

No. \_\_\_\_\_

City of Portland, Oregon

Bureau of Police

**TACTICAL SUPPORT DIVISION  
Intelligence Report**

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Date: 4/24/78

To: Lt. Winters

From: Officer Falk *wf*

**Subject:** CETA funds being used to finance Communist propaganda on local radio station.

In the Willamette Week newspaper dated April 17, 1978, there is an article entitled "Willie Lopez - a Poet on Parole from Chile".

Willie Lopez' name is Guillermo Lopez. He and his wife and family were admitted from Chile into the United States. They settled in the Portland area with the aid of the Coalition for a Free Chile. This is a local Communist front organization which was created by Charles O. Porter, an attorney from Eugene and Joseph Morray, an attorney from Corvallis, OR. Several of our local women members of the Communist Party USA have been big promoters of this organization.

The following is a quote from the newspaper article:

"Initially Willie expressed his gratitude by trying to educate Portlanders to the crisis in Chile. For a brief time, he prepared bilingual programs about Latin American politics and political songs for KB00. He had a temporary job making Christmas wreaths in Beaverton. "My friend Antonio Castrejan, gave me a job for CETA, Comprehensive Training and Employment Act, program doing labor for the City of Portland."

When the Spanish-American radio project was funded, Willie transferred to his present role. "My position is interpreter developer," he explains, "but I do some writing and transcribe the news from Seattle. My position will finish in May, I don't know what will happen after that."

The Spanish-American radio project headed by sociologist Ross Danielson, and program director Mario Z. Alvarez, is a one-year pilot project to develop communication resources for the 50,000 Latinos in the greater Portland area. Although the main thrust of the program is geared to Chicanos, Chilean interests are included.

The article states that the sociologist Ross Danielson is at the head of the Spanish-American radio project. It should be noted that Ross Danielson, address 2627 NE 12th, Portland, OR was one of the founding directors of a corporation called John Reed Corporation Inc. This corporation, according to it's articles has for it's purpose: #1-education; #2-sociability. It was founded on July 28, 1975 and has it's offices and book store at 519 SW 3rd, phone #227-2902. This address is on the 6th floor of the Dekum Building. The John Reed bookstore is named after John Reed who is the only American buried within the Kremlin walls. This is a reward for being a prominent person in the international Communist movement. On the 6th floor of the Dekum Building there are also rooms available which are used for Communist classroom training and programs.

There are 4 directors listed on the John Reed corporation and one of them is Anthony Krchmarek, address 265 SW Williams Dr, Beaverton OR. This is the same

Krchmarek that during the 1960's was the official representative from the Communist Party USA-State of Ohio who greeted Krushchev on his visit to the Midwest. Since that time he has moved into the Portland area and was one of the founders of the John Reed Bookstore. He was also involved in a controversy in the Lake Oswego school several years ago when the school would not allow him to speak to classes in the high school. The other two members who are directors of the John Reed Bookstore are also active in local movements. It should be noted that Danielson, along with Krchmarek, are members of the three person incorporators of the bookstore.

The above is an example of a trend locally of Communists attaching themselves to Federal programs and working through CETA projects for the City of Portland. There are other examples of revolutionaries taking advantage of the CETA operation.

WF/ev

For people who are considering entering the military, and for those people who have "bad" discharges or just want out, the Portland Military and Veterans Counseling Center (former draft counseling center) at 633 S.W. Montgomery, provides counseling, educational, and referral services free of charge to both individuals and groups. Programs include legal work for helping veterans through the technicalities of the discharge upgrade process, a prison project at Oregon State Penitentiary in Salem for veterans with less-than-honorable discharges, and a pre-enlistment program aimed especially at young people, minorities, and those with low income backgrounds who are considering enlisting in today's allegedly "all-volunteer" army. For more information, call PMVCC at 224-9307 or 222-9676 (pre-enlistment). Or write: Portland Military & Veterans Counseling Center, 633 S.W. Montgomery, Portland, OR 97201.

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#### MILITARY MINDFUCK

OREGON USA . . . Military and Veterans Counseling Center, funded by County CETA money, is trying to 'fight back' against the military's garbage of recruiting ads in the 17-21 age bracket media. Using media outlets, including high school newspapers, the Center is teaching the kids to take an informed consumer look at PIE-IN-THE-SKY advertisement claims by quota conscious military recruiters.

-Grassroots

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# CORRECTION, PLEASE!

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**ITEM:** From an article in the *Boston Herald-American* for September 6, 1978:

*Congress returns from its Labor Day recess today to a mare's nest of unfinished business . . . . But House and Senate members may be fairly close to agreement on another popular jobs bill, the Comprehensive Employment Training Act (CETA), which has been providing money for about 34,000 public service jobs in Massachusetts.*

**CORRECTION:** The C.E.T.A. program may be popular with those who profit from it, but the taxpayers who foot the bill for this multibillion-dollar boondoggle have reason to dislike it.

