led to extensive study and struggle. One organization, the Citizens for Self-Government, authorized a community wide survey to ascertain citizen support for incorporation, as well as the major areas of concern. The survey indicated that between 47% and 65% of the East Palo Alto residents were thoroughly dissatisfied with education, drainage and sewer services, police, streets, street lighting, and recreational services in 1970. The survey also showed that 63% of the residents thought that their community got worse services than surrounding areas even though higher taxes were paid. More recently, widespread community interest in the Ravenswood City School District, and in public service area like storm drainage and police protection indicate a continuing and dynamic interest. (2) The problem of securing self-government in East Palo Alto is not that the people of East Palo Alto lack confidence in their ability to find solutions to the problems they face. The survey cited above showed that 70% of local residents favored incorporation, would vote for it, and felt that immediate steps should be taken to incorporate the community. In addition, an average of 70% thought that incorporation would improve the level of public services, increase governmental responsiveness, raise the level of official awareness of community

problems, increase the ability of local officials, to solve these problems, and give local residents more say in how the community is run. At that time, almost 79% thought increased taxes would be needed and expressed a willingness to pay for the benefits.

The continuing efforts of the East Palo Alto Municipal Council, the Mothers for Equal Education, the board of the Ravenswood School District and a number of other organizations clearly indicate a willingness to find solutions to the problems the community faces. (3) Finally, the problem of securing self-government is not that the people of East Palo Alto are not "ready" for self-determination. The governing boards of San Mateo County, among others, continue to imply this. In the meantime, they continue to maintain control of East Palo Alto under the pretenses of "preparing training it for self-determination." This is the same kind of paternalism that characterized the attitude of Portugal toward its African colonies and the attitude of the U. S. government to the people of Indo-China, particularly Vietnam. We need only to look at the intensity of these struggles to realize that exploiters and oppressors never voluntarily admit to the readiness of oppressed people for self-determination. It must be struggled for and won!

B. What the Problem of Self-Government Is

Based on our investigations and an analysis of the experience of other communities, we identify the major obstacle to securing self-government in East Palo Alto as U.S. monopoly capitalism and imperialism. This system concentrates the ownership and control of the U.S. economy in the hands of a few members of the

ruling capitalist class, and consequently gives them the dominant say over how all aspects of society will function.

In terms of East Palo Alto, the power of this economic wealth on the state and local level has historically blocked all efforts to secure self-government through incorporation. To support this contention, one need only look at the role of big business in manipulating the industrial development, job opportunities and housing on the peninsula, annexing valuable tax lands where the Palo Alto Airport is located, the role of business interests in having industrial tracts annexed to Menlo Park, or in getting the State legislature to pass special legislation to facilitate these goals. We will detail this below. This lack of economic and political power is the basic cause of the most serious problems which face East Palo Alto.

But there are internal aspects of the problems of securing self-government. One is the failure of the community - the masses of people and those who we consider leaders to fully understand the real obstacles to self-government and the host of community problems. But this failure to fully understand the problems facing us is mainly the result of the way we have allowed information, analysis, technical assistance, and ourselves to be manipulated.

C. What the Strategy for Securing Self-Government Should Be

Certainly a correct analysis is very necessary for finding a solution to any problem. But this does not mean guarantee that the solution will appear automatically. This is certainly the case with regards to East Palo Alto. Richard Hatcher of Gary made these comments in 1969 that still hold true today:

"It is shallow to think we can cure this malaise by heavily taxing corporate profits and using the revenues for healthy purposes or by giving up the armies and guns that protect the corporate system overseas. This administration, like those before it, is unprepared for such a utopian reversal. For the government itself is a political extension of corporate existence. And so the opposition is really not people but a system and the institutions and values the system creates. The system is corporate control and racism at home and warlike policy and contempt for colored peoples abroad. We must force a shift in national priorities."

This shift in national priorities begins to speak to the heart of the matter. The history and current situation in America is characterized by increasing wealth for a few and increasing misery for the masses. The people of East Palo Alto and the U.S. are fighting for economic security, overall improvements in their standard of living, freedom, justice, and equality. This will ultimately require a new social order. This new social order will differ from the existing one because it will be one in which wealth, all which is produced by the masses of working people, will be completely used to fulfill the needs of the masses and not to provide wealth and comfort for a few who perform no productive role in producing it.

Still, what we must do is to make this general statement real for East Palo Alto (or any local community.) This we will do in the next part of this report. At this point, however, we would like to focus on one thing: the role of Black elected public officials and other community leaders. At the present time they are leading the struggle for self-government in East Palo Alto. Mayor Hatcher has made some comments that

are very relevant because they link the role of elected officials in local struggles with the broader struggle for a new American social order:

"What has all of this got to do with black elected officials? Black political power is essential, but in and of itself, it is not enough. The black movement must more and more doggedly direct its thoughts and energies to the problems of economic power. And by economic power I don't mean black capitalism, which is a travesty and a hoax. Since black people of this nation are, as a whole, the most deprived and oppressed, it must be black people who are the vanguard of the movement which demands that the system be radically transformed.

What does this mean for the black elected officials here in this room? Does it mean that we cease working for reforms, trying to get more people trained and employed; that we cease making demands on the moguls of industry to stop their rank discrimination against blacks, browns, and women; that we cease battling for a guaranteed annual income, rent supplements, a saner welfare system, better education, and a flood of funds for cities and schools? No, of course not. We cannot live, work, and struggle in the abstract. All struggle must center around current concrete problems. We must constantly demand these reforms and a host of others. But if all we do is attend to reforms, then we are only pallid reformers, dispensers of Mercurochrome and Band-Aids when nothing short of surgery is required. Eldridge Cleaver said it: "You're either part of the solution or you're part of the problem." To which I add that if we limit our role to that of the reformer, then we are certainly part of the problem. And our black constituency ought to rise up and get rid of us in a hurry and replace us with black cats who are part of the solution. How do we avoid the ancient pitfalls of working for reforms without at the same time becoming helpless reformers, errand boys of corporate liberalism, Uncle Thomases, if you will? We do so by not viewing the reforms themselves as ultimate goals, but by viewing the struggle around reforms as a means

of radicalizing people's consciousness. Truth is king, truth is power, truth is everything. The Establishment understands this beautifully. That is why it is trying to crush dissent and eliminate dissenters - because they speak the truth and are willing to act upon it. Rap Brown was a dissenter; they put him in jail. Muhammad Ali was a dissenter; he doesn't fight any more. Malcolm X was a dissenter; he is dead. Eldridge Cleaver dissented; he's in exile. To dissent is not very healthful in this country.

As we press for reforms, we must not lull the people to sleep, we must awaken them to the truth. In the struggle for a particular reform, we must always strive beyond it. As we fight for more funds, for instance, for new school construction, raising teachers' salaries, and better education, we must explain to the people why existing funds are totally inadequate: because the corporate system is spending \$82 billion a year for guns to protect its overseas investments, and at the expense of the lives of the nation's sons. As we demand more hospital rooms and doctors, and better medical care, we make it clear that the \$32 billion we are spending annually to napalm women and children to death could take care of our medical problems for the next half century. As we fight against corporate pollution of air and water, we explain why the corporations are dragging their feet: because the people's health and the community's beauty is not of corporate concern. Antipollution equipment is expensive, it produces no income; it does not swell the corporate coffers.

We don't abandon to George Wallace the white working class; they are fearful, confused, battered by inflation, barely making their mortgage payments. We point out to them the real enemy. We explain to them patiently, tirelessly, day in and day out, that the Establishment fears nothing so much as working-class whites and working-class blacks getting themselves together. Because when that day comes, brother, the system is going to change.

This is the role of the black elected official."

