

Appendix One

MISSION STATEMENT

NH COMMUNITY REINVESTMENT ASSOCIATION

The New Hampshire Community Reinvestment Association will ensure that financial institutions serving New Hampshire meet credit and development needs of local communities, particularly low and moderate income people and small businesses; promote public involvement in the decision-making of those institutions; and end discrimination by them.

The association's activities include:

Education

- (a) To promote public understanding of the power of credit and the importance of reinvestment to the economic and social well-being of local communities and households and that the public has the ability to influence the availability of credit to their communities; and
- (b) to raise the visibility of reinvestment among elected officials and the general public.

Coalition Building

To organize and collaborate with diverse community groups, small businesses and individuals who see community reinvestment as vital to their communities and the state.

Technical Assistance

- (a) To help people in local communities define and communicate local credit needs to the financial institutions that serve them; and
- (b) to develop relevant data and analytical capacity.

Direct Negotiations

- (a) To work with financial institutions to meet community credit needs; and
- (b) if necessary, to bring Community Reinvestment Act challenges, to negotiate and monitor compliance with CRA agreements, and to assist local groups in doing so.

adopted April 20, 1994

Appendix Two

NH CRA Affiliates

1. American Friends Service Committee, New Hampshire Office (AFSC)
2. Alliance for Progress of Hispanic Americans (ALPHA)
3. Human Needs Consultation, Episcopal Diocese of NH
4. Mobile/Manufactured Home Owners and Tenants Association of NH (MOTA)
5. NH Association for the Elderly
6. NH Council of Churches
7. Twin Pines Housing Trust
8. Social Responsibility Committee, Unitarian Universalist Association NH-VT

Other Organizations That Have Participated in NHCRA Meetings or NHCRA Programs

1. Affordable Housing Education And Development
2. Berlin Economic Development Committee
3. Manchester Community Health Center
4. Manchester NAACP
5. Manchester Neighborhood Housing Services
6. Multiracial Youth-Family Alliance
7. New England Pentecostal Ministries
8. New Fellowship Baptist Church
9. NH Affordable Housing Network
10. NH Catholic Charities
11. NH Coalition Against Domestic and Sexual Violence
12. NH College, Community Economic Development Program
13. NH Job Training Council
14. NH Legal Assistance
15. North Country Investment Corp.
16. North Country Peace and Justice Coalition
17. RESPONSE
18. Rochester Joint Coalition
19. Rockingham County Community Action Program
20. Southern NH Outreach for Black Unity
21. Tri-County Community Action Program
22. Upper Connecticut Valley Mental Health Center
23. Working Capital

(Dec. 30, 1994)

Shawmut Settles With Feds

Bias Agreement Opens Door Again to New Dartmouth Deal

By **TOM FAHEY**
Union Leader Staff

Shawmut National Corp. tried yesterday to get its New Dartmouth Bank merger back on track by settling a lending bias dispute with the federal government.

The Federal Reserve Board, which regulates bank holding companies, voted on Nov. 15 to bar Shawmut's attempt to acquire New Dartmouth, citing a Justice Department investigation into alleged discriminatory lending practices as a matter "of the most serious concern."

The \$27 billion bank holding company based in Hartford, Conn., and Boston settled that problem by signing an agreement with the U.S. Department of Justice and the Federal Trade Commission.

The consent decree calls for Shawmut to set up a \$960,000 pool to compensate minority loan applicants who were denied mortgages between 1990 and mid-1992, but who would qualify for mortgages under new, more flexible lending standards.

Joel B. Alvord, chairman and chief executive of Shawmut, said Justice and the FTC "acknowledged that Shawmut's fair lending compliance program is working well and serving minority borrowers." On Jan. 1, 1993, the bank launched an \$85 million five-point program aimed at opening up its lending to minorities.

The consent decree leaves open what Shawmut's next step will be. Its original merger agreement with New Dartmouth Bank, valued at \$143 million, carried a Dec. 31 deadline. Best estimates are that the deal would take up to six more months under favorable conditions.

New Dartmouth, with \$1.7 billion in assets, was formed from the remains of three banks that failed in October 1991 — Dartmouth, Numerica Savings and New Hampshire Savings banks.

New Dartmouth president and chief executive officer Robert P. Keller was not available for comment yesterday.

When the Shawmut bid was voted down last month, he said his bank has plenty of strength to continue on its own as an independent organization. It could also step into a role as an acquiring bank, he said.

After yesterday's settlement was announced, Shawmut spokesman Brent DiGiorgio said "We're confident this is a step in the right direction." Shawmut management hasn't decided yet whether to reapply for permission to merge with New Dartmouth or just to ask for a reconsideration of the application already on file, he said.

Thomas Cimenio, senior vice president for supervision and regulation at the Federal Reserve Bank of Boston said that whichever way Shawmut goes, the same amount of time will be involved before the board gets to a new vote.

"I don't think it would be a terribly long time," he said. "Depending on what Shawmut wants to do, I'd guess first half of '94. I wouldn't say we're talking about a year here."

