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# The Trend Report

## Government & Politics Indicators

	<u>Base Quarter Index*</u>	<u>1973 Quarter Index</u>	<u>Current 1974 Quarter Index</u>	<u>Current 1974 Quarter Linage**</u>
1. Watergate	100	174	227	166,650
2. Ethics	100	169	193	108,300
3. Campaign Practices	100	116	204	69,750
4. Voting	100	31	239	63,450
5. Blacks	100	93	120	33,750
6. Third Party Activity	100	22	149	23,400
7. Women	100	46	180	22,350
8. Constitutional Revision	100	118	195	22,200
9. Metropolitan & Regional Government	100	127	169	21,750
10. Mass Media & Politics	100	189	377	19,800
11. Labor in Politics	100	32	132	16,650
12. Lobbying Groups	100	114	245	8,100
13. Electoral Reform	100	91	38	7,350
14. Revenue Sharing	100	49	34	6,900
15. Resignations	100	199	53	6,750
16. Laws & Legislation	100	8	133	2,400
17. Independent Political Groups	100	136	24	<u>1,200</u>
				600,750

\* Average of 1972 and 1973 fall quarter linage = 100

\*\* All linage is listed in the Appendix

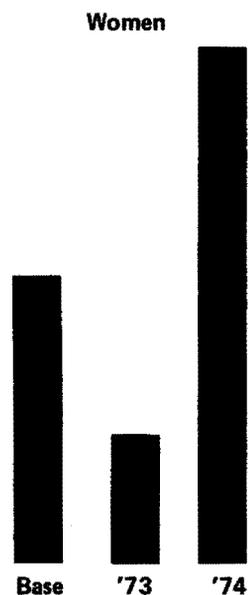


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The total lineage of significant articles about Government and Politics in the current quarter was up 70 percent over the base quarter. With 600,750 lines, it was the second largest category of those indexed. Watergate and its continuing dénouement, of course, accounted for most of this huge increase over the base quarter. Carried as a subtopic on its own, a change that was made with the last Trend Report, Watergate took up 166,650 lines, far and away the biggest single lineage total for any of the several subtopics.

The other major factor contributing to the overall increase in lineage for the category, which was up by 40,000 lines from the preceding quarter, was the fall elections. The index for the subtopic on Voting was up to 239, compared to its meager index of 31 for the same quarter a year ago. Coverage for the current quarter deals only with the campaigns and with some primaries, since it includes August, September, and October. The Voting subtopic will be heavy again next quarter as it reflects the results of the elections.



Because of Watergate's pervasive and epochal influence, several of the other subtopics in this category also showed substantial index increases, in a sort of fall-out phenomenon. Mass Media & Politics, for example, which deals with the role of publications and broadcasting in politics, was up to 377, an enormous increase. Ethics had an index of 193, and also was the second largest subtopic heading, with 108,300 lines of coverage in the current quarter. Campaign Practices continued high, with an index of 204, and Lobbying Groups had an index of 245.

Some reports on trends in Government & Politics follow, after discussion of those other subtopics which showed fluctuations in the current quarter significant enough to warrant specific analysis.

Women. The freeing-up of the political process has a continuing effect of bringing in more women, both as candidates and as campaign activists. The



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Constitutional Revision



Dallas Morning News reports that fewer women there are doing volunteer work, and more are getting overtly involved in politics, running for office and helping direct campaigns. The League of Women Voters appears to have become more vigorous than before, if this is possible, as a result of the national consternation over Watergate and this too brings more women into direct involvement with politics--even though the League of Women Voters now admits men.

Constitutional Revision. The increase in this subtopic, to an index of 195, derived largely from close chronicling of the continuing advance of the equal rights amendment. It was reported in Arkansas that when the ERA becomes law, some 50 state laws will have to be rewritten so that they do not conflict. Most of them are laws protecting women, and most will have to be repealed, or amended so as to include men and give them the same protections. Another news focus in this subtopic was the failure, or refusal, of the Texas legislature to submit the laboriously-produced new state constitution to the voters. The legislature's refusal was reportedly caused by disagreement over whether or not to include a right-to-work law in the new document.



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## Demonstrations and Confrontation Coming Back?

### More demonstrations due

The frustration threshold of the nation appears to be falling, as a result of uncertainties and economic worries, and one result is a still-spotty, but faintly discernible, trend back toward demonstrations, and confrontation politics. Increasingly angry, people are more willing now to turn out and march and protest than they were in the early 1970s. In fact the propensity for marches and demonstrations recalls the activist 1960s, when civil rights and education issues could bring throngs out into the streets in many cities.

### Most common targets: high prices utility rates unemployment

Now it is more often self-interest than civic interest that turns out the crowds. The most common targets of protest have been high prices, utility rate increases, and the shortage of jobs. There have been well-organized protests favoring more government controls and heavier taxes on corporate profits in Los Angeles, Detroit, Cleveland, New York, Philadelphia, and Chicago, often with substantial union support, but small local protests have become more common too. Boston, of course, has set the worst example in the country and while the issue there has involved education and ethnic chauvinism, not economics, there has been a high degree of self-interest too, as people sought to keep their neighborhoods unchanged despite the needs of others.

### Public is sounded out at consultative meetings

Countering this new current of anger and unruliness--perhaps in unconscious response--is the growing practice across the country of holding consultative meetings on various public questions. The topics include projects such as construction of roads, public buildings, and new urban centers, and major administrative changes such as school integration procedures.

Two school boards in widely-separated areas of the country commissioned the Gallup Poll organization to explore public attitudes on alternative approaches to school integration. Omaha, Nebraska, used the poll mechanism to find out which of the several possible



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## Omaha picks magnet schools

approaches would be the least unacceptable. Omaha first assembled an integration committee made up of 135 citizens. The four approaches they proposed were, in the special jargon of the education world: magnet schools, learning resources centers, clustering, and redistricting. The winner was magnet schools.

In Jackson, Mississippi, an approach had been developed to meet federal integration requirements and the Gallup organization was brought in to sound out public opinion on how acceptable this approach would be.

## Polling for citizen guidance

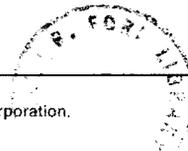
Dr. Irving Crespi, who conducted both the Omaha and Jackson operations for Gallup, told The Trend Report that he thinks polling measurement will be used more in such situations in the future because it "allows eliminating objectionable features" before the plan has gone too far along, and provides specific guidance as to just what people do want. He thinks polling will also be used more in transportation affairs, such as questions of highway routings, and in choosing among various transportation options such as trolleys, buses, or personal rapid transit.