The above analysis should provide ample support for the fact that we must thoroughly rethink the struggle for self-determination and self-government in East Palo Alto. The role of government - federal, state, county, and local - has been to facilitate

the exploitation and oppression of the people of East Palo Alto for private business interests. Only secondarily have these governmental bodies promoted the general public welfare, particularly the welfare of Black people. Thus, politics and government must be seen in the context of the way they serve the interests of the ruling class in control of the economic system.

We have tended to ignore this fact, or we have not emphasized it properly. Instead, we have focused on removing barriers which discriminate against Black people, mainly in the social, political, and educational arena. Our new approach to the problems that East Palo Alto faces must begin to challenge the systematic and conscious efforts by the economic rulers of the country and of the Mid-Peninsula to reap as much profits from their exploitation and oppression of us as possible. We must begin to see that only when this system of economic exploitation has ended can we really enjoy full political, social, educational, and economic self-determination.

In conclusion what Mayor Hatcher is suggesting in the quote above/^{we} have concluded from our study and struggle in East Palo Alto: that the election of Black public officials and even a share of political power under the existing system are mere reforms that will not by themselves solve the many problems Black people face. We must see these reforms with their limitations and not as cure-alls - then proceed to push all of our activities on to the decisive struggles for a new, more humane, and just social order.

REVIEW OF PAST STUDIES OF INCORPORATION

The most important question about self-government through the incorporation of East Palo Alto is not whether this pre-dominately Black community is capable of governing itself on the local level. The most important issue revolves around:

(1) how people and the community of East Palo Alto have been historically and systematically exploited to serve the interests and increase the profits of big businesses in the area; (2) how the disadvantages and inequalities that result from this history of exploitation are now being used as the basis for denying the community its just and long-standing demand for local self-government.

These two points must be stressed because there are still people - both inside and outside East Palo Alto - who continue to insist that the people of the community are responsible for the problems which exists and are even to blame for the failure to secure local self-government.

One of the key barriers to incorporation has been: does East Palo Alto have a large enough tax base to support an incorporated city? The first task of our investigation was to pull together and assess the evidence on this question. Before doing this, however, we must state two points which emerged from our study:

(1) While this question of tax base is important, we feel that it has been and is being used as a diversion. Many anti-incorporation forces inside and outside the community are using the tax base argument to cover the real basis of their opposition to incorporation: racist views that Black people cannot run a city,

private business interests and profits to protect, lack of confidence in the community's ability to confront and solve its pressing problems.

(2) Those who constantly argue the tax base question never admit and discuss how big business interests in the area and the local governments they control have cooperated - consciously and deliberately - to destroy East Palo Alto's tax base. To admit this is to admit the responsibility of various city councils and Boards of Supervisors - Menlo Park, Palo Alto, San Mateo County, Santa Clara County and even the State of California - for now providing some compensation for the lands that have been illegally ripped off from the community, land that could now provide tax revenue to support a self-governing city.

These two facts must be on our minds as the community undertakes the struggle to incorporate. It helps us to know who are our friends and who are our enemies. We have included this brief discussion and review of past studies because it is from this history of struggle that the present efforts are starting from.

A. "THE ECONOMIC IMPLICATIONS OF ANNEXING ALL OR PART OF EAST MENLO PARK" (ECONOMIC DEVELOPMENT ADVISORY COMMITTEE, AUGUST 25, 1969)

The purpose of this report was to assess the economic implications of the annexation of all or part of East Menlo Park by a "city" of East Palo Alto. The report was based on the assumption that there was the same desire in East Menlo Park as demonstrated in East Palo Alto. The legal process of annexation also assumed that East Palo Alto would first be incorporated as a city and therefore this report used the budget projections in the Henderson Incorporation study (see below) as the proposed budget for East Palo Alto.

The study considered the impact of three different alternatives: annexing all of East Menlo Park, annexing only the three industrial (and less populated areas) and annexing all except the most heavily populated residential area. Two key factors were used: the gain or loss in net revenues available for municipal services resulting from the three alternatives, and the gain or loss for the two communities from the point of view of the potential for commercial or industrial development.

The committee concluded that the annexation of all of East Menlo Park except the prime residential area would require an 8% increase in taxes in the area, and a slightly smaller increase in revenues available for financing municipal services. If all of East Menlo Park were annexed, those areas would

increase the revenues available for municipal services but would also require much larger expenditures for those services.

While not clearly stated, the committee suggested annexation of lands which would produce a net increase in municipal revenues but suggested that a much more feasible alternative would be the development of East Palo Alto lands presently vacant as the best and quickest way of increasing revenue available for providing municipal services to the community. It stated that it "will take as its charge the task of developing existing lands to increase revenues available for services and schools."

There was one other very important conclusion in the report. It was pointed out that substantial industrial development must take place to make "a significant difference in revenue available for municipal services." According to calculations in the report, at a tax rate of \$1.63 per \$100.00 of assessed valuation, in order to increase unrestricted municipal revenues \$1,000.00, it would require an addition of property valued (at market) at \$280,000.00. In other words, every \$1,000,000.00 in taxable investment would yield only \$3,675.00 in municipal revenues. This conclusion argues strongly against those who propose substantial increases in the local tax base as a pre-condition for self-government in East Palo Alto.

B. EAST PALO ALTO MUNICIPAL COUNCIL SPHERE OF INFLUENCE
REQUEST (JANUARY 13, 1970)

This request was an attempt to get the San Mateo County

Board of Supervisors to approve a request that would (1) protect the existing unincorporated area from reduction by annexation to adjacent cities and (2) project the boundaries which will be used as the basis for community activities directed toward self-determination. The request was seen as the first legal step toward the development of a local government which will deal with the unique needs of the East Of Bayshore community.

The request included a sphere of influence over all of East Palo Alto and all of Menlo Park east of the Bayshore freeway. The area represented approximately \$22 million assessed valuation in East Palo Alto and \$11.5 million in East Menlo Park. The Council justified including these two areas because of its desire to provide a viable tax base for incorporation based on the considerable demands of the community, concluding that the East Palo Alto area alone did not provide a sufficient tax base. The approval of the sphere influence was seen as giving the community a head start on incorporation and a sounder foundation for negotiation with Menlo Park for the detachment of certain potential industrial lands. The Council also stated that there was strong citizen support for incorporation.

In summary, the Municipal Council appealed to the "liberal" sentiments of those who rule over them: "this proposal offers LAFCO and San Mateo County a unique opportunity to step out of the traditional mold for dealing with underdeveloped, unincorporated areas. Since this is a predominantly Black community, it offers further opportunity to demonstrate that such a community can develop into a viable entity."

C. LAFCO RESPONSE TO SPHERE OF INFLUENCE REQUEST (MAY 8, 1970)

The LAFCO response to the request of the Municipal Council is a classic example of what can be expected when a powerless, poor, predominantly Black community like East Palo Alto relies on the "usual" democratic appeals and good will of people with economic and political power and interests to protect. LAFCO first stated that the sphere of influence should in no way be construed as favoring the possible incorporation of the community. In fact, it concluded just the opposite:

(1) The goal of incorporation would result in the creation of an additional autonomous governmental body. Such "proliferation of municipal governments" is against standards adopted by LAFCO. Further, the area to be incorporated has a population of less than 24,000 and an assessed valuation of \$33 million in an area less than three square miles, making it "not surprising that we find a high cost for providing the municipal services required for the proposed city." (LAFCO refused to discuss why East Bayshore is so poor, concentrated, and in greater need of public services.)

(2) While LAFCO says that it is "sympathetic to the East Palo Alto milieu, there was little information which fitted East Palo Alto into the general plan of governmental and fiscal organization". This simply meant that self-government in East Palo Alto must wait until San Mateo County and Bay area is clear on its future plans, even though LAFCO admits the damage this has already done to East Palo Alto.