The Federal Reserve Board tied 3-3 last month on whether to allow the merger to proceed. One member abstained.

Led by Fed chairman Alan Greenspan, those against the merger said they were concerned with allegations of lending bias, inaccuracies in data Shawmut provided the board and "inattention ... to important legal requirements." They acknowledged Shawmut's recent reform measures, but said they did not yet have enough of a track record "to allow an adequate evaluation either of the effectiveness or sufficiency."

The three board governors who favored the merger said Shawmut had decreased its denial rate for

African-Americans from 40 percent in 1990 to 16 percent in the first six months of 1993. White denial rates fell from 15 percent to 11 percent during the period.

Shawmut and the nation's banking industry was stunned by the board's vote, which was seen as a sign the Fed will be tough in enforcing fair-lending laws such as the Home Mortgage Disclosure Act, the Equal Credit Opportunity Act and the Community Reinvestment Act.

Shawmut vowed at the time to pursue the New Dartmouth merger, a stock swap deal with a value of \$143 million. It has two other mergers in progress — a \$180 million deal to acquire the \$913 million Peoples Bancorp of Worcester, Mass., and a \$152 million deal for the \$1.3 billion Gateway Financial Corp. of Norwalk, Conn.

With the lending bias allegations taken care of, DiGiorgio said yesterday the bank intends to "pursue the New Dartmouth Bank application vigorously."

Arnie Alpert, New Hampshire program coordinator for the American Friends Service Committee said he thinks Shawmut would be a good addition to the state's lending community, "in terms of their interest in meeting the needs of minorities and low income people in New Hampshire."

He said, "We've had good relations with them from the discussions that we've had. Our impression has been from talking to folks in Boston ... was that Shawmut has been making a sincere effort to improve its record. We've been very glad to hear about that."

Shawmut has 300 branch offices in Massachusetts, Connecticut and Rhode Island. It also operates a mortgage lending office in New Hampshire.

CRA ratings: Judged on documentation or actual deeds?

Three N.H. banks — New Dartmouth, Pelham Bank and Trust, Lancaster National — all needed improvement

By Bob Sanders

New Dartmouth Bank had other things on its mind in 1992 than worry about their Community Reinvestment Rating Act rating. The bank was trying to consolidate three shaky banks into one strong institution.

As one bank official put it, "On the way to put out the fire, you don't stop and help an old lady cross the street."

So when the FDIC rated New Dartmouth on its commitment to the community in Jan. 1, 1993, it didn't look pretty.

New Dartmouth needed to improve. The rest, save for Pelham Bank and Trust, and Lancaster National, all had outstanding or satisfactory records.

Bank officials sat on boards, and donated to charities, but the bank didn't do enough to invest in low and moderate income communities, said the report.

"Donating to the Boy Scouts is not Community Reinvestment," said Arnie Albert, a spokesperson for the American Friends Service Committee's project on Community Reinvestment. "They didn't understand the difference between charity and investment."

It was Shawmut's effort to acquire New Dartmouth that first attracted AFSC's attention. Shawmut had its own CRA problems, which eventually caused federal regulators

to nix the deal. (It is now in limbo.) But Albert said he had already heard complaints about New Dartmouth.

For instance, New Dartmouth would not participate in several community loan funds, he said. And mobile home park owners could not borrow any money in their attempt to form a cooperative to run their parks, said Albert.

'Donating to the Boy Scouts is not Community Reinvestment'

— Arnie Albert, spokesperson, AFSC

So the FDIC examination report came as no surprise:

- The bank contacted groups in some communities, but left out Nashua, Rochester, Dover and Laconia, to name a few.
- The bank's general loan policy contained "a number of covenants which appear to be more restrictive than other area banks, and which may effectively reduce the availability of credit to the community," said the report.
- New Dartmouth received a smaller percentage of credit applications from resi-

dents of some low and moderate income census tracts than other banks.

- The bank's service area was "unreasonable" because it excluded poor census tracts.

But to New Dartmouth's credit, they turned things around, said Albert. As proof, they reached outside the banking community and pulled in Betty Johnson, a former staff member at the Human Rights Commission who sat on the Board of Directors of the Community Loan Fund.

"The rating was based on before. We wouldn't get that rating today," said Johnson confidently.

Some 75 bank officials quickly met with 140 community representatives, to find out what it had to do.

- Make more affordable housing loans.
- Find a better way to help small business.
- Educate the community about its services.

New Dartmouth quickly joined the Concord Area Trust for Community Housing and the Community Banking Council in the Seacoast. Indeed, said Johnson, it's trying to organize a statewide pool with 19 other banks to make affordable housing loans.

It started to aggressively market home mortgage loans with low down-payments, like FHA, by distributing flyers at town halls, libraries and local stores. It ran seminars on first-time home buyers. It did end up loaning money to a mobile home cooper-

ative, and has two more in the works, said Johnson.

It dropped its line of credit from \$10,000 to \$5,000 for small business. That's the upper lending limit of the Working Capital program, the nonprofit organization that groups small start ups into peer groups. New Dartmouth donated \$40,000 to Working Capital through the Community Development Finance Authority, and then according to Johnson, "when they successfully graduate from that program, we're standing there waiting, ready to give them their first bank loan."