## Network of citizens' councils in Wichita

In another sort of sounding board operation, Wichita, Kansas, is considering creation of a city-wide network of citizens' councils to advise the city commission on capital projects, spending of revenue sharing funds, and like matters. If too many boards and groups come into being for convenient operation on this basis, the plan is to have each of those groups join in sectional boards, each of which would deal with one quadrant of the city.

## Citizens Participation System in St. Louis

St. Louis has developed a Citizens Participation System with 18 district advisory councils which serve as "the eyes and ears of City Hall," according to Mayor John H. Poelker. Leaders of some of the city's 105 neighborhood associations have been appointed to committees for a \$109,885,000 bond issue, to give the neighborhoods more of a voice in allocating the bond funds.



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Kansas City is seeking ways to increase citizen participation in local government, but officials are concerned about the long harangues that often if not invariably develop at meetings where the floor is thrown open to all. Their proposed solution is to require groups to designate their chosen speaker in advance, and require that speaker to have a position paper prepared in advance.

**Portland citizens  
help shape budget**

Portland, Oregon, has adopted procedures to give the citizens of the city and surrounding Multnomah County a substantial voice in setting the county budget--and before the budget has been shaped, not after the fact. The first steps in this direction were taken last year, with citizen representation on committees reviewing planned spending by each of the four major county departments. This year, the county board chairman was to submit recommendations to a citizens' review committee, which has the power to make revisions. The revised budget is then scrutinized at a series of public hearings.

**Arkansas' ACORN  
captures local  
budget authority**

In Arkansas, an extreme form of citizen participation took shape when members of the citizens' action group called ACORN won a majority of seats on the Pulaski County Quorum Court, which makes appropriations for local government spending, and levies taxes. Pulaski County embraces Little Rock, the state capital. ACORN stands for Arkansas Community Organizations for Reform Now; it is an amalgam of community and neighborhood groups that has upheld the interests of lower and middle-income persons in dozens of causes. ACORN leader Wade Rathke said the organization "will have specific questions on how the (tax) money is being spent" ready for the budget hearings, and will demand to know "what the safeguards for the taxpayers are."

## Is State Revenue Sharing Next?

The states of the United States are generally in better shape fiscally than either the federal or the city governments, a fact about which these states



have made quite a lot of noise (see The Trend Report, Vol. 4, 1974, "The States Move to Increase Their Roles"). Now their vainglory may come back to haunt them. Some cities are beginning to pressure the states to share those so-abundant revenues.

**A simple idea:  
state money for cities**

The proposal is quite simple, and is analogous to federal revenue sharing. Since states have wider and more flexible means of raising tax revenues, and are in almost every single case free of any budget deficits, the cities say, they should distribute some of their income to their sorely-pressed cities.

Des Moines city manager Richard Wilkey proposes that the state levy a new tax on income, or sales, or whatever, and return the money to the cities, to spare them from having to impose heavier real estate taxes. This would also allow Iowa cities to cut their present property taxes. Such a tax, Wilkey says, would be more responsive to changes in the economy than are city taxes. (Iowa state law does not permit the imposition of any local option taxes.)

The Topeka, Kansas, Daily Capital says that in Kansas too, cities may ask the state to share its revenues with them. It points out that while the state had a 1974 surplus because sales taxes rise with inflation, the cities are broke, because real estate taxes don't rise similarly.

### Legitimizing Exclusionary Zoning

**Ban on poor residents**

Prince George's County in Maryland is mulling over a controversial series of recommendations by a consultant firm that, if adopted, would overtly ban poor residents from moving in, the Washington Post reports. This objective has been accomplished covertly for years in many expensive residential areas, by restrictive zoning, but the aim has never been explicitly stated. The proposal prepared for the county by Peat, Marwick, Mitchell & Co., of Washington, however, would frankly acknowledge the county's



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unwillingness to accomodate poor people and would establish mechanisms designed solely and specifically to exclude them.

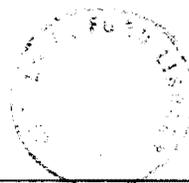
Only \$35,000 houses  
and up

The study says Prince George's County has attracted a disproportionate share of low-income households from Washington, and recommends that this trend be halted by prohibiting construction of single-family houses costing less than \$35,000 and apartments renting for less than \$200 a month.

If the county fails to act, the report says, the influx will continue and the tax base will decrease to such an extent that the county will be unable to pay for essential services such as schools, water and sewer facilities, welfare, and roads.

Special incentives to  
attract prosperous

The consultant firm recommended that to attract high-income residents, the county offer special tax treatment to bring in industries that pay high salaries. It also suggests that every development proposal be subjected to cost-benefit analysis, comparing what the development would bring in in revenues, and what it would cost in taxes.





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Health

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## Health Indicators

	<u>Base Quarter Index*</u>	<u>1973 Quarter Index</u>	<u>Current 1974 Quarter Index</u>	<u>Current 1974 Quarter Linage**</u>
1. Drug Use & Abuse	100	96	116	90,150
2. Hospitals	100	91	127	85,500
3. Mental Health	100	101	148	81,000
4. Diseases	100	72	166	34,650
5. Physicians	100	113	166	27,900
6. Insurance	100	105	132	24,150
7. Abortions	100	105	90	19,500
8. Medical Schools	100	79	154	15,750
9. Ambulances	100	100	200	14,700
10. Nursing Homes	100	111	149	14,100
11. Pharmaceuticals	100	158	288	10,350
12. Medicaid	100	54	122	9,150
13. Community Clinics	100	102	113	8,850
14. Nurses	100	95	130	7,200
15. Birth Control	100	137	63	6,600
16. Comprehensive Health Planning Agencies	100	66	103	<u>5,850</u>
				455,400

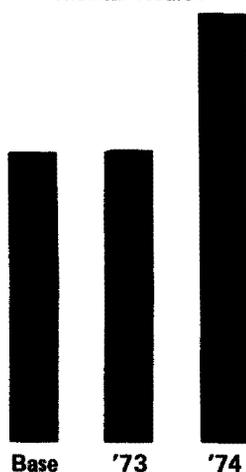
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\*\* All linage is listed in the Appendix



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Mental Health

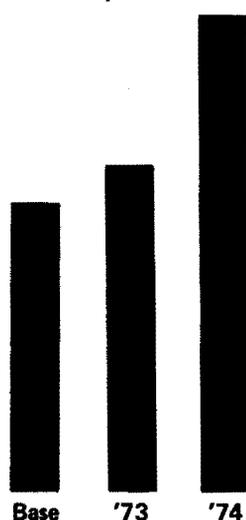


The Health category grew substantially during the quarter, with an index of 132 compared to the base quarter. The only common theme running throughout the category which might explain the over-all increase was the succession of reports on the increase in costs of all the health services people buy, from doctors' attentions to hospital rooms and health insurance.