In fact, the *Herald-American* itself published a lengthy analysis on June 15th by economic analyst Warren T. Brookes who is highly critical of the program. Brookes stated: "Since the government produces no wealth of its own, it must finance CETA-type jobs by taking the money from the private sector, either by taxes, borrowing, or inflation. When it does this, the money it takes nearly always comes, not from the major established industrial corporations whose incomes can compete with the government securities' 7-8 percent interest rates, but from the marginal businesses which cannot compete for capital against Uncle Sam. The result is that the very industries that have always supplied the most employment to marginal workers (unskilled inner-city youth in particular) are precisely those who are squeezed out by government deficit spending and borrowing. Thus, the CETA jobs program turns out to be nothing more than an expensive income transfer program, taking jobs away from one group of marginal workers in the private sector and giving them to another group in the public sector — and in the process destroying part of the nation's permanent private productive job base."

Indeed, an analysis of the employment figures in Massachusetts over the last four years bears this out, and no doubt illustrates the way the C.E.T.A. program has functioned in other parts of the country as well. Between 1974 and 1978 government employment (state and local, and mostly C.E.T.A.) rose by 23,500 jobs, while the state's private sector experienced a loss of 26,700 jobs. And the rate at which C.E.T.A. jobs are being handed out is increasing. As of April 1978, the state had a total of some 45,000 C.E.T.A. jobs, of which 13,000 were in the private sector as training under Title I, and some 32,000 in state and local government, under Titles II and III. This represents an incredible growth of more

than 22,000 C.E.T.A. jobs "created" since May of 1977 — in only ten months — and all but a tiny fraction of that growth has been in government employment.

You can now understand why a number of economists have spoken out against the C.E.T.A. program. For example, Dr. James Howell, chief economist of the First National Bank of Boston, testified before a Congressional Committee earlier this year. He reported that "there has been an 18 percent reduction in absolute manufacturing spending from 1972 to 1974," and he warned it was going to get much worse because inner-city businesses could not compete with C.E.T.A. "How can you get 18-year-olds," he asked, "to take \$7,000 to \$8,000 factory jobs when they can work on CETA jobs doing light office work at \$10,000?" He pointed out that in Fiscal 1978, of the \$37 million spent on C.E.T.A. in Boston, over \$27 million was spent just on padding the Boston city bureaucracy, and only \$1.4 million had been used for on-the-job training in the private sector.

It will come as no surprise that the C.E.T.A. program has been riddled with graft and corruption. *Newsweek* magazine for April 24, 1978, reported: "Last week Labor Secretary Ray Marshall created a permanent [sic!] office of special investigations, with a staff not of nine or 90 but of 200, and while the investigators will be assigned to all the programs Marshall oversees, most are likely to concentrate on CETA. Unhappily, Marshall has found, the army of young, mostly undereducated and largely black unemployed is at least as big and immobile as it was five years ago [when C.E.T.A. was created]. And while CETA has succeeded in helping a few of them, it has helped many more whom the program wasn't originally intended to aid — often skilled, white municipal workers. The program is rife with political patronage, and in at least a dozen cities, cases of outright fraud have been discovered in CETA offices."

Responsible Congressmen hope to do something about the C.E.T.A. rip-off. Representative Lawrence Patton McDonald (D.-Georgia) observed in August: "The big-spending bureaucrats think they have a solution in massive taxpayer-funded federal jobs programs. All our previous experience with these programs shows them to be disasters fraught with ineptness, fraud, and corruption. Look at the \$11 billion dollar C.E.T.A. program. First of all, C.E.T.A. gives job preferences to ex-convicts and criminals over decent young people trying to get a start. And these C.E.T.A. jobs are one of the biggest areas of corrupt patronage. In some areas, C.E.T.A. positions are filled by persons fired from local city and municipal positions in belt-tightening moves by local taxpayers. In other places, C.E.T.A. jobs go only to the friends and relatives of local political figures."

"The House vote to chop \$1 billion off the C.E.T.A. budget was only a small step in the right direction. What is needed is to cut out the entire C.E.T.A. program as part of a serious move toward a balanced Budget and tax cut for hard-pressed taxpayers." Where does your Congressman stand? — W.E.D. ■ ■



Photos by Paul Lucas



by Roxane Kuehl

In a totally non-commercial block of the city, stands a yellow one-story building on the corner of N.E. 12th and Prescott. You might have mistaken it for some kind of community meeting hall, a storage building, or the back end of a house as you whizzed by on Prescott. You were not far off. As of June 24 of this month the N.E. Community Market will celebrate 3 hard years of being all of those things that most co-ops wish they could be mistaken for in a community. It'll do that in no better medium than a street fair. A whole day's worth of activities with N.E. 12th street closed to vehicular traffic and open to people's tastes, talents and togetherness.

