

# Legislative Scene . . .

## Bill Offers New Hope to Cities

WASHINGTON, July 27, 1981—Supporters of the plan to establish urban "Enterprise Zones" in decaying inner cities have much to cheer about in the newest version of the proposal now before Congress, according to Dr. Stuart Butler, one of the architects of the Enterprise Zone strategy.

Writing in a new study analyzing the Urban Jobs and Enterprise Zone Act of 1981, The Heritage Foundation's urban economist says, "The important role of state and local governments is appreciated in the bill, and the measure is compatible with the administration's view of federalism. With only minor amendments, the bill should dispel many of the fears of liberal and minority organizations that the Enterprise Zones may become a tax shelter for big business, where the benefits to the community would be confined to a trickle-down effect."

When Representatives Jack Kemp (R-Buffalo) and Robert Garcia (D-South Bronx) of New York introduced the Urban Jobs and Enterprise Zone Act of 1980, critics said that many blighted areas could not meet the criterion of having at least 4,000 people in order to be designated Enterprise Zones; that the bill overestimated the effect that mere property tax reductions would have on small businesses, whose major bane is red tape and over-regulation; that the various tax incentives were heavily geared to larger, established companies; that the rapid depreciation allowance would lead companies to install a great deal of equipment, while employing few local people; and that some states would be constitutionally or financially prohibited from lowering property taxes by the mandated 20 percent.

"There was general concern that the goals of the Enterprise Zone would not be achieved by the package of incentives in the bill. Certain minority and neighborhood organizations, in particular, feared that although the zones probably would lead to increased economic activity, local people would be passed over in the process. There was also some concern that residents, and even existing small businesses, would be displaced by newcomers," Dr. Butler says.

The 1981 bill has been fashioned so as to meet these criticisms, he notes. National Urban League President Vernon Jordan joined the House and Senate co-sponsors of the bill at their June 3 press conference, while the NAACP,

the National Urban Coalition, the National League of Cities, and many other urban and business groups have endorsed the Enterprise Zone concept. The bill now has 61 House co-sponsors and 16 Senate co-sponsors.

The 1981 bill differs in important ways from its predecessor concerning the selection of sites. The designating authority has been moved from the Department of Commerce to the Department of Housing and Urban Development, and the Secretary of HUD has been given the responsibility of coordinating other federal programs within the zones. "These changes reflect the fear expressed by some that the Enterprise Zone might become a replacement for other programs, rather than a supplement to them," the Heritage expert says.

The new bill gives more flexibility to local governments in designing their own packages of tax incentives, but would require both local and federal entities to spell out their commitments in a contract which could later be modified upon agreement of both parties, Dr. Butler says.

In addition, the 1981 bill contains important changes in the tax provisions in order to favor small businesses, and would exempt Enterprise Zones from having to meet certain burdensome federal regulations, leaving the protections desired by Congress intact.

"While the 1981 Enterprise Zone bill may have its defects, it is nevertheless a bold attempt to set in motion a genuine trickle up process in the depressed inner cities," Dr. Butler concludes.

## Chisholm Shocked by View of Apartheid

Congresswoman Shirley Chisholm (D-New York) just returned from an 18-day Congressional study mission to six nations on the African continent. Included in the itinerary was a four-day visit in South Africa, where she was shocked and depressed by the condition of that country's non-white residents under the apartheid system of strict racial segregation.

"I was just not prepared," the Congresswoman said, "for the first-hand evidence of harsh repression and discrimination in South Africa. I personally witnessed the desperation and human tragedy which is so prevalent there. I saw black women and children forcibly evicted, in the cold rain, from their make-shift shelters in Langa, an area the Government has declared off-limits to black squatters."

"I could see, in a starkness we in America are not used to, the human cost of apartheid. Black workers travel many hours each day from their homes to jobs in the city, and then must rush to leave the city's borders before sunset to avoid being 'detained' by the police after dark. By conscious government

decision, black communities are isolated, impoverished, neglected, and grossly underserved by basic public services. Anyone who protests these conditions is followed, harassed, arrested, or banned by an all-pervasive police power."

The Members of Congress spoke with a wide spectrum of government and community leaders. "Because of the weak and ambivalent U.S. policies on South Africa," Mrs. Chisholm explained, "neither side in the conflict was happy to see an American delegation. Government representatives accused us of meddling, and the blacks blamed us for our country's apparent condoning of the status quo. However, we all came away with a sense that the South Africa Government is resisting reform and is perhaps even taking significant steps backward."

"Everywhere we heard," Representative Chisholm revealed, "great apprehension about the increasing chances for violent upheaval. Many blacks are determined that their children must not grow up under such a system, and the whites are equally determined to preserve their total domination of the economy and society. Prospects for peaceful change appear dim, and fading."

"I came back," the Congresswoman concluded, "believing the unbelievable about South Africa's racial system; and more important, I came back even more committed to ending any semblance of American support for it."

## Coca-Cola

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ATLANTA, GA, Syreeta Miller (second from left) of Gary, Indiana flashes her winning smile as she is presented with a scholarship check from Coca-Cola USA, on being chosen Miss America of Elksdom for 1981.

Miss Miller was crowned during the recent IBPOEW convention held in Chicago, IL. Contestants in the annual Beauty and Talent Pageant are judged in two categories—talent and beauty. Judy Dorsey of Nashville, TN was selected first runnerup and Cheryl Bruce of Richmond, VA was chosen second runnerup and Miss Congeniality.

Congratulating Miss Miller (from left to right) are: Donald Wilson, Grand Esteemed Ruling Knight of the Improved Benevolent Protective Order of the Elks of the World (IBPOEW); Carl O. Dickerson, Grand Secretary of the IBPOEW; Harold Stone, Central Area Special Markets manager, Coca-Cola USA; and William Patterson, Grand Commissioner of Beauty and Talent IBPOEW.

Coca-Cola USA has sponsored the pageant for over 25 years and annually presents trophies, \$2,000 in scholarships and other amenities to the program.