There were some important currents visible in the coverage. Some of them are noted below in discussion of those subtopic headings which showed sharp fluctuations. Others, such as malpractice insurance problems, are examined in separate reports.

Mental Health. Coverage of this subtopic increased by almost 50 percent over the base quarter, largely because of increasing controversy in many parts of the country over release of mental patients into communities.

Physicians



Diseases. Up sharply, with an index figure of 166, this subtopic's increase in lineage was caused largely by a sudden explosion of national interest in breast cancer, due to the experiences of Mrs. Ford and Mrs. Rockefeller. Newspapers all over the country took the occasion to publish abundant commentary on the course of the disease, its treatment, and above all, on methods for early detection.

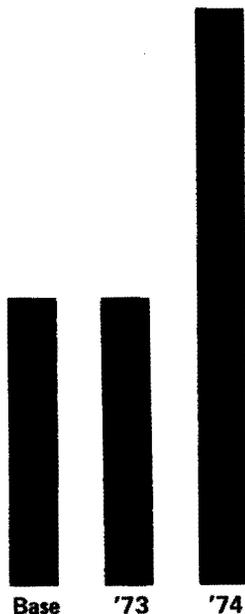
Physicians. Several factors contributed to the increase of lineage devoted to this subtopic, which went to an index of 166. Controversy over foreign-trained doctors and their rights to practice was one; introduction of PSRO's was another; the increase in doctor bills was a third; and the prevalence of malpractice suits was a fourth. A report below examines the malpractice situation.

Medical Schools. Coverage of plans for new medical schools and the cost problems of existing ones remained heavy. The index for this subtopic was 154 for the current quarter, compared to 79 for the same



period a year ago, showing how quickly interest has built up. There is disagreement about where to put the schools, and about whether building them will really contribute significantly toward alleviating the shortage of doctors. A closely related reason for the sharp increase in coverage was the suddenly intensified nationwide interest in medical education, which is reflected in the enormous crush of applications to enter medical school.

Ambulances



Ambulances. Discussion of ambulance service, up to an index of 200, has become a very important topic in many towns as traditional medical services--notably house calls--disappear, and as federal money is made available to improve ambulance service. Two new sets of initials must be mastered by anyone who hopes to take part in the discussion: EMS stands for emergency medical service, and the ER is where the patient goes--the emergency room. Strenuous efforts are being applied to improve ambulance service because it is estimated that of the 115,000 yearly accidental deaths in the U. S., 18,000 could be prevented if more complete and prompt care were available. This in turn requires better trained crews, and more sophisticated equipment, including gear for oxygen, suction, and life support.

The Department of Transportation specifications for ambulances require raised roofs that allow room for performing cardiac compression, and space to carry two patients and two emergency medical technicians. The standard training course takes 71 hours of classes and 10 hours of hospital work. This all adds up to a lot of money: equipping and staffing a single ambulance to the new standards can cost \$110,000 a year, according to a study by Arthur D. Little, Inc. This wholesale, frontal assault on accidental death naturally has some unseemly aspects as well. In some cities, commercial ambulance operators are squabbling with city and hospital services over who has the right to go out on certain calls. In one town, two funeral homes were reported to be racing their hearses to the scenes of accidents to



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pick up the bodies, somewhat the way automobile wrecking firms try to be first to an accident--in order to get the lucrative business that usually follows.

## Pharmaceuticals



Pharmaceuticals. Up from the quarter a year ago with an index of 288, this subtopic, like others, increased to some extent because of the debate over prices. The Richmond Times-Dispatch, exploring the implications of calls for use of generic drugs in federal medical programs, found sharp price variations for the same drugs from one store to another. It noted that prices were not advertised, and quoted pharmacists who oppose such advertising. It also cited pharmacists' claims that patients benefit from dealing with one druggist rather than shopping from store to store for lower prices, because by dealing with a single druggist, the patient can avoid taking two conflicting drugs, prescribed by different doctors. The Houston Post did a similar price survey and found prices varied by as much as 100 percent.

Contributing to the increased coverage of pharmaceuticals was a widely reported debate over oral anti-diabetic agents and over the Food and Drug Administration's failure to warn doctors and their patients of possible dangers in their long-term use. There was also considerable coverage of the complex drug price refund campaign on the West Coast, and of the effort to prevent the FDA from listing high vitamin dosages as "dangerous."



## More Accountability for Doctors and Dentists

A guide on  
what to look for  
in dentistry

Consumerism continues its relentless advance, in the medical field as well as in others. In Connecticut, a state group which aims to "encourage more consumer participation in . . . health care" has published a "Consumers' Guide to Dentistry." The New Haven Register reported that the pamphlet tells how to take care of one's teeth, what to expect from a good dentist, and how to avoid getting low quality dental work. The pamphlet is not only going to consumers, but to every member of the Connecticut State Dental Association, thanks to that organization's president, who welcomed publication of the book. The Aetna Life and Casualty Co. is distributing 15,000 free copies of the guide as a public service.

Hospital guide next

The pamphlet was published by the Connecticut Citizens Action Group, which took the example from a somewhat similar pamphlet on dentistry put out by former Pennsylvania Insurance Commissioner Herbert Denenberg. The CCAG's next project was to be a guide to hospitals in the state, followed by other health-related consumer guides.

Consumers' guide  
to doctors

In New York, a group called the N. Y. Public Interest Research Group published a consumers' guide to doctors in the borough of Queens. It lists the office hours, billing practices and hospital affiliations for 335 of the medical generalists who practice there. The project was not encouraged by the operating head of the Queens County Medical Society who, when asked by the researchers for a list of members, told them to "try the telephone directory," according to the New York Times. The medical official said the guide was unethical, unnecessary--because the medical society can give referrals if needed--and possibly illegal, because state law prohibits advertising by doctors.