(3) The level of service proposed by the Municipal Council (they claim) drastically less than that now provided.

(4) East Palo Alto faces unique problems (highest concentration of poor and disadvantaged, etc.) in addition to those faced by other cities. Because so much is presently being done, "no one can fail to recognize the problems of the status quo, but one must also assess its strengths." (In other words, we should be happy with what we have!)

LAFCO did recommend approval of a special holding sphere for the East Palo Alto area only, based on three pre-conditions before incorporation could be given a favorable hearing:

(1) Proponents should present evidence of successful negotiations with property owners and the city of Menlo Park for detachment of all Menlo lands included in the request.

(2) The council should present explicit guarantees that a tax base increase and other anticipated governmental resources will be forthcoming upon incorporation.

(3) Due to the unique service requirements of the area, it is imperative that any future alternatives provide a quality of services equivalent or in excess of the present level of services.

These three conditions reflected the intentions of San Mateo County to place in the path of East Palo Alto bigger hurdles to self-government than they have placed in the way of any other city. While recognizing that it is the annexation of East Palo Alto land which have put the community in the shape that it is in, LAFCO still insists that this land be re-acquired before the community will be "allowed" to proceed with incorporation.

The most unfortunate thing is that the Municipal Council has historically approached the incorporation question accepting these racist and biased assumptions of people and agencies who are responsible for our situation and still profit from the exploitation and oppression we suffer.

D. NAIROBI DEVELOPMENT CORPORATION STUDY OF INCORPORATION
(HENDERSON REPORT--1969-1970) (Excerpt)

"The Nairobi Development Corporation has reached the following conclusions in regard to the incorporation of the East Palo Alto Area:

1. It would be possible, although probably not feasible, to incorporate with no increase in property taxes. Residents would have to be willing to accept a twelve-man police force compared to the present total forces of twenty-eight men. In view of the present high crime rate in East Palo Alto, it would be difficult to justify such minimal police service.

2. A smaller reduction in services could be achieved by incorporation with an 80¢ tax increase. Total police services would drop from 28 to 20 men, and some decrease in road maintenance and construction would result, but most other services would be at their present level.

3. To incorporate and maintain a level of services equivalent to what is now provided in East Palo Alto would require a tax increase of \$1.70, or \$55.00 per year on a \$15,000 property.

The budget figures which account for the above tax increases are based on 1969 salaries and equipment costs. About 5% a year should be allowed for inflation.

It is recommended that citizens groups in favor of incorporation attempt to reach an agreement with San Mateo County for the County to subsidize part of the operation of the new city. The chief argument in support of a continuing subsidy is that San Mateo County would realize a savings of almost \$500,000 a year if East Palo Alto were to incorporate.

Arguments Against Incorporation

1. As a largely residential area (hence without substantial high-tax industrial property), East Palo Alto as a city would be able to provide only minimum level public services as outlined earlier in this report; this would continue and intensify if costs of government continue to rise in the future as rapidly as they have in the recent past.

2. Incorporation may be unnecessary if a community decides that its needs are limited.

3. Special districts and other alternative means of providing services could be more appropriate to the community's needs - for instance, rather than operate a general purpose city government, high priority needs could be isolated and handled by new special purpose districts.

CONCLUSION

It must be made clear that the model described for the city of East Palo Alto will be a minimal service city. Voters must realize that the low assessed valuation and the small commercial

development of the area means that the city would not be as affluent as Palo Alto or Menlo Park.

Yet if the desire for self-determination is strong enough in the community, incorporation is a possibility. Two cities in the Bay Area have adopted budgets with approximately the same expenditure per capita as the proposed East Palo Alto budget:

		<u>1968-69</u>
Belmont	25,000 population	\$1,015,000
Lafayette	30,000 population	793,400
East Palo Alto	18,000 population	843,800 (excluding water works)

Despite cost problems, low tax base and other finance-related difficulties, East Palo Alto can still succeed in an incorporation venture if the community unites itself to provide cooperation with and support of municipal government at all levels. An aroused leadership, however strong, cannot by itself come close to doing the job."

E. CITIZENS FOR SELF-GOVERNMENT (1970-1971)

Following the release of the Henderson study of incorporation, a group of residents started to meet to discuss the details of the study and to plot the course for incorporation. The group named itself Citizens for Self-Government. A major goal of the group was to assess citizens attitudes with regards to incorporation. The group commissioned a community survey designed to get at some very basic question related to self-government.

IS THERE CITIZEN SUPPORT FOR INCORPORATION?

There are several contentions underlying an effort toward community improvement of this sort. Is there dissatisfaction with existing levels of public services? Do residents view incorporation as a viable alternative? Would they vote for it? Would they pay more taxes, if necessary? Do they claim the right to govern themselves? Without some basis in fact, these items remain no more than mere speculation. Local residents have endeavored to provide their community's answers to these questions.

A survey of a scientifically-selected random sample of community residents was conducted. This sample represented a cross-section of key community characteristics--income, race, education, home ownership, and so forth as well as permits, within limits, conclusions about the total population. The survey was designed and supervised by Ronald Bailey, a graduate student in Political Science at Stanford University. Interviews were conducted by students in a research section of a Stanford political science class. Computer facilities and consultation with professors at Stanford aided in the design and analysis of the survey.

Feelings about the quality of public services comprised a portion of the questionnaire. Tentatively, it can be stated that the following percentages of East Palo Alto residents are dissatisfied with the services listed:

Education

65%

Drainage and Sewage	65%
Fire Protection	34%
Garbage Collection	27%
Health Services	35%
Police Protection	57%
Recreation	60%
Streets	80%
Street Lighting	47%
Shopping Facilities	42%

Further, about 63% of the residents feel that the overall level of public services in East Palo Alto is worse than services in surrounding cities; 87% agree that more and better services should be provided. It is interesting, too, that 67% of the residents think that residents of East Palo Alto receive less for each tax dollar than residents of surrounding communities and only 58% would be willing to pay additional taxes.

On whether or not residents of East Palo Alto should have local self-government, 75% agreed. Almost 90% agreed that Black residents should have a share of decision making power that is equal to their numbers in the population. Over half of those interviewed stated that incorporation was their first choice among the alternatives (annexation, remaining the same).

When these alternatives were pursued further, roughly 70% favored incorporation, said that they would vote for an independent East Palo Alto, and felt that immediate steps should be taken to incorporate the community. In addition, an average of 70% thought that incorporation would improve the level of public services, increase governmental responsiveness, raise the level

of official awareness of community problems, increase the ability of local officials to solve these problems, and give local residents more say in how the community is run. A similar percentage expected an increase in cost of government to accompany these benefits.

These results clearly illustrate that there is considerable community support for an independent East Palo Alto. That much of this support can be converted to interest, concern, and a willingness "to pitch in" and help in the search for solutions to the problems that face the community illustrates the first stage in the "cumulative" impact of local self-government in the East Palo Alto community.

F. 701 COMPREHENSIVE PLANNING PROGRAM--GOVERNMENT SUBCOMMITTEE
(1971-72) (Excerpt)

A COMMUNITY SELF-GOVERNMENT

Separate incorporation has the following program implications:

1. It should start with the incorporation of East Palo Alto. Belle Haven should not be included at the outset, because it is now receiving a comparatively higher level of services from Menlo Park and because its residents prefer to wait and see how successful incorporation proves to be. Belle Haven representatives should, however, be invited to sit on all city advisory commissions, and the area should, if it desires, be annexed at a later date. In the meanwhile, both parties of the East Bayshore can be brought closer together by a joint planning program and by other common

activities.

