

What New York City bus rider hasn't fumbled for exact change on line or gone from store to store seeking change for a \$5 bill, only to see the bus drive by? Coming up with the exact change promises to be even more complicated once the transit fare rises to 60 cents on July 1.

But when the Metropolitan Transportation Authority board votes on the fare increase this Friday, it will also have the opportunity to make some creative changes in the fare structure by approving the use of monthly passes. Passes, if priced at \$25 a month for unlimited travel on city buses, would cut operating costs for the M.T.A. while adding convenience for the passenger.

Passes are already used successfully in more than 20 American cities, including Boston, Philadelphia, and

San Diego. A proposal before the M.T.A. board suggests passes for buses only, but a second proposal is expected to come before the board within the next two months that would expand the use of the pass, or create an additional one for use throughout the subway and surface-transit system.

The pass itself is modeled after Paris's *carte d'orange*. For buses, the rider would show the driver an identification card that carries a photograph and is coded with a different color each month. For subways, passengers would feed the card, electronically coded for month and type (regular monthly pass, pass for schoolchildren,

Monthly Passes Here Would Benefit Riders And the M.T.A., Too

By Carol Bellamy

handicapped, senior citizens) into specially-fitted turnstiles. Like the Paris system's, the turnstiles would be equipped with an anti-pass-back device to prevent riders from handing the pass to a friend in line.

Both transit riders and the M.T.A. would reap the rewards of monthly passes. From the M.T.A.'s point of view, the passes would help attract new riders, cut operating expenses, and provide a long-sought method to cut down on revenue lost from fare evasion. The M.T.A. now loses \$28 million annually from people walking through the "slam gates," which could be closed once the technology for monthly passes is in place.

The M.T.A. spends \$83 million a year for personnel to collect, count and audit fare collections. As the volume of coins increases, the handling costs also rise. The fare increase to 60 cents

will create the need for 33 more employees just to count the extra dimes. Passes would allow us to phase out some of these workers.

Distribution of the passes could be handled through banks, employers, and the mail. In some cities, employers subsidize the cost of passes, getting more cars off the road, conserving energy, and relieving congestion.

What is more, monthly passes could lead to an indirect Federal subsidy. A bill now before Congress would allow employers to take a 5 percent tax credit on passes offered to their workers as a tax-free benefit. Widespread use of this kind of tax credit would be a way for New York to get Federal dollars for each of its riders with a pass. In a sense, it's a way for New York to achieve its long-sought "ridership formula" for the distribution of Federal transit aid.

A monthly pass system would also improve the M.T.A.'s cash flow, mak-

ing it possible to collect interest on revenues each month. If 20 percent of the present weekday riders bought passes, the M.T.A. would receive \$16 million in cash at the beginning of each month.

But the monthly passes are not just an administrative convenience for the M.T.A.; they also would offer great advantages to transit riders. In effect, riders would pay only for the daily commute to work, meaning any trips taken during off-peak hours would be free. The passes allow flexibility: Riders could use the system for short shopping trips, getting on and off subways and buses at different stops throughout the city. Also, more passengers would provide safety in numbers late at night.

Monthly passes are not the final salvation for New York's transit problems but are one small step toward greater convenience and financial savings. They will keep present riders faithful to the system, convert new riders (9 percent of Bostonians buying passes switched from commuting by car because of passes), increase the M.T.A.'s cash flow, and reduce operating expenses. To make our aging system work, we must be bold enough to experiment with new solutions.

Carol Bellamy is president of the City Council and a member of the Metropolitan Transportation Authority board.

In Defense Of Summits

By James Reston

VENICE, June 24 — The Venice summit meeting went fairly well, as these things go, which is not saying much since usually they don't go anywhere. Nobody even printed the full text of its public conclusions; but the leaders of state said some things to one another in private that may be useful.