The guide shows interesting variations in costs, from \$7 to \$30 for an initial office visit. It also shows that 68 percent of the doctors who responded

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said they made house calls. This sounds surprising, but may be explained by the fact that medical practice in New York is highly competitive because of the high ratio of doctors to inhabitants.

...and a guide  
to health care

A broader kind of scrutiny has been applied to the health business as a whole by an admittedly radical research group in Washington, D.C., called The Source Collective. This organization has published a 250-page guide to health care in the United States. Judging from its description in the Liberation News Service, the work is a highly partisan document, which appears to focus on shortcomings and problems rather than on what is available. One section "covers hospitals and what can be done about abuses. . . ." Another section tells "how to research local health problems. . . ." The foreword says, "The process of learning the truth about the health care system in this country is jolting and depressing," but goes on to say the catalog will "give a sense of the spirit of the fight. . . ."

## COMMENT

Call for open practices  
gains strength

The Source Collective's approach illustrates the intensity of the efforts being made to remove the cover of secrecy under which organized medicine has operated for so long. An attempt by Ralph Nader's Health Research Group to compile a price and services directory of all physicians in Prince George's County, Maryland, directed to the same purpose--that of ending secrecy--was stymied when the local medical society ordered its members not to answer the inquiries. But such directives, which strike many members of the public as censorship and as a denial of their right to know, may be seen as increasingly counterproductive, as the forces pressing for open practices continue to grow and strengthen.

## Malpractice Suits Costing Doctors. . .and Patients

**Malpractice insurance  
is up as much as 560%**

Malpractice suits have increased so sharply, both in number and in the size of awards, that the price of malpractice insurance has exploded, and in a few instances the insurance is not even available at any price. The cost of insurance went up 560 percent for one neurosurgeon in Flint, Michigan, from July to October of last year, according to the Flint Journal. The doctor announced he would no longer handle certain types of head and spine injuries and warned that in some instances accident victims might have to be shipped out of town for treatment.

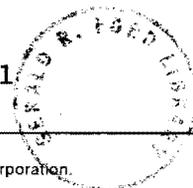
**\$25,000 a year  
just for insurance**

Similar problems have been reported in New York, Seattle, and Chicago. In every case, the result is to increase costs of medical care, since the doctors pass along the insurance charges to the patients in the form of higher fees. In Michigan, many doctors pay \$25,000 a year in malpractice insurance fees, the Flint Journal reported. Some specialists pay as much as \$28,000. The cost of insurance passed on to patients probably averages \$100 to \$200 per operation, one Michigan surgeon estimated, and he said this is on top of the unnecessary tests and procedures now dictated by what the profession calls "defensive medicine."

**Malpractice suits  
attracting more lawyers**

A peculiar correlation has been noted between the introduction of no-fault auto insurance in Michigan and the increase in malpractice suits. In the 12 months after no-fault insurance took effect, 58 malpractice suits were filed in Genesee County, Michigan, compared to 17 such suits in the preceding 12-month period, showing an increase of more than 300 percent. One doctor openly suggested that many lawyers who had specialized in traffic negligence suits had switched to malpractice. Many lawyers take such cases on contingency, and, according to the newspaper, keep up to 50 cents on each dollar recovered.

In New York, a spokesman for the state medical



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**Insurance problems forcing some doctors to retire**

society said the high cost of malpractice insurance is forcing many doctors in low-income areas to retire, and is preventing young doctors from opening offices. The insurance rate in New York (which also recently introduced no-fault auto insurance) went up by 93.5 percent in one year. In the state of Washington, a report to the state medical association said that non-surgeons could expect premium increases of 48 percent, and surgeons doing certain types of surgery would have to pay 158 percent more for malpractice insurance.

**Binding arbitration being introduced**

The solution being suggested in different forms in different states centers around binding arbitration of claims. A beginning has been made in Southern California, where patients entering any of 10 Los Angeles hospitals are asked to sign an arbitration agreement. The patients may revoke their agreements 60 days after discharge from the hospital by written notice. Of some 400,000 persons who have entered the hospitals since the procedure was started, fewer than 400 have refused to sign or have revoked their agreements. Illinois hospital officials are attempting to introduce a similar plan in a number of Chicago hospitals.

**...also mediation panels**

New York is debating the creation of medical malpractice mediation panels. A legislative committee is also considering a measure which would allow defendants in malpractice suits who won their cases to recover the costs of counsel fees and other expenses, which would dim the ardor of many who might otherwise contemplate bringing contingency suits.





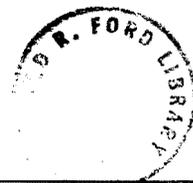
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## Housing & Urban Development Indicators

	<u>Base Quarter Index*</u>	<u>1973 Quarter Index</u>	<u>Current 1974 Quarter Index</u>	<u>Current 1974 Quarter Linage**</u>
1. Urban Planning & Renewal Agencies	100	117	142	103,350
2. Ownership-Private	100	89	359	81,300
3. Neighborhood & Area Development	100	122	170	50,850
4. Rental Housing-Subsidized	100	83	85	49,800
5. Downtowns	100	141	162	34,500
6. Commercial & Industrial Development	100	107	329	33,600
7. Rental Housing-Private	100	60	208	27,450
8. Building Codes	100	71	189	15,600
9. Discrimination & Integration	100	106	79	15,150
10. Open Spaces	100	71	220	14,850
11. Regional & State Planning Commission	100	131	139	12,300
12. Mobile Homes	100	111	139	7,950
13. Ownership-Subsidized	100	81	89	7,200
14. New Towns	100	89	136	<u>6,750</u>
				460,650

\* Average of 1972 and 1973 fall quarter linage = 100

\*\* All linage is listed in the Appendix



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## Ownership—Private



The prevailing tone of the Housing & Urban Development category as a whole is not as somber as one might expect. There is greater volume of linage, with the index up to 159 compared to 103 for the same period a year ago, and a surprising amount of this greater volume of news is positive. There is more reporting being done on commercial building, perhaps to compensate for the dearth of activity in homebuilding. During the preceding quarter, the index was 134.

Those subtopic headings which showed fluctuations in the current quarter significant enough to warrant specific analysis are examined below, and they are followed by several reports on special situations.