New Dartmouth will do very well under the old rules of the CRA game — a game that emphasized actions of good faiths and deeds backed up with documentation.

But the rules of the game are changing. The exact nature of the rules are still being debated in Washington and New Hampshire (see article on page 23) but the emphasis will be on results, not documents, especially for New Dartmouth and other large banks — those with assets over \$250 million.

Preliminary results look good. The bank increased the number of loans in low income census tracts from 39 to 52. Its approval rate in those areas was 75 percent, a little higher than its competitors, Johnson said.

Under the new rule the bank will be able to come up with its own plan. There will be many hoops to jump through, "but at ►

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least there is a plan. The way it is now, it's very nebulous. It's open ended. Under the new way, there will be targets."

For smaller banks, such as Pelham Bank and Trust, the new rating system will be especially helpful.

The FDIC criticized Pelham for not documenting its contact with community groups. It did not conduct any studies of the community, and its advertising of credit products was "nonexistent." Resident loans went down by more than 50 percent, while consumer loans were up. The banks only involvement in government subsidized loans were student loans.

Despite all this, 72 percent of its loans were in its community. The only area it didn't penetrate was Salem, which is relatively affluent.

That illustrates the problem, said CRA Officer Allan Virr.

The FDIC rated the bank satisfactory in its August 1990 rating, and according to Virr, "nothing changed in our attitude or credit. We have totally revised our CRA program, but strictly the paperwork. We're judged more on the documentation of our efforts rather than by the actual deeds. We accept the rating. But we know we meet the needs of the community."

Under the new rules, the FDIC will also assume some banks, like Pelham — those lending 60 percent of assets totaling less than \$250 million in assets — are okay.

But Albert thinks that the omission of Salem is an example of the weakness of the proposed system. It would allow Pelham Bank, which could do more according to the report, to escape scrutiny. However, the rules will put other small banks — like

*'On the way to put out
the fire, you don't stop
and help an old lady
cross the street'*

Merrimack Savings — that don't lend as much out, under a microscope. Merrimack had an outstanding rating because it was so obviously involved in the community.

Lancaster National Bank will benefit from the new rules. The \$38 million bank lends nearly all its money to the service area, which is primarily low income. Yet the regulator — in their case the Comptroller of the Currency — faulted the North Country bank for its "informal" ascertainment of the community's needs. The bank doesn't participate in any community development efforts, though the report notes that the bank's size bars it from many such programs. Community groups in the area have also criticized the bank for not doing more, Albert said. Lancaster's CRA officer James Seppala thinks the criticism is unfair.

"They criticize us for not knocking on doors, but we always have an open door. Everybody in the community knows you can walk right in and speak to our president. It's not like some big city banks, where you have to go to the 98th floor. We're right here on Main Street," he said.

A law designed to prevent urban redlining doesn't make sense he said. "Big banks can designate a low income area, set aside 250 million dollars and lend it out whether they get paid back or not. We're up in Coos County. Any neighborhood is low and moderate income. There is no great difference between one town or another." ■

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TWO SECTIONS

BANKING / FINANCE

CRA: Law won't change, but focus will be on results

By Bob Sanders

Since the 1977 passage of the Community Reinvestment Act, bank officials have been evaluating what actions banks have been taking to invest money in poorer communities.

The law will remain the same, but the rules are changing. In the future, regulators won't be so interested in actions. They want results.

Both banks and their traditional critics agree: the current regulations put too much emphasis on paperwork, and not enough on performance.

"The way to convince the regulators is to create as substantial a file as possible," said Jerry Little, president of the New Hampshire Bankers Association. "Whenever you go to a meeting you have to write a report. It takes time to write down that information. The vast majority of banks in New Hampshire are community banks by nature. That's what they do. So both the community and the bank suffers when you have to document every single thing you are doing."

The words of Arnie Albert, who staffs N.H.'s American Friends Service Committee project on Community Reinvestment, are nearly identical.

"They have to document how many meetings they went to, how many non-profit boards they're on. None of that stuff puts

Current regulations put too much emphasis on paperwork, not enough on performance

any money in the community," he said.

A draft of the new regulations attempts to address this. However, both sides have criticized it for different reasons. The regulations, supposed to go into effect in July (no one seriously believes that they will) demands statistics, not reports, particularly for banks with more than \$250 million worth of assets.

Gone are 12 ways banks are supposed to meet the needs of the community, where "ascertainment" measures, such as a Board resolution, is given almost equal rate to actual lending practices.

Now there will be three basic tests: lending, service and investment. The lending test is the most important.

Large banks will be rated Outstanding, High Satisfactory, Low Satisfactory, Needs to Improve or Substantial Non-Compliance, on how many home mortgage, consumer and home mortgage loans made in poor communities in the banks' service areas.

The regulators will take into account the loan rejection and acceptance rate as compared to loans in more wealthy communities. Banks will also be judged by against their competitors, with a market share analysis.