For example, Chancellor Helmut Schmidt of West Germany asked Ed Muskie whether he thought it was a good idea to have two Secretaries of State — meaning Zbigniew Brzezinski and Mr. Muskie. Secretary Muskie pretended it was a joke, but knew it wasn't.

President Carter was challenged to explain here why he was so suspicious about the meetings of the French President, Valéry Giscard d'Estaing, and Chancellor Schmidt with President Brezhnev of the Soviet Union. And Mr. Carter finally agreed in public that maybe these meetings could be useful, despite his original doubts.

There were also some private talks here on the side about Prime Minister Trudeau's return to office and the rejection of the referendum in Canada looking toward an independent Quebec. And there was some useful discussion of the growing turmoil in the Western Hemisphere and about what could be done with regard to the invasion of North America by illegal aliens from the Caribbean and Mexico.

The Venice summit did produce unanimity in its condemnation of the Soviet invasion of Afghanistan and in its concern over the threat of inflation to all the nations of the industrial world and to the poorer nations as well. But it was probably in their private talks that the leaders came to a closer understanding of their common problems.

The Japanese Foreign Minister made the point in a single phrase: They were all, he said, in "the same fragile gondola," and had to find common policy to meet their common dangers.

Chancellor Schmidt was particularly frank in saying that it was not good enough for the leaders to agree on common principles only when they met every year in these summit conferences. The difficulties arose, he insisted, when they parted and then, under the political pressures at home, seemed to forget about the promises and principles they had agreed upon at the summit.

Incidentally, one of their major

problems is communications. Despite years of insisting that they must continue to talk frankly to one another on the telephone between summits, the fact is that even now most of them do not have a modern communications system that enables them to talk on secure lines between, say, the White House Oval Office and the offices of most of the other Western heads of government.

President Carter, for example, has a secure telephone line to his embassies in all the capitals, but no direct and secure line to many allied leaders. Secretary Muskie has argued that this defect in communications should be corrected.

One of the advantages of these summit meetings is that they tend to bring foreign ministers closer together on major problems, even closer than the heads of government. Here in Venice, it was the cabinet members and the executive staffs that concentrated on the realities of the Middle East problems, and on the inflation and missile problems rather than Messrs. Carter, Giscard, Schmidt, Trudeau and Mrs. Thatcher as well as the other political leaders.

Mr. Muskie drew particular attention at the summit, not because he tried to — in fact he played the "new boy" role as modestly as possible —

The problem is to remember between summits the pledges and policies achieved during them

but because he spoke here with cautious eloquence and with a knowledge of the mood of the Congress in Washington that impressed the other leaders — particularly on the questions of Afghanistan and the Middle East.

Finally, and most importantly, President Carter managed at Venice to impress upon the other leaders, as he did at the previous summit meetings in Tokyo, Bonn and London, that he has a command of the intricate details of the major economic and military problems and is searching for solutions with the allies and appealing to them to come up with common policies.

At the end, there was a feeling at this summit that maybe this would be the last one in which this particular cast of characters would meet together. But even Chancellor Schmidt, despite all his doubts about President Carter, seemed to feel that on the main issue of dealing with Moscow, which he will have to do in the next few days, the Venice summit helped to bring the allied leaders into a better mutual understanding.

Workers Take Over

By Warner Woodworth

PROVO, Utah — The stockholders of the Rath Packing Company, in Waterloo, Iowa, voted on June 16 to turn their company over to its employees, and the next day members of Local 46 of the United Food and Commercial Workers agreed to buy the company. The workers appointed 10 of the 16 directors on the board and will soon hold 60 percent of the company's stock. Thus, a hog-killing and processing slaughterhouse leads the United States into a new era of industrial democracy.

The result may be more practical than ideological. With an alarming increase in the incidence of plant closings, community economic disasters, and with three-quarters of a million workers being laid off monthly (the highest number since the Depression), conversion to worker ownership may become an important strategy for economic survival for the decades ahead.