Ownership—Private. This subtopic covers the whole field of planning, design, sale and maintenance of privately financed housing, plus data on FHA and VA mortgages, and HUD rehabilitation grants and low-interest loans. The very high index figure of 359 for the quarter is understandable in view of the intense newspaper discussion of problems in all of these areas. The index for the same period 12 months ago was 89. Major headings in the subtopic which attracted special attention were: condominiums, the construction industry and its many attendant difficulties, and financing, which is also a chronicle of dismay. One development reported from Madison, Wisconsin, was a proposal before the city council to sell city bonds and use the proceeds for low-interest mortgages to help middle-income Madison residents. The mortgages would carry interest rates three to five percent lower than the going rate of private lenders. The cost to the city would be little if anything because the city can borrow on tax-exempt bonds at substantially lower rates than private borrowers.

Neighborhood and Area Development. Up by a considerable amount to an index of 170, this subtopic generated more linage as cities made more



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efforts to promote renewal and redevelopment projects, and worked on preservation and rehabilitation projects. Planned unit developments got a greater share of attention than in the past, with reports on them appearing in newspapers in 18 cities.

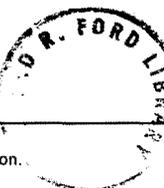
Downtowns. This subtopic continued to show strength, with an index of 162, indicating that the trends favoring downtowns, reported in earlier Trend Reports (Vols. 1 and 4, 1974) continue to develop.

Commercial & Industrial Development. With the residential building market practically at a standstill, it is logical that more attention should be turned to commercial building. This subtopic deals with the planning and development of commercial and industrial property. During the current quarter it reached an index of 329, compared to 107 for the same period a year ago. Prominent among the headings were industrial parks, mixed use developments, convention centers and sports arenas.

Rental Housing-Private. Up with an index of 208, this subtopic continued to reflect reporting on the difficulties people are having in finding housing they can afford. With residential building slow, more persons were compelled to find rental housing. The lineage reflects the problems they encounter: discrimination on the basis of race and age, evictions, and discussion--where it is not argument--over the rights of landlords and of tenants.

Open Spaces. The sharp increase in interest in backpacking and cross-country skiing and bicycle riding, all helped along considerably by the energy shortage, have brought more attention to this subtopic, which increased to an index of 220. Some of the major subjects included recreation areas, maintenance, and land acquisition. One of the proposals discussed was an underground mine recreation area called Black Diamond Mines Preserve in Antioch, California, near Oakland, where people could picnic and tour the digs.

Commercial & Industrial  
Development



## Office Space Glut Now Nationwide

Glum tidings from  
city after city

The surfeit of offices is hardly news to city residents when the story concerns excess space in their own town, but not everyone realizes how widespread the problem is across the country. Newspapers monitored by The Trend Report brought in almost uniformly glum tidings from city after city during the recently-ended quarter. In Minneapolis and St. Paul, there were some four million square feet of unrented space, when last anyone had the nerve to look. That is about 20 percent of the total office space in all the Twin Cities. Los Angeles has some eight million square feet of surplus office space and some buildings put up there six years ago are still one-quarter vacant. Booming Chicago, for all its exuberance, has a vacancy rate of 13 percent in its downtown office buildings and by early this year, another 5.3 million square feet were to have become available.

In New York, the situation is so grim that the downtown area has been called "a depression area." Some office buildings completed well over a year ago are still completely empty. Large developers are selling partially empty office buildings at multi-million dollar losses. Last year there was the first foreclosure of a major office building in New York city since the depression.

In Dallas,  
vacancy rate 25%

In Tulsa, there is an eight-year surplus of office space, and in Dallas, the vacancy rate was expected to reach 25 percent soon. More problems lie ahead, since many new buildings, in the works for three or four years, are only now being completed and will soon go on the rental market in all their glory--and with all their high costs.

The problem is not limited to downtown areas, either: in suburban Chicago, office building vacancies are running 25 percent, and in suburban Detroit, it is 30 percent. The situation is compounded, of course, by steadily rising utility costs, and the tightening recession.

## Variable Rate Mortgages Gaining Ground

More local interest

Discussion of the pros and cons of variable rate mortgages is cropping up in more newspapers around the country as the idea picks up support with each additional week of disaster in the home-building market. National papers such as the Wall Street Journal and the Christian Science Monitor have printed detailed articles on the workings of variable rate mortgages, as would be expected, in view of their special audiences, but now local papers are showing more interest, too.

The Seattle Times ran a story explaining the mechanics of the mortgages and quoting a savings and loan official as saying the concept "is likely to be approved next year." The spokesman, Norman Strunk, executive director of the United States Savings and Loan League, said that if inflation can be checked, "interest rates will stabilize at 9 or 10 percent and the demand for housing which has been building for five years . . . will be unplugged."

'Political sex appeal'  
for mortgage lenders

He said the demand for housing will come from blacks and other minorities who have been shut out of the market for a long time. This in turn, he said, will "give lenders something they have lacked for several years--political sex appeal." Lenders have not been financing people with political power, he said, but instead have been financing the flight to the suburbs.

Newspapers in Houston and San Francisco also ran articles on flexible rate mortgages, as the idea spread across the country. The San Francisco Chronicle quoted Robert J. Mylod, executive vice president of the Advance Mortgage Corporation, as explaining that an increase in interest rates would not necessarily mean an increase in the mortgage holder's monthly payments. Instead, he said, more of the payment might be allocated to interest and less to principal, and the life of the mortgage might be extended.

## Subsidized Housing Repair Loans

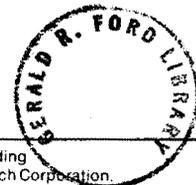
The catastrophic state of the housing industry, and the danger of increasing abandonment of worn-out housing by persons unable to afford repairs, are galvanizing local government officials around the country into taking remedial action. In Milwaukee, two major banks are working with the city to provide home improvement loans at reduced interest rates in Model Cities neighborhoods, with government funds subsidizing the rates. Minneapolis started a house repair loan and grant program a few months ago with \$3.3 million from five city banks and \$1.3 million from the sale of city bonds. The announced intention of the program was to help builders through a period of bad times, and at the same time to prevent neighborhoods from deteriorating.

**Banks behind  
home repair loans in  
Milwaukee,  
Minneapolis,  
and Madison**

Madison, Wisconsin, also began helping with house repair financing a few months ago. The form the help takes there is a revolving \$225,000 fund providing money for home repair at six percent. "We work with Madison people who are not bankable," the city official in charge of the loans explained. Those who are not "bankable," he said, are those who cannot afford the nine to twelve percent interest the money would cost them, or those who are not considered good loan risks.