If possible, the bay front lands south of the Dumbarton Bridge now in Menlo Park, should be detached and included in the incorporation boundaries. Whether the "triangle" west of the freeway should be included is uncertain, though it would be financially desirable.

2. Incorporation is financially feasible. The area is not as fiscally poor as has been claimed, and is already paying for some city-type services, like police protection. Incorporation would redirect these high taxes into the city treasury, and also make possible the consolidation of present taxing district and county services at a cost savings. To the extent that the area is now "subsidized", this can be absorbed by local effort under self-government, together with regional effort on regionally-caused local problems.

3. Initially, the incorporated city will be able to provide services comparable to the present, as well as self-government, for a net tax rate increase of \$.50. This program does not include substantial city-type community upgrading. On the other hand, it assumed conventional city revenues and a large conventional police department. For these reasons, incorporation should be preceded by:

- a. Increased county upgrading of streets and other deficiencies.
- b. Community study of, and possible experimentation with, new, more effective ways of organizing police departments.
- c. Ascertainment of the federal grants for which a city of East Palo Alto would be eligible. It appears certain that such a city would be a prime candidate (and much more

eligible than the area now is) for a long series of OEO, model cities, urban renewal, housing, transportation, health, park, HUD, criminal justice, and other grants.

d. Ascertainment of possible state and county financial assistance to a city of East Palo Alto. Such assistance need not take the form only of grants, and could include state and county road, park, and other improvements in the area, favorable inter-governmental contracts, and the like.

PRELIMINARY DATA

Several incorporation studies of East Palo Alto have been made in recent years, and the figures below draw on them as well as on current data provided by the county or developed by the consultant.

a. City Services and Annual Costs

1) <u>General Government</u>	\$115,000
Includes Council, Manager, Clerk, offices, insurance, etc.	
2) <u>Police</u>	600,000
Includes the 32-man force now provided by the East Palo Alto Sheriff's substation	
3) <u>Roads</u>	180,000
Based on county construction and maintenance expenditures in recent years.	
4) <u>Engineering, Planning and Building INSPECTION</u>	90,000
Upgrades present services	
Total	\$985,000

b. Annual City Revenues

Sales tax	\$120,000
Cigarette tax	40,000
Liquor tax	10,000
Hotel-motel tax	5,000
Property transfer tax	8,000
Franchises	35,000
Licenses and Permits	30,000
Fines	40,000
Gas tax	160,000
Vehicle license fees	130,000
County-city road aid	40,000
Miscellaneous	<u>10,000</u>
Subtotal	\$628,000
Property tax	<u>357,000</u>
Total	\$985,000

c.

1) City tax rate required to raise \$357,000 on assessed value of \$25,000,000:	\$1.43
2) Present rates eliminated (CSA #5):	\$0.9507
3) Net rate increase from incorporation:	\$0.48

Note: The above is a basic program. It does not include the

city taking over parks, recreation, street lighting, sanitation, water supply, etc., from the districts involved. If this were done, which appears advisable, the whole city budget and tax rate would be higher, but so would the size of district tax rates eliminated, so that the net tax increase would be about as shown. There are a number of initial costs of getting a city started, such^{as} police and road equipment, but if incorporation is timed for the right period in the fiscal year, the city will accumulate more than enough initial surplus funds to take care of this.

RECENT DEVELOPMENTS IN FINANCING CITIES

The 1975 Municipal Yearbook stated that "revenues from other governmental units constitute a large share of municipal income for small cities. According to the survey results, the largest portion of the intergovernmental revenue is derived from the state, followed by revenue received through federal general revenue sharing." Thus, the State and Federal governments are two important sources of dollars for supporting an incorporated city like East Palo Alto, in addition to local city and county revenues.

A. Projected Revenues

Updating a 1973 calculation prepared for our research project by the California State Board of Equalization, and integrating the information contained in the Henderson and 701 Incorporation Studies, a projection of revenue of an incorporated East Palo Alto is included on the following page, showing State and Local revenues at just over \$1 million.

Other Considerations Affecting Revenue are:

(1) Official Population: The main factor determining the amount of State funds going to a city is the population. Presently, each city receives about \$18.50 per person, half of which is unrestricted. But the population is not the number of people in the city; until 1981, a city's official population will be three times the number of registered voters. What does this mean?

In 1973, there were about 6,500 registered voters in East Palo Alto, giving it an official population of (3 x 6,500) or 19,500. With state aid at \$18.50 per person, this would total about \$260,000. But in 1970 there were 11,000 residents between 18 and 65 out of a population of 18,400 in East Palo Alto. Let us suppose that another 2,000 residents

PROJECTED REVENUE FOR A CITY
OF
EAST PALO ALTO

Restricted State Funds

Major Street Construction	\$ 86,000	
Secondary Street Construction/Maintenance	95,200	
Engineering	5,000	
Miscellaneous	<u>1,500</u>	\$187,200

Unrestricted State Funds

Sales Tax Collections	\$103,500	
Liquor License Fees	5,300	
Cigarette Tax	42,000	
In-Lieu Tax Monies	<u>187,000</u>	<u>\$337,050</u>
Total State Funds		\$525,050

Local Funds

City-County Road Aid (From 701 Study)	\$ 40,000	
Miscellaneous (Hotel-Motel, property transfer, licences and permits, fines)	118,000	
Property Taxes (Based on the 1975 rate of \$1.39 in County Service Area #5)	<u>347,000</u>	<u>\$502,000</u>
Total State and Local Revenue		\$1,030,050

NOTE: We have not calculated project^{ed} costs. This should be done after community wide discussion about the kind of public service wanted by local residents. Useful figures are found in the Henderson Report, and the 701 Government Study.

could be registered to vote - making the total 8,500 out of 11,000. This would give an official population of (3 x 8,500) or 25,500. At \$18.50 per person, state aid would total \$471,750, or about \$111,000 more than it would without the added 2,000 voters. This argues for an intensive voter registration drive as the struggle for incorporation begins and continues.

(2) County Funds: In addition to the regular road aid that the county must give a new city, and in addition to whatever special arrangements are worked out for county support, the timing of the incorporation election is crucial. San Mateo County is legally required to pay for all city services at the current level until the end of the fiscal year in June. Thus, a successful incorporation election in early July would mean that the city's treasury could be building up a reserve of State funds for a full year, estimated by the Henderson Report to be about \$500,000. This would aid a new city in the purchase of some of the initial large one-time expenditures.

B. Federal Revenue-Sharing

Another important source of financial support for a city of East Palo Alto is the Federal General Revenue-Sharing Program which remains in effect only until the end of 1976, if it is not refunded by Congress. We will not attempt to detail the program, only suggest what East Palo Alto might expect. The general revenue sharing funds can be used by local governments to cover maintenance and operating expenses in the areas of public safety, environmental protection, public transportation, health, recreation, libraries, social services for the aged and poor, and certain one-time expenditures like buildings and equipment.

The most important factors determining what a city would get are its population, per capita income compared to surrounding cities, the problems of urbanization, and the size of the local tax effort. We can only estimate what East Palo Alto would get as a city by listing the amounts that went to San Mateo County and several cities in the county in 1974-75:

	<u>Revenue Sharing Funds</u>	<u>Population</u>	<u>Tax Rate</u>
San Mateo County	\$3,375,505		\$1.89
San Mateo (City)	540,441	79,000	1.89
Foster City	280,373		
Pacifica	223,837	36,020	2.07
San Bruno	222,000	36,000	.97
Menlo Park	116,000	26,734	.90
Belmont	103,538		.63
EAST PALO ALTO	<u>171,000</u> \$5,032,694	19,000	2.25 plus (County Service Area #5, Recreation, etc.)