The market began for many of the same reasons other co-ops started throughout the city. Three years ago, six people got together who were fed up with privately owned and corporately managed food chains which never met their needs and even under public pressure never tried to. They wanted an alternative to mass produced foods purchased from profit orientated farms and from the high costs that come with them. (There was no other alternative organically based food store in the northeast at the time and there still isn't to this day.)

This of course is where the struggle to survive financially and meet peoples' needs began. The goal was to carry a majority of organically produced food, at a low cost to the predominantly black low-income community. Unlike most co-ops, who serve and are initially kept afloat by white middle and upper middle class clientele, while being staffed by predominantly white low income people, the N.E. Community Market has strove consistently to reach peoples' immediate needs in the area.

From October 1974 till the store officially opened on June 19, 1975, remodeling of the entire interior took place. Though CETA funding for the only two full-time paid workers was slow in coming, the store opening could no longer be delayed. Carrying a maximum of \$400 worth of inventory, the store stocked essential goods like dried staples, dried fruits, breads, farm fresh organic dairy products, organic and non-organic produce as well as natural herbs and seasonings.

Two more of the original goals were yet to be actualized: being a nutritional education outlet, and providing jobs in the area. By the spring of 1976, the market received a grant from N.E.D. to start nightly nutritional dinners at little or no cost to the community on a weekly basis. It was here, every Friday night, that ethnic foods accompanied by leaflets and informal lectures on nutritional content and cooking methods were given. Interest and attendance fluctuated weekly. When the grant for the program ran out, a transition was made to monthly pot luck dinners

totally free and open to members and the public. These preceded co-op meetings and were responsible for good times and expanded co-op contacts, energy and membership as well as super nutritional seasonal meals. Throughout the summer co-op workers were awakened to what foods people in the area wanted that weren't formerly available, as well as other community services that were necessary.

In June of 1977, four new CETA projects started. The Northeast Community Beautification Project, whose purpose was to landscape and maintain low-income and senior citizens' lawns and backyards for little or no cost to the homeowners; the Wood Project, which delivered and chopped all non-salvageable trees and crates for firewood to heat peoples' homes in exchange for whatever amount people could afford to pay for gas for the truck delivery on a city-wide basis. The Home Delivery Project, which ended most recently in May 1978, served Senior citizens living in high-rises in the capacity of a shop-at-home service. The Farmer's Market sold bulk and retail seasonal produce from a road-side stand on busy Union Avenue at excellent prices, and it is hoping to get going again in the near future, having been successfully refunded.

The market has functioned as a spawning group for these various projects, giving a tremendous amount of energy and support to them, and in turn has been aided by volunteer help when its paid managerial staff ended in the fall of 1977. Since then it has gone through many healthful changes. With renewed emphasis on carrying locally-grown produce when in season (to keep vegetable and fruit prices below grocery store prices), we are able to help support small non-agri-business farms in the area while supporting co-op wholesalers in town who are trying to eliminate middle-man costs to the consumer. With help from the Nutrition Information Center, we are able to ease the burdens of dedicated volunteers through a managerial exchange program with other co-ops throughout the city. Participants have been Food Front, Hope, Peoples Food Store, Portland Community Warehouse and Wappato, as well as obtaining organizational consultation from Milk and Honey co-op in Tualatin.

This has all brought us to a stage of greater efficiency and most importantly closer to the goal of eventually providing paying jobs to people in the community. Our inventory has reached peaks in the two thousand dollar range, giving us important expansion in the types of foods and products carried. We now carry fruit juice, soda pop, natural cosmetics, ham hocks and bacon, frozen yogurt, scarves and t-shirts, day old breads, many local newspaper publications and magazines, and two exciting mechanical devices for customer use in the store: a peanut butter making machine, and a heavy duty vegetable-fruit juicer. These, of course,



are only one way to measure our growth over the years, but our continued existence has been in large part due to our receptiveness to using methods other than monetary ones to meet our daily needs. Every day one or more children, from the neighborhood, earn healthy snacks by cutting cheeses, taking out the garbage, or just helping out with whatever needs doing; turning the talk of being an integral part of a neighborhood into a reality.

Come June 24th of this month, we as workers and neighbors have much to celebrate about. We want you there at the Northeast Community Market Street Fair. Participants and organizers of all kinds are needed to keep the food, music and artistry, and ideas alive. Make this summer the best one yet on the corner of N.E. 12th and Prescott. Our store hours are from Monday through Saturday, 11:00 a.m. to 7:00 p.m. Call 281-5093 or stop by to become a member.