**California considering  
state insurance for  
home repair loans**

California's legislature was considering a bill that would provide state insurance for housing improvement loans. It was hoped that this would generate the private financing necessary to break the cycle of housing decay. The bill would appropriate \$5 million in state loan insurance, and that would generate \$90 million in private improvement loans. The Sacramento Bee praised the scheme as an excellent one that would check housing decay and, eventually, would prevent multi-million dollar slum clearance spending from becoming necessary.



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Three approaches  
to variable rates

Mylod, who has been promoting the doctrine of variable rate mortgages around the country with evangelical zeal, suggested that any one of three approaches might work out well. One would involve annual adjustment of rates, up or down, based on a standard index. Another would be to write mortgage loans for five or ten years with adjustments of interest rates at each periodic expiration. A third would be to add an amount to the principal sum each year to compensate for inflation, the amount calculated on the basis of the cost of living increase for the given year.

A prerequisite for any plan, Mylod notes, is gradual removal of the Fed's regulation Q, which sets a ceiling on savings interest rates. In addition, the complex web of state usury laws and regulations would have to be dismantled, so that mortgage interest rates could move up and down freely.

Other newspaper articles describe specific variable mortgage rate programs in Florida, and in California, where a Savings & Loan Association in Oxnard reports it has been making variable rate mortgage loans since 1970 and has encountered no problems.

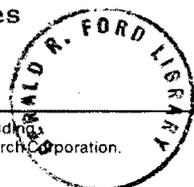
## COMMENT

Tone of articles  
is hospitable

The tone of the newspaper articles dealing with the topic is generally hospitable, with headlines such as "Support Seen for Variable Rate," and "Variable Rates May Be on the Way." The inference is, then, that the climate will be favorable for reception of what will be a very significant change in the way Americans pay for their houses.

### Boom in Combination Office-Apartment Buildings

A new vogue for combination, multi-purpose buildings is about to make itself felt in cities across the country, according to the Hartford



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Response to demand  
for close-in housing

Courant. These buildings will combine office space, apartments, stores, and a variety of services and amenities. They will become popular in response to growing demand for close-in housing, the paper says, and because of the rising costs of city land. The Courant quotes a financial executive as saying "the all-in-one building concept should be under construction in major U. S. cities in a few years."

In fact, the Courant has only to look southward, to New York, where the Olympic Tower is nearing completion, or west, to Chicago, where the John Hancock Building is already in full operation, to see early evidence of the trend it describes. The fact that these buildings exist, and are successful, lends substance to the Courant's prediction.

Living, working, playing  
under one roof

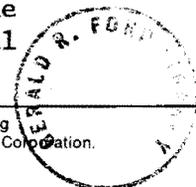
The buildings will typically cover more than one city block, and will have offices on lower levels, living space higher up, with diversified floor plans available to accommodate singles as well as large families. There will be rooftop features such as tennis courts and pools, special floors for recreation, and underground parking so that greenery surrounds the ground floor.

The only difficulty foreseen is that of accustoming residents to the idea of having apartments 100 stories above the ground.

## New Efforts to Disperse Low-Cost Housing

New measures that will have the effect of forcing low-cost housing into middle income and suburban areas are emerging in different parts of the country. Rochester, New York, has been working on creation of a commission to designate suburban areas that would be required to accept low-income housing.

In Chicago, a federal court ruled public housing must be built in the suburbs as well as in the city proper. This took further an earlier federal



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**In two Chicago luxury developments, twenty percent of apartments for poor families**

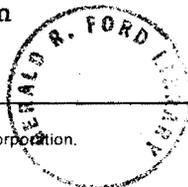
ruling that public housing must be built on scattered sites in both black and white districts of the city. The decision including suburbs was taken on the premise that there must be a "comprehensive metropolitan plan" to establish desegregation in public housing. Meanwhile, the Illinois government was working out an agreement with developers which would put poor families in as many as twenty percent of the 1,800 apartments in two luxury developments to be built on the Near North Side. This would be in keeping with the new national goal of economically integrating new private housing developments, as envisioned in the \$11.3 billion federal housing bill President Ford signed in August.

**Tax break for those in integrated areas suggested**

Pressure also came from the U. S. Civil Rights Commission, which asked the federal government to fight suburban housing discrimination by requiring states to create superagencies empowered to override discriminatory zoning ordinances and building codes. The commission's 72-page report spelled out ways suburbs have excluded persons they did not want, and thus kept the legendary "white noose" around central cities. One recommendation that appeared unusually significant urged that persons buying houses in areas working toward racial integration in housing be eligible for federal subsidies or tax cuts.

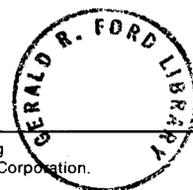
**Massachusetts anti-snob zoning law being applied**

Massachusetts has been attempting to break the noose for some years, but only recently was its relatively new "anti-snob zoning law" invoked to force authorization of a housing development. The 98-unit project is sponsored by the Archdiocese of Boston and is to be built in the suburb of Beverly. The anti-snob law allows a non-profit developer of subsidized housing to skirt local restrictions by applying for a comprehensive building permit. If his application is denied by local authorities, the developer may appeal to the state Department of Community Affairs. Beverly refused to issue a permit, and the state agency ordered it to do so, in



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the first application of the law. The archdiocese has plans for more such developments. "It is my earnest desire that . . . these developments . . . shall . . . be a reminder that equal justice for all depends upon equal opportunity," said the church's progressive local leader, Humberto Cardinal Medeiros, at a news conference.





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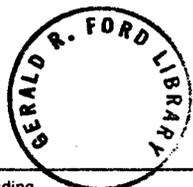
## Human & Economic Relations Indicators

	<u>Base Quarter Index*</u>	<u>1973 Quarter Index</u>	<u>Current 1974 Quarter Index</u>	<u>Current 1974 Quarter Linage**</u>
1. Indians	100	133	188	66,600
2. Consumerism***		100	118	51,750
3. Blacks	100	107	98	48,150
4. Civil Rights Movement	100	138	75	32,250
5. Women's Rights	100	198	207	30,750
6. Marriage & Family***		100	109	28,050
7. Media	100	160	157	20,550
8. Business Resources	100	109	77	7,350
9. Spanish-Surnamed Americans	100	117	72	<u>3,150</u>
				288.600

\* Average of 1972 and 1973 fall quarter linage = 100

\*\* All linage is listed in the Appendix

\*\*\* Average of 1973 and 1974 fall quarter linage = 100;  
not monitored before May 1974



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Civil Rights Movement



The basis for comparison with past quarter figures for the Human & Economic Relations category has been altered by inclusion of two new subtopics, Consumerism, and Marriage & Family, a change that was introduced in Vol. 4, 1974. Both of these subtopics have been indexed by Urban Research Corporation since 1973, as noted in Vol. 4, but since there are no 1972 figures, the base quarter lineage and index figures are determined by 1973 data.