Lyle Taylor and Charles Mueller, union officials who originated the idea to take over the plant, feel that the in-



Aleksander Rak

recommendations have been formulated on what equipment the company should buy to process the new product, where in the new plant the department should be situated, how it should be staffed, and so on.

A number of sticky questions are yet to be answered. One set of issues involves the union's role in an employee-owned company. Will Local 46 offer job

training and coping with dislocation.

Another innovation would be for major unions to establish departments for dealing with industrial-plant shut-downs that would include experts skilled in anticipating closings. Such efforts could revolve around a cadre that might go into a plant to assist

industrial output. Such an idea may appear too visionary to a group of meatcutters in Iowa at this point. But as one of them put it: "We want to set up workers control, not only for ourselves but for our children, so that they'll have jobs and an economic future in our community."

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Lyle Taylor and Charles Mueller, union officials who originated the idea to take over the plant, feel that the infusion of workers' ideas into day-to-day operations can reverse five years of losses in Rath's \$300-million-a-year business. The majority of the 2,000 workers support the plan to the extent they will begin contributing \$20 a week out of their paychecks beginning next month to buy their stock.

The hope is that a new era of co-participation by management and the union will emerge in this worker-owned enterprise. Local 46 and top management have formed a steering committee to jointly assess company difficulties and market trends, and, where appropriate, to collaborate in problem-solving. This new structure of cooperation has already moved from simple dialogue to studying the feasibility of a whole new product line. With the ideas of dozens of shop-floor workers in "action research teams,"

Warner Woodworth, associate professor of organizational behavior at Brigham Young University, has been researching industrial-democracy developments in the United States.

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A number of sticky questions are yet to be answered. One set of issues involves the union's role in an employee-owned company. Will Local 46 officials ever call a strike that might be seen as an act against the union itself? If so, how might the membership vote? When the contract expires, what form will negotiations take in a firm with workers on the board?

As it now looks, the union's formal purpose will remain that of representing employees, as workers, on grievances and traditional bargaining issues. Those who serve on the board of directors, on the other hand, will represent employees as owners in seeking to protect their investment like any other stockholders.

To strengthen the possibility of success in worker-owned companies, the labor movement is faced increasingly with the demand to redefine its role in responding to plant shutdowns. Hundreds of thousands of auto workers, steel workers and rubber workers have been particularly hard hit.

One response that major unions can make is to press for legislation to combat plant closings, require prior notification, and provide incentives for companies to assist employees in new-

job training and coping with dislocation.

Another innovation would be for major unions to establish departments for dealing with industrial-plant shutdowns that would include experts skilled in anticipating closings. Such efforts could revolve around a cadre that might go into a plant to assist union locals in responding to shutdowns by, among other things, offering step-by-step advice through the phases of a worker takeover.

Mounting problems of industrial stagnation and declining productivity suggest the necessity for a new organizational approach to combating economic turbulence expected in the 1980's.

Worker ownership may be one such mechanism, helping to reduce unemployment by saving thousands of jobs, improving relations between managers and workers, increasing satisfaction on the job, salvaging the tax bases of local communities, and revitalizing the American spirit.

Indeed, what may be emerging is a small but significant third economic sector — one that is neither privately owned as are traditional corporations, nor public institutions either.

What we may be witnessing is an American parallel to the formation of the kibbutz economic structure, a system that while beginning as an agricultural movement, now accounts for 7 percent of the Israeli economy's total

industrial output. Such an idea may appear too visionary to a group of meatcutters in Iowa at this point. But as one of them put it: "We want to set up workers control, not only for ourselves but for our children, so that they'll have jobs and an economic future in our community."

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GREAT BUILDERS OF AMERICA



Metropolitan Museum of Art. Request of Edward W.C. Arnold, 1954. Engraving partially cropped.

News item: The Supreme Court has just ruled that anyone who can create life is entitled to sell it for a profit

OBSERVER

believed the old two-bolters were a generation behind their