Because East Palo Alto has such a high tax rate and the lowest per capita income in the county, and many other problems reflecting urbanization, it would receive the maximum funds available to any local area. A recent federal publication stated that if a unit of government is entitled to get more than 145% of the county's per capita revenue-sharing figure is about \$6.00, so we conclude that East Palo Alto would be entitled to about \$9.00 per capita. This would give the new city in the vicinity of \$11,000 in additional revenue. (William Zion, a consultant with the government component of the 701 program has suggested that the per capita figure

for East Palo Alto may be as high as \$15-\$20, or between \$300,000 and \$400,000, but the basis of this estimate is not known.)

Conclusion: We have thus concluded that, at the very lowest and given present circumstances, a newly incorporated East Palo Alto will have about \$1.2 million in annual revenue at its disposal. But there are other considerations that must be considered. The main consideration is the worsening crisis of the U.S. capitalist economy. This will have a great impact on the financing of public services. Governments depend on tax revenue from businesses and working residents of the community. While profits are still substantial, unemployment is approaching 10% and business sales are down. Thus, the tax revenue collected by all levels of government has decreased, putting cities in an even bigger squeeze.

This has been reflected in major urban areas like New York and Detroit where thousands of municipal workers are being fired. New York's Mayor Beame made a special trip to Washington to beg for more federal funds. He was flatly rejected by Treasury Secretary Simon, a former Wall Street investor and millionaire, who said he worried about other cities coming to get additional funds. Mayor Beame lashed out at the U.S. government because he said, "it bailed out Lockheed and Penn Central but now refuses to give the second largest governmental unit in the U.S. \$1 billion," even though New York collects and sends \$24 billion in taxes to Washington annually.

Attached to the economic crisis is the rising costs of providing municipal services. The major source of this rising cost is the drive by big businesses to keep their profits up by over-charging taxpayers

and government for goods and services. While the news has been filled with stories of the energy crisis, the stories about the suits against the oil monopolies for overcharging cities for oil did not make the headlines. Because the prices for all goods and services have increased, municipal workers - most of them underpaid in the first place - are forced to fight for higher wages not to improve their standard of living but to keep up with the rising prices.

In working for the incorporation of East Palo Alto, local residents must take all of these points into consideration. The rising costs of municipal services should not stop incorporation, but should encourage the community to be more creative in developing a system that will meet the needs of the community and not serve the private interests of a few wealthy businesses or residents, or build ineffective and expensive city bureaucracy.

WHY EAST PALO ALTO IS IN THE SHAPE IT'S IN

It is clear that the incorporation of East Palo Alto is financially feasible. Many people in the community have known this all along. But part of the research of this project was aimed at documenting the historical forces that have put East Palo Alto in the shape that it is in. Why is it that in 1975 Black people in this unincorporated pocket of San Mateo County (and across the U.S.) suffer from a much larger burden of unemployment, poor housing, police repression, lack of municipal services, etc.?

The answer to this question has become even clearer during the course of our investigation: Black people and Black communities have been systematically exploited and oppressed by imperialist corporations and business interests to increase their profits, with government on all levels actively facilitating this exploitation. Let us make two general historical references to support this statement:

(1) The history of Black people since Africa demonstrates just how we have been exploited to serve the needs of U.S. monopoly capitalism and imperialism.

(a) Slavery and the rape of Africa during the triangular Atlantic Slave Trade was the result of English capitalists needing cheap and abundant labor to grow raw materials (cotton, tobacco, sugar, rice) to supply the growing industries of Europe. Economic historians agree that the U.S. was built on a solid foundation resting firmly upon the Black backs of African slaves and slave produced cotton.

(b) Emancipation and Sharecropping came when slavery became a drag on the growing U.S. industrial economy. Slaves were freed to help defeat the Southern slave - owning class and then were re-enslaved

with the Hayes-Tilden Compromise in 1876. During this period we performed a vital and profitable economic role as agricultural laborers and in railroading, lumbering and mining.

(c) Industrial work in the cities became available only when the World Wars rapidly expanded economic activity and at the same time cut off the flow of immigrant workers from abroad. In addition, agriculture in the South was more and more taken over by big business which mechanized farming to increase their profits, but also forced many Black farmers off the land and into the cities.

In 1975, Black workers remain concentrated as part of the urban industrial proletariat (or workforce) on the United States. And we still continue to bear an overly large burden of the ups and downs of U.S. imperialism. Black unemployment has persistently been twice that of whites because we play the essential role of an industrial reserve army of the unemployed. When economic activity expands and labor is needed, we can find jobs. But when overproduction and crisis occurs (like during the present period), economic activity contracts and, because we are the last hired, we are the first fired (though more and more even getting hired in the first place is becoming difficult.) This conclusion is not a figment of somebody's imagination but comes from a study of unemployment statistics and the experiences of the Black community.

(2) Clearly East Palo Alto's history fits into this pattern. A very useful book called The Promised Land: A Grass Roots Report of Mid-Peninsula Land Use concludes: "the history of the mid-peninsula's development is largely the history of America at war ." This book traces the development and expansion of U.S. imperialism (big businesses operating all over the world) starting with the Mexican-American War when California

was taken from Mexico in 1848, (just before the Indians were tricked into giving up most of California by signing worthless treaties.) During the Civil War, the big four - Leland Stanford, Collis Huntington, Mark Hopkins, and Charles Crocker - ripped off the U.S. people for millions of dollars in federal subsidies to build the Central Pacific Railroad, with the forced help of thousands of Chinese workers (called "coolies"). Finally, World War II and the Korean War which were fought from the West Coast started the rapid development of the war industry - shipbuilding, electronics, aircraft, atomic weapons - on the West Coast.

It was these last two wars - especially World War II and the huge demand from Black labor - that created what we know as East Palo Alto. Up until 1940, about 1% of the Black people in the U.S. were in the western states. This changed considerably between 1940 and 1950 when California's Black population increased by more than 250%, mostly concentrated in urban areas like San Francisco and Los Angeles. When World War II ended (and before the next war started) many Black workers were displaced by returning veterans and the question of where to permanently house the newly arrived Black people was a major problem. Ed Becks of East Palo Alto described what happened in his testimony before the U.S. Civil Rights Commission in 1967:

"The East Palo Alto area is the result of an attempt to find integrated housing for the ghetto that was situated in Redwood City in the Five Points area. In the process of trying to find open housing in 1948, a number of Negro families moved to the East Palo Alto area. At that same time a number of newspapers and the real estate people, after having opened up this area, became excited. I don't know if they were excited or not but

they put out the word that the whole area was going to be flooded with Negroes and those white people who were left in the area received notices in their doors saying 'You had better get out now.' Colored people are coming."

Hundreds of thousands of dollars in profits were made by real estate interests through this process.

Thus we see familiar patterns: Blacks were lured to the West Coast with the promise of jobs in industries growing filthy rich from war profits, displaced from these jobs when the war ended, and finally pushed into ghetto pockets like Hunter Point, Richmond, and East Palo Alto - a process that served to relieve most other communities (predominantly white) of the many social ills that come along with high unemployment and poverty. This is how East Palo Alto fits into our general analysis that Black communities and their residents are the victims of the private profit interest of U.S. big business.

BIG BUSINESS AND EAST PALO ALTO: SPECIFIC CASES

Let us now be more specific about how the recent history and current situation of East Palo Alto have been shaped by the interests of businesses on the Peninsula. Let us look at the history of annexations of parts of the community, the role that various local governments and the State of California have and the barriers that these annexations have put in the struggle played for self government.

A. Annexation of Kavanaugh Land

Substantial interest in self-government built up in 1953 when a local group called the Ravenswood-Willow Boosters Club began to push for the creation of a single city out of the unincorporated territory. This would lead to local self-determination and better services. Active opposition arose claiming that the then current level of services was adequate, and that incorporation was thus expensive and unnecessary. In 1957, while the community was still debating the pros and cons of incorporating, the City of Palo Alto announced plans to transfer several hundred acres of land that it owned in San Mateo County to Santa Clara County. This was the site of the airport, golf course, harbor, and other developments, as well as potential industrial land, and the residents and agencies of East Palo Alto protested the loss of this tax revenue. Their protests temporarily halted this move by Palo Alto.

But Tom Kavanaugh, whose family owned substantial land and the only industrial park in the unincorporated area, started to negotiate with the city of Menlo Park to annex his property. Kavanaugh claimed that his family would save \$100,000 and obviously this was more important than self-government for the citizens of the area. Leaders of the incorporation movement accused him of having formed the Committee Against Incorporation

to protect their business interests and to avoid having to pay their fair share of the increased taxes of a new city. As one person stated:

"Granted Mr. Kavanaugh and his friends may own many acres of land in East Palo Alto land, while our committee consists mainly of people who proudly tend one small home and lot. But does this fact give the Kavanaugh's the right to prevent the little people who make up our committee from exercising their American right - the right to vote. We want once and for all to bring this incorporation issue to a vote. It is time that the people of the community be heard from at the polls... Who are these people who call themselves co-chairmen of the Committee Against Incorporation? Are they homeowners - or are they absentee landlords!"

In July, 1958 the city of Menlo Park approved the annexation of the 134 acres of Kavanaugh property to Menlo Park. The incorporation drive halted in August when the residents failed to get signatures of property owners holding 25% of the assessed property in the area.

The Supreme Court of the State of California in 1973 ruled that it is a violation of the constitutional guarantee of equal protection to allow the wealth of a few to block the desire of the majority to exercise their right to local self-government. Thus the incorporation leader quoted above was 15 years ahead of the State. But now in 1975 we must fully understand the historical role of businessmen like Tom Kavanaugh and the industrialists he represented and the Menlo Park and Palo Alto City governments in working to block East Palo Alto's incorporation. Only by understanding this can a correct course for completely dismantling a system

that has enriched a few while the masses suffered be plotted. (As a footnote, we find it interesting that Tom Kavanaugh is later found working on behalf of the Ravenswood City School District in the Faber Tract issue, obviously only because industrial development of the area would reduce his share of taxes.

B. The Faber Tract

The Faber Tract case is another clear example of how private business interests use their wealth and economic power to get local, county and state government to carry out their plans for increasing their profits. We are all well aware of the international reputation that Palo Alto enjoys as a model community - plenty of skilled jobs in industry, good educational facilities, housing, foothills, etc. But what we are not told is how many people - particularly the residents of East Palo Alto - have been exploited directly and indirectly to provide Palo Alto with some of the "finer things in life" that its public relations men use to attract more people and industry from all over the world. Let us look briefly at the history of the area where the golf course, airport, harbor, and other such developments are located.

In the late 1950's Palo Alto tried to annex 560 acres which it owned in San Mateo County. However, at that time, there was a state law which prohibited a city from annexing land across county boundaries without the consent of the county in which the land lay. In this case, San Mateo County refused to okay Palo Alto's attempted annexation, took the matter to court and won.

In 1962 Palo Alto, Santa Clara County and San Mateo got together and proposed a four point plan for the development of the 560 acres owned

by Palo Alto in San Mateo County. The points were: (a) to change the boundary line between San Mateo County and Santa Clara County in order that the 560 acres fell into Santa Clara County; (b) to develop the Palo Alto yacht harbor and its environments; (c) to transfer some of the then-existing Palo Alto Gardens Sewage System into the Palo Alto system, thus saving some East Palo Alto residents a few dollars. In 1962, a joint report was published by Palo Alto, Santa Clara County and San Mateo in which they agreed to work for the achievement of the above four goals.

Throughout the latter half of 1962 and 1963 efforts were made to change the southern boundary line between the counties. What happened was that Santa Clara County and San Mateo County agreed to boundary line "swap" through which Santa Clara County would receive the 560 acres south of the then-existing boundary and San Mateo County would receive some land in Portola Valley near Skyline which fell in Santa Clara County. One problem the counties faced at this time was a state law which prohibited the changing of county boundary lines which would result in the county seat of one of the counties lying within five miles of the new boundary line. Redwood City, the county seat of San Mateo County, fell within five miles of the proposed new boundary line - hence the counties had to go to Sacramento for new legislation amending the Government Code to permit the boundary change they were planning. In 1963, the legislature amended the Government Code as requested by the District Attorney's Office in San Mateo County, thus permitting the County line to be placed within five miles of Redwood City. But the proposed shift of Santa Clara land to San Mateo apparently never happened. Mr. Parmalee, now an attorney in Redwood City who used to be with the

District Attorney's Office in Redwood City stated to an interviewer that the land swap was never completed (i.e., San Mateo never got the land it was promised) because the necessary papers were simply not signed!

Throughout 1962 and 1963 the Ravenswood School District and the Recreation District made known their opposition to the boundary change insofar as it affected them. (Letters voicing this opposition are on file in the San Mateo County Clerk's office or are mentioned in the same file.) As the law stood prior to mid-1963, a school district's boundaries could not be changed by anyone or anybody other than the School district's board of directors or by a special redistricting commission; the Board of Supervisors of any county could not change these boundaries. This was made known to the Ravenswood School District in 1962; this was known by the San Mateo County manager's office during this time. For some reason, perhaps just convenience and the reduction of bureaucratic redtape, San Mateo County, during the whole "boundary change" time, tried to persuade the Ravenswood School District to change its boundaries to comply with the new proposed county boundary. As enticement for such a change, the San Mateo Manager (a man named Stallings at this time) and others told the Ravenswood School District Board that, should they change their boundary line to the south, Palo Alto was prepared to open up the Faber Tract land for industrial development - thus, although the ^{district} would be losing revenue - producing land by changing its southern boundary, the lost revenue could well return soon through the development of the Faber Tract land. Despite this kind of enticement, the School District (and the Recreation District) remained firm in its opposition to any School District boundary change.

Faced with this refusal on the school district's part to comply with the county's wishes, the District Attorney's office in Redwood City proposed

to the legislature in Sacramento an amendment to the Government Code which would permit the Board of Supervisors to change the boundaries of a school district whenever (a) a county boundary line change resulted in a school district, formerly residing totally within one county falling within two counties and (b) it, the Board of Supervisors, determined that the change in the school district's boundaries was in the best interest of the persons in the area affected by the change. The legislature accepted this proposed amendment to the Government Code - and the San Mateo County Board of Supervisors, on October 15, 1963, changed the Ravenswood School District's southern boundary, despite the presence and opposition of School District members who attended the Board of Supervisors public hearing on the boundary line change on October 15, 1963.

In 1965 the School District apparently remembering the promises given by the San Mateo County manager's office during the boundary line change discussions, inquired into the development of the Faber Tract by Palo Alto, which, of course, in 1965 had not yet begun. In a letter to the San Mateo County manager from the city manager of Palo Alto, it was revealed that the Palo Alto City Council had dedicated the Faber Tract and the other 140 acres for park and recreation purposes, thereby effectively precluding their development forever. (The only way this park-recreation restriction can be removed from the 233 acres is by a vote of the people of Palo Alto, an event highly unlikely to occur these days.) This fact was relayed to the Ravenswood School Board who apparently made a few inquiries after this. The possibility of legal action was raised, but not followed through. And this is how things stand today - the Faber Tract is not developed, the school district boundaries remain the same and the revenue lost in 1963 has not been replenished from other sources.

While the above discussion may appear complex, it is a clear illustration of how San Mateo County, Santa Clara County, Palo Alto, and the State of California cooperated and manipulated to rob the people of East Palo Alto for tax revenues needed to finance essential public services. Lies about industrial development of Faber Tract were told, and when these did not trick the people, a blatant display of power was used to get legislation passed at the State level. All of this so that a few wealthy yacht and airplane owners of the area - very few of them in East Palo Alto - could enjoy their hobbies and better operate their profitable businesses.

In discussing the Faber Tract issue, the question of industrial development to build a tax base for the incorporation of East Palo Alto must be approached with caution. There is a very slim and decreasing possibility of meaningful industrial development in East Palo Alto. A recent environmental impact study of the proposed Dumbarton Bridge Replacement prepared by the University of California (Berkeley) called Who Pays the Toll? stated in 1973:

"There is, however, a general exodus of manufacturing industry from the high land and wage prices of the Bay Area. Should the Bridge have a positive effect on the attractiveness of East Bayshore industrial land for manufacturing, it would be bucking this trend. Real estate analysis at Cabot, Cabot, and Forbes, and Grubb and Ellis, however, predict no positive impact since factors most crucial to the location of manufacturing industry such as tax rate, labor market, housing, wage rates, skill level, union strength, and initial land cost, will not be ^{more} favorable for an East Bayshore manufacturing location after the Bridge Project than at present."

The report cited the specific example of the Hewlett-Packard Corporation - often portrayed as the "Godfather" of East Palo Alto through its involvement with Counterpart and through its bankrolling of individual Black capitalists - selecting a site in Colorado for a new industrial factory because of lower land and labor costs. The report further suggests a negative impact on East Palo Alto because the Bridge will increase the cost of land, making it similar in cost to land in Hayward and Sunnyvale, and thus less attractive.

Thus, in this period of economic depression, very little investment in new industrial plants is taking place. And when investments are made, corporation owners are more concerned about maximizing their profits and not about the needs of Black communities like East Palo Alto. It makes little sense for us to base our arguments for (or against) incorporation on the question of industrial development.

In line with this, we must briefly comment on the kind of argument found in the 701 Comprehensive Planning Program Economic Development report that East Palo Alto should attempt to "build its own monopoly" and start businesses that will provide jobs for the community and funds to develop it in other ways. We find such a conclusion unrealistic in the face of the monopoly character of the U.S. economy - the fact that the 500 largest corporations - including such giants as Hewlett-Packard, Lockheed, General Motors in Fremont and Ford in Miltpitas - control 75% of the sales and profits of all the corporations in the U.S. Wealth and power in the U.S. is concentrated in the hands of a very few people who operate ruthlessly and relentlessly to keep it concentrated. This has been something the Black people have historically misunderstood. Let us quote from a classic 1931 study, The Black Worker, co-authored by one of the leading Black political economists:

"This movement has caught the imagination of the Negro people in a striking manner. The ideal of an independent black economy within the confines of the white is a living force in every black community in the land. Yet how such an independent economy is to rise and function when the white world outside controls credit, basic industry, and the state is something which the sponsors of the movement prefer to ignore. If such an economy is to rise it will have to do so with the aid of white philanthropy and will have to live upon white sufferance. If the great white banks and insurance companies decide that they want Negro business it is hard to see how the little black institutions can compete successfully against them. The same holds for the chain stores and various retail establishments. They will be able to under-sell their Negro competitors if they want to, and the Negro world will not continue indefinitely to pay higher prices for its goods merely out of pride of race. Basic industry will continue to remain in the hands of the white world, for even the most ardent supporters of an independent black economy will admit that there is no prospect of the Negro capitalists amassing enough wealth to establish steel mills, build railroads and pipe lines, and gain control of essential raw materials."

The conclusion we should reach from this quote and the history of Black people since 1931 with programs promoting Black capitalism is that these programs operate to divert us from struggling to create a new society in which all the wealth - and the products and profits of all the corporations - are used to serve Black people and all working people and not just rely on the small benefits from the few small marginal businesses that we are "allowed" to operate in the Black community.

LESLIE SALT LANDS

In 1970 and 1971, Leslie Salt Company asked a number of city and county agencies in the South San Francisco Bay Area to place almost 30,000 acres of Company property under land conservation contracts under the Williamson Act of 1965. They stated two main purposes for this action: (1) to reduce the property tax burden that had increased because the land was being taxed on the basis of its potential value for development, rather than on "its actual use for the comparatively low" profit per acre purpose of solar salt production; (2) to maintain the land under single ownership and to keep its open space character. The applications were approved by four local governments, including the city of Menlo Park. As a result, Leslie Salt now has 17,489 acres in the South Bay under the Williamson Act for a minimum period of 10 years (meaning that these lands are assessed at \$664/acre while comparable lands have an assessed value of \$2,500/acre.)

In July, 1971, the Ravenswood Elementary School District, hard pressed for funds, wrote to Leslie Salt Company asking for a financial contribution. We have included below the concluding portion of the response from Leslie Salt because it is eloquent testimony as to how big business views the role of local government in granting it "tax relief" first - and considering the damage done to public services like education as a secondary issue. The letter is also interesting because it places the responsibility for the damage not on Leslie Salt, but squarely in the lap of the Menlo Park City Council, a matter that we will take up under the next section of possible legal challenges:

"An obvious consequence of granting tax relief to a property owner is a diminution of property tax revenues, a major share of which normally goes to school districts. In some cases, this may create a need to obtain compensatory revenue from other sources.

It is hardly reasonable to suggest, however, that the same taxpayer who is granted relief should then be expected to provide compensatory revenue by returning all or a substantial portion of the tax reduction he received. If that were the case, what purpose would be served by providing tax relief in the first place?

Moreover, the matter cannot be considered solely from the standpoint of a single school district. I am sure you can understand that Leslie Salt Company could not fairly reimburse one district affected by its land conservation program without also reimbursing all similarly affected districts in other areas where applications were approved involving even larger amounts of property.

You note in your letter that during a Menlo Park City Council meeting on the matter on May 12, 1970, it was stated that "in this type of action affecting a school district, it would be possible to reimburse the district. It was also stated that Leslie Salt might be expected to contribute.

Our file includes a clipping from the Menlo Atherton Recorder of May 20, 1970, which states, in part:

'Jack Jorgenson, City Attorney, said that in this type of city action affecting a school district, it would be possible to reimburse the district if it proved to be necessary. They will consider reimbursement to Ravenswood, either wholly or in part, council members said. It was suggested that Leslie might also be expected to contribute.' (Emphasis added.)

Obviously, the suggestion was made by a member of the City Council or another city official and not by a Leslie Salt Company representative, since it is completely at variance with our needs in applying for land conservation contracts.

The cost of reimbursing all affected school and other districts would effectively nullify the tax reductions that were achieved. That, in turn, would invalidate the program's basic purpose of enabling Leslie Salt Company to preserve the land in its present state pending future determination of its most beneficial utilization.

The fiscal problem facing your District, resulting from reduced revenues due to lower open-space assessments, is one of State-wide concern. The Legislature is currently attempting to find a solution through direct reimbursement by the State to local districts. Provisions to this effect are included in the following bills: AB68 (Mobley), AB 1215-1219 (Moretti-Gonsalves) and SB 1247 (Lagomarsino). We trust that you are directly or indirectly supporting such legislation."

LEGAL ACTION TO CHALLENGE SOME INEQUALITIES

Black communities in the U.S. like East Palo Alto (and somewhat like the countries of Africa, Asia, and Latin America) cannot expect to "develop" or escape from poverty using the traditional mechanisms that worked for the capitalists of today's developed countries. Why? Because the development of countries like the U.S., France, England, Japan, South Africa, Israel and the Soviet Union, and the wealth of the ruling classes in these countries are built upon the exploitation and oppression of millions of the world's people. Their development and wealth has caused the underdevelopment and poverty of most of the world. They are rich because they have exploited Black people, the Third World, and the majority of white people and kept us poor. Thus, it is imperative that we search outside the traditional circles and answers for solutions to the many problems we face. Many people argue persuasively that the only effective long term solution to the problems that Black people face in the U.S. is the same solution being chosen by the masses of people in Africa, Asia, and Latin America: Socialism.