Over-all, the category generated a good deal less lineage than it did in the preceding or summer quarter, totaling 288,600 for the current quarter compared to 350,250 three months ago. It was also down over the period of a year, with an index of 123 for the current quarter compared to an index of 133 for a year ago.

Six of the nine subtopics listed were down, some sharply, and three were up. Significantly, the six that declined were in areas that have been of high and continuing concern for several years, namely, minority groups and civil rights. This concern has receded dramatically as economic issues--issues dealing with survival in this very difficult period--have come forward. Consumerism is up from 42,750 lines for the preceding or summer quarter to 51,750. Business resources is up from 4,200 lines three months ago to 7,350.

Subtopic headings which showed fluctuations in the current quarter significant enough to warrant specific analysis are examined below, followed by reports on other trends.

Consumerism. Growing attention is being paid to reporting the various changes affecting American business practices as a result of consumerist pressures. The Philadelphia Inquirer, in an article summarizing all the innovations in supermarket procedures that have resulted from the consumer movement, included: offering institutional sizes of canned food, at substantial savings; providing the services of trained home economists; clearly labeling seafood either



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"fresh" or "previously frozen"; offering case lots of produce at one-third off; providing benches for shoppers in need of rest; and open dating on all foods. The list went on.

Corporations putting  
more money into  
Better Business Bureaus

Another article, in the Miami Herald, listed a whole array of changes brought about by consumers and their advocates which have affected clothes, cars, bedding--and, inevitably, business. The Herald reported that corporations have pumped \$4.6 million into the Council of Better Business Bureaus in the past year to improve self-regulatory procedures. That represents an increase of \$4 million over the amount corporations allotted for the Better Business Bureau four years ago.

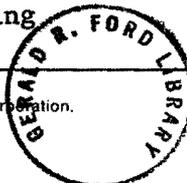
Crackdown  
on repairmen

One area getting intensive new attention in several parts of the country is that of appliance and equipment repair. In Florida, the new state repair law, which among other things requires that the actual cost of work be no more than ten percent off from the estimated cost, and that repairs must carry an automatic guarantee, is being forcibly brought to the attention of repair shops. Michigan put its tough new auto repair regulations, requiring licensing for major repair work, into effect, just as car repairs assumed greater importance with the drop in sales of new cars.

In New York, the Consumer Affairs Department of New York announced it would fine delivery men and repair men who arrange dates with consumers for deliveries or repairs and then fail to appear, without any notice. The intent in New York is to make the law a model for the nation.

FTC and Congress  
eyeing warranties

Warranties are another consumer area in which the heat on companies is increasing. The Federal Trade Commission reports it is getting more complaints about warranties--and it seems to be paying more attention to them. Congress is working on some stringent new legislation regulating automobile warranties, just when auto makers have been liberalizing



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the coverage they offer. And a House subcommittee reported that of 51 warranties examined by its staff, 50 had "important limitations and ambiguous language."

Also, more attention  
to insurance companies

There were more signs of consumer pressure on the insurance industry, too. (See The Trend Report, Vol. 4, 1974, p. 71, "Insurance Business May Face an Attack".) In Washington, a study by the Federal Insurance Administration showed that millions of people are apparently being excluded, for no discernible reason, from getting the insurance they need to drive cars, buy houses, or protect themselves against major losses. At the same time, Sen. William Proxmire of Wisconsin was accusing the credit insurance business of substantial overcharges in credit life, health and accident insurance.

New York state's superintendent of insurance is moving to simplify the involute language in which insurance policies are written, in hope of creating "a new relationship between company and customer." In Illinois, the Chicago Daily News reported "hundreds of complaints" against Blue Cross and Blue Shield were pouring in to the Illinois Department of Insurance.

Women's Rights



Women's Rights. Much of the increase in lineage for this subtopic, which had an index of 207 for the current quarter, was due to the publication of more reporting on the availability of credit to women. Pennsylvania's biggest association of retail stores, which includes 2,500 of the state's major stores, adopted a "fair-credit code" for women customers under which women will be treated the same as male applicants.

In Albuquerque, New Mexico, state retailers gathered for a conference heard feminist speakers discuss the need for equal credit treatment for both sexes. The Seattle Times reported that outdated and unrealistic business policies on credit for women are being brought up to date in the Western states.



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# The Trend Report

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One in 10 Americans  
lives in a family  
headed by a woman

Also adding to the volume of news about women in this category were recently published census findings indicating that one-tenth of Americans live in families headed by females, a number that has increased by more than a million in the past three years. Some other related numbers: one-seventh of all children and one-third of all blacks in the country live in families headed by females. Mentioned as possible factors causing the increase in families headed by females were: the rising number of divorces, easier adoptions and allowing singles to adopt, more women keeping their illegitimate children, more working women, and more public assistance.



## Groceries on Credit

Another significant move toward a money-less economy is being tentatively explored by a number of supermarket chains which are taking credit card payment for groceries. The Bayless chain, in Phoenix, Arizona, reports that cards account for five to seven percent of sales, and that the average credit-card purchase is three times larger than the average cash sale.

At the Imperial Foodtown chain in Dayton, Ohio, cards are used more to take advantage of specials, store officials find, and seem to come into play quite often for impulse buying.

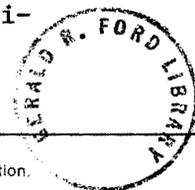
A total of some 300 supermarkets around the country now accept cards, with Master Charge and BankAmericard accounting for the vast majority of transactions. Travel and entertainment cards, such as American Express, are not authorized for use in food stores at present.

Store operators predict that use of cards will partially smooth out the weekly peaks and valleys of business in food stores, which rise and fall depending on when pay checks come around, and which require store managers to hire extra shock troops to withstand the weekly onslaught. The cards may also reduce the burden of check-cashing, and the losses check-cashing entails.

