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**ECONOMICS, LABOR & BUSINESS**


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companies doing business abroad.

Guzzardi argues that American business is being unfairly condemned for failing to adhere to "new and sweeping principles of conduct" that are as yet ill-defined. A new ethic, he says, is being imposed by Congress and the Securities and Exchange Commission in an "erratic and inequitable application of existing but inadequate statutes." Critics in the business community accuse the SEC of exceeding its 1933 Congressional mandate calling for disclosure of all "material" information about a publicly owned company—that is, only information of significance to an investor. The SEC seems to regard all "improper acts" as "material." Moreover, critics charge, the Commission claims power to impose sanctions for falsification of financial records—an authority more appropriately left with the Justice Department, the IRS, or state district attorneys.

More recently, Guzzardi says, the SEC seems to have discovered a distinction between payments made to government officials overseas to procure special and unjustified favors, and those made to persuade low-level government officials to perform their duties (customs officials, for example) in a timely fashion. Guzzardi urges the Commission to continue in this direction and resist Congressional demands for even broader disclosure. What is needed, he writes, "is legislation that will be clear about what is legal and what is not."

### *Industry and The Small Town*

"Small Towns Beware: Industry Can Be Costly" by Gene F. Summers, in *Planning* (May 1976), 1313 E. 60th St., Chicago, Ill. 60637.

Rural communities suffering from the twin woes of unemployment and inflation often try to attract new industry as a cure for economic anemia. Professor Summers makes a strong case against the "multiplier theory," which holds that new economic activity always generates a net local increase in jobs and income.

His evidence is a recent University of Wisconsin study on the impact of 700 manufacturing plants established in 245 rural communities in 34 states between 1945 and 1973. Summers shows that anticipated new revenue frequently leaks away (employees in the new industries decide to live or shop in other communities or they quit existing jobs in the community to work in the new plant). The multiplier effect fails to materialize because existing local industries are either unequipped to provide needed materials and services, or don't have to expand to meet demand. Local government is unable to convert private-sector growth into new public revenue; property assessments increase, primarily in residential areas, bringing greater tax burdens for disgruntled homeowners and farmers who had been promised by civic leaders that new industry meant tax relief.

While revenues failed to grow as hoped, towns sometimes made

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more costly concessions to new industry than was wise (buying land, improving sites with roads and utility connections). And when new residents moved in, attracted by new job opportunities, the costs to the town of providing services were greater than the net tax revenues generated, especially if new water and sewerage facilities were needed. The worst error? Overestimating population growth and building facilities for people who never arrived.

*Distinctions,  
Not Differences*

"Why Bosses Turn Bitchy" by Rosabeth Moss Kanter, in *Psychology Today* (May 1976), P.O. Box 2990, Boulder, Colo. 80302.

Why don't more women seek or find career success? Is it because of personality differences between the sexes—an unconscious avoidance of success or inability to handle power? Not at all, says Kanter, an associate professor of sociology at Brandeis. The answer lies in opportunity, power, and tokenism. "Lack of opportunity to succeed, not a personality style that shuns success, is often what separates the unambitious from the climbers—and the women from the men." The author finds no convincing research evidence that men and women differ in their leadership styles, or that people who work for women have lower morale. A successful boss must have real power (which comes from enjoying influence in the higher, usually male echelons of the organization) to back up decisions and thus insure the confidence of subordinates. The petty, domineering female boss usually lacks such power; she tries, instead, to coerce employees into supporting her. When women do get real power, whether in politics or business, they perform just as well—or badly—as men do. Obvious "tokenism" in hiring or promotion, whether racial or sexual, implies management's lack of trust and forces the token employee to cope with stereotypes (women nurses often "test" male nurses to see if they will side with female coworkers against other men). Greater success for women will come, not from changing their personalities or attitudes, Kanter argues, but from interrupting self-perpetuating cycles of blocked opportunity and tokenism.

*Meaningful Jobs  
For the Unfulfilled*

"The Coming Age of People Work" by Brigitte Berger, in *Change* (May 1976), NBW Tower, New Rochelle, N.Y. 10801.

America's universities are producing too many qualified applicants for a shrinking job market, and the situation is likely to get worse. (The U.S. Bureau of Labor Statistics predicts an annual "surplus" of 140,000 college graduates by 1980.) Berger, a sociology professor at Long Island University, rejects various proposed solutions: lowered retirement age, prolonged education, government manipulation of both the job market