Increasingly, socialism in the U.S. is gaining popularity, validity and support as a viable alternative. Clearly the increasing acceptance of socialism as a viable form of social and economic organization in the U.S. is due to our increasing understanding of the good things it is doing for the people of the Third World; but our own conditions here in the U.S. has a lot to do with it. The problems of life under U.S. capitalism and imperialism are becoming almost unbearable for the masses of people: unemployment approaching an "official" level of 10%, runaway double digit inflation, urban decay and bankrupt cities, cutbacks in some social programs and cutouts in many others, problems of the aged, and an endless list that continues to grow longer. And all of this taking place while factories stand idle because it is

not "profitable" to employ people, while the U.S. government and big business continue to push expensive military adventures overseas, while the products of hard work like automobiles and home appliances and clothes stack up in storage because workers cannot afford to purchase what they themselves have produced - and while U.S. corporations report decreased but nevertheless substantial profits.

While the struggle for a long term solution continues and escalates, we must pay attention to finding effective short term solutions for some of the most pressing problems. In East Palo Alto, these problems include the lack of a determining voice in the conduct of local affairs and the lack of adequate revenue to finance public services. It was for these reasons that our investigations also included a look at legal challenges against some of the most obvious inequalities that East Palo Alto suffers at the hands of surrounding business interests and the local governments that they control. In investigating and undertaking these legal actions, however, we have two points in mind: (1) We put very few of our eggs in the basket of relying on government agencies, the courts, and certainly not local business interests to solve the problems we face. In fact, we expect that they will continue on the whole to serve the interests that they have always served, though we welcome decisions that extend the democratic rights of the Black community. (2) We also recognize that any positive results or decisions from these legal actions will have an impact only on immediate problems but that the long range task of securing genuine economic and political democracy will still confront us. As Mayor Hatcher has stated, "as we press for reforms we must not lull the people to sleep, we must awaken them to the truth. In the struggle for a particular reform, we must always strive beyond it." Thus, these legal actions represent a very small part of our continuing struggle for liberation.

We have sketched the outlines of the legal actions below. More detailed discussion of the alternatives and related documents prepared and compiled during the work of the project can be found listed in the appendix.

A. Equal Protection and Municipal Services

A California court case decided by the Supreme Court in 1971 - Serrano versus Priest - was aimed at challenging the great differences in the wealth of school districts and the inequalities that result when the financing of education in any single district is based only on the wealth of that district. Serrano argued that "the quality of public education may not be a function of wealth other than the wealth of the state as a whole."

In another case, Hawkins versus Shaw (Mississippi), Black residents of Shaw argued that their civil rights were being violated because they were being denied equal protection in the provision of municipal services. Specifically, they charged that white officials of Shaw "acting under the color of authority vested in them by the laws of Mississippi, have pursued and are presently pursuing a policy and practice of discriminating in providing municipal facilities to the residents of Shaw, Mississippi on the basis of race and poverty."

Both these cases raise important questions relevant to East Palo Alto. Take the 1972-73 tax rates, taxable property, and resulting tax revenues for three school districts in San Mateo County:

	Tax Rate (per \$100)	Taxable Property (Millions)	Revenue (Millions)
Ravenswood Elementary	\$3.61	\$9.1	\$2.2
Redwood City Elementary	\$2.30	\$202.0	\$4.6
San Mateo City Elementary	\$2.60	\$285.0	\$7.4

Thus, despite the higher tax rate paid by the Ravenswood School District residents, indicating a willingness to support the schools - the amount of revenue raised - and the quality of the education in quantitative dollar terms - is higher in other school districts even with much lower tax burdens. This is what the Supreme Court in the Seranno case has ruled as unconstitutional.

The same outcome is true for all public services supported by property taxes, but the courts have not ruled that municipal services like police, fire, streets, lighting, etc. are the same kind of "fundamental" interests that education is. However, we have reviewed many of the questions and have outlined legal action that will argue that the conclusions of Serano should be applied to other municipal services supported by property taxes. This holds for the State of California, in such matters as the distribution of State sales taxes, and may well be applied in a separate case to the discrimination by San Mateo County in the provision of municipal services to unincorporated areas like East Palo Alto.

During the course of the project, we learned that the city manager of Pacifica had contacted many California cities with the same idea that we were investigating: "to solicit...an expression of interest in joining with the City of Pacifica in a lawsuit to challenge the pattern of municipal finance in California," using the Seranno case as a rallying point. We held^a discussion with him, and expressed an interest in joining the suit as residents of East Palo Alto. The legal action was not initiated but we do have access to information which would assist a suit being filed by residents of East Palo Alto, and we have included material outlining the rationale of the proposed challenge to both property and sales tax in the appendix.

Specifically, the Board of Supervisors entered into agreement with the City of Palo Alto to exchange certain lands with a (verbal or written) agreement that the Faber Tract Lands in East Palo Alto would be developed for industrial use, generating tax revenue to compensate local districts for the loss of other parcels of land. Based on this agreement, the Board of Supervisors sought to persuade the Ravenswood School District and Recreation District to voluntarily change their boundaries to facilitate the land swap and boundary change. Failing to convince the local boards, San Mateo County got special legislation passed at the State level, by-passing the objections of local elected agencies and allowing the County to re-draw the two districts' boundaries. The rights of local residents were thus violated, and real financial harm followed because tax rates increased since no revenue to compensate for the lands given to Palo Alto has been collected over the years.

The real breach of contract perhaps falls on the City of Palo Alto because it failed to develop Faber Tract, and now has let its citizens dedicate this land as permanent open space. But suing Palo Alto is a more difficult proposition. San Mateo County is legally bound to protect the interests of the residents of East Palo Alto. A suit against San Mateo County may force the county to be more diligent in following up on this elusive verbal agreement that they claim Palo Alto made to develop the Faber Tract (See, for example the letters from the county manager of San Mateo County to the Palo Alto City Manager and to the Recreation District in the appendix.)

C. Legal Action Against Menlo Park

With regards to the Leslie Salt issue, Menlo Park City Attorney Jack Jorgenson has provided the rationale upon which residents of the Ravenswood Elementary School District should sue the City of Menlo Park. According to an article in the Menlo-Atherton Recorder of May 20, 1970:

"Jack Jorgenson, City Attorney, said that in this type of city action affecting a school district, it would be possible to reimburse the district if it proved to be necessary. They will consider reimbursement to Ravenswood, either wholly or in part, Council members said. It was suggested that Leslie might also be expected to contribute."

The actions of the Menlo Park City Council in reducing the tax base of the school district knowing that this would damage its ability to provide quality education, and its subsequent failure to provide replacement funds, is clear violation of their responsibility to local residents of the area - a virtual sell-out to the profit making interests of Leslie Salt.

APPENDIX

BECAUSE OF THE LARGE NUMBER OF DOCUMENTS PREPARED AND COLLECTED DURING THE COURSE OF THIS STUDY, THE APPENDIX IS TOO LONG TO ATTACH TO EACH COPY. TWO COMPLETE SETS WILL BE AVAILABLE, ONE WITH OMOWALE OF THE EAST PALO ALTO MUNICIPAL COUNCIL AND THE OTHER AT THE REFERENCE DESK OF THE FRANCISQUITO LIBRARY IN THE NAIROBI SHOPPING CENTER.