Because of their low profit margins, supermarkets were reluctant to put in cards and pay the full three percent rate that generally applies in retailing. Now the banks are offering food chains lower service charges, and the cards may gain wider acceptance. But the cards are not expected to sweep the industry all at once; there are still unknown factors that prevent their acceptance, and the cards have even been withdrawn from some stores where they were tried experimentally.

**300 supermarkets  
now accept  
credit cards**

**Banks offering  
lower service charges**



## Changes in Meat Eating Habits

Long-established patterns  
may be overthrown

There is a good deal of tinkering going on with the meat Americans eat. None of the experiments or changes so far add up to a trend, but taken together, they indicate that long-established patterns may soon be challenged, if not overthrown. The changes have been dictated by necessity, in the form of feed shortages and high costs, and by moral scruples, in the form of concern over wasting food that other nations need.

U. S. government grading practices have contributed importantly to making marbled, fatty beef the preferred meat choice of many Americans, and this grading system is now to be modified. The U. S. Department of Agriculture will relax its standards for top quality grades. This will allow leaner beef to qualify for those grades, and should allow slaughtering cattle earlier, thereby saving some 400 pounds of feed grain per animal.

Cattle shifted  
from grain to grass

Saving grain is also the objective of experimentation in Canada, where cattle-raisers are finishing cattle on grass rather than expensive grain. The meat has sold in Vancouver at 75 cents a pound for hamburger instead of 99 cents for the same cut from grain-fed steers. Sirloin steak from the grass-finished cattle sold for \$1.89 per pound, compared to \$2.49 a pound for sirloin from grain-fed cattle. It was the first grass-fed beef offered by a major Canadian food retailer in years, and whether it was the price, or the taste, the meat sold well.

Hybrid 'beefalo'  
gaining ground

Another and possibly more profound change may come with wider acceptance of the new hybrid "beefalo" breed, which are three-eighths buffalo, three-eighths Charolais, and one-quarter Hereford. They mature more quickly than regular beef cattle and so consume less feed per pound of marketable meat. They fatten well on grass rather than grain. Their meat is described as rich, tender, and faster to cook. There are only a few thousand beefalo in the U. S. now--



but their breeders, who spent years working out the complex breeding equation, expect the number to increase rapidly.

Pure buffalo, too, are growing in number, after they were nearly made extinct a hundred years ago. They are hard for ranchers to handle because of their size and their spooky dispositions, but they produce meat higher in protein and lower in cholesterol than beef. The meat is also said to be more tender because the muscle fibers are shorter and less stringy.

### Metric Measurement Advancing

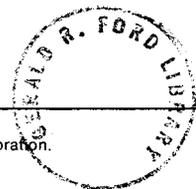
The metric system is advancing, stealthily but discernibly, in the United States, gradually making itself felt in schools (The Trend Report, Vol. 4, 1974, p. 15, "Teaching the Metric System"), in government departments, and soon in retail outlets.

### **Wine industry converting in 1979**

The Treasury Department has ordered the wine industry to convert to metric measurement by 1979, which will mean the U. S. will be more readily able to savor those legendary names like jereboam (3 liters or 101 ounces) and magnum (1.5 liters or 50.7 ounces). The standard size, replacing the fifth, will be three-quarters of a liter, which equals 25.4 ounces, compared to 25.6 ounces in a fifth. The liter, with 33.8 ounces, will come closest to approximating the quart.

Seven-Up will be the first maker of soft drinks in the U. S. to use metric packaging. The company will put its liter and half-liter sizes up against its competitors' quart and half-quart sizes.

In Pennsylvania, the Sun Oil Co. began selling gasoline by metric measurement in a test in Willow Grove to see how consumers react to the different units.



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**U. S. Highway Administration  
will begin metrication this year**

The Federal Highway Administration will begin using metric measurements in its reports and specifications this year, in order to help American industry and motorists make the transition. The Highway Administration says, in government-issue prose, that "metrication will be the roadway for the American measurement system in the future."

The Houston Post supported conversion to metric measurement, saying that Congress "dithers" when it should be moving on the change. The Post also opposed businesses that demand federal compensation for converting, since it believes it is "for their own benefit" to do so.

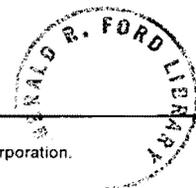
## Cutting Back on Competitive Consumption

**The cutback decade**

A broad trend of great importance to the United States--cutting back on competitive consumption--is gradually taking shape. It is not a thing that can be measured in lines of newspaper space, but is more a matter of tone and style. This emerging shift in attitude was discerned in The Trend Report, Vol. 1, 1974, "Toward an Energy Ethic," p. 27, and "A Farewell to the Homogenized Society," p. 87, and has since been noted in other publications.

The fundamental change is psychological: people are slowly coming to grips with the realization that a constantly rising standard of living, with ever more possessions and mobility and energy consumption, can no longer be the central tenet of American life.

This in turn is emboldening people to keep their old cars, and wear clothes that might not be in the current highest fashion, and to forego the obligatory annual vacation trip that proves you can afford a trip.



# The Trend Report

Lifeboat camaraderie  
in place of  
keeping up with the Joneses

Other symptoms include the reduction in college attendance, more participation in simple pursuits such as bicycling, hiking and needlepoint, more interest in vegetable gardening, more mail order shopping, and more time spent at home as opposed to time spent at organized and commercial entertainment. As one sociologist sums it all up, keeping up with the Joneses is dead, and "a lifeboat camaraderie has taken its place."

## COMMENT

One aspect of this evolving situation that directly affects corporations is the need, on occasion, to practice "demarketing." Utilities and oil companies have spent major sums urging customers to hold down on their use of energy. Governments are affected too: Oregon has officially suggested that people not move there, unheard of for a Western state a year or two ago.

'Less is more'

Makers of products that are in short supply for one reason or another are developing a variety of ways to discourage consumers from using their products, from suggestions on conservation, to simply discontinuing production. During World War II, distributors of sought-after items in short supply, such as aged whiskey, required tie-in purchases of large quantities of less desirable merchandise, another technique for limiting demand. In today's climate, companies unable to meet the full pressure of demand for their products will have to find ways to ration out their goods that are more imaginative and less unattractive. But it should become easier as more people get used to the idea, expressed so succinctly in another context by Mies van der Rohe, that "less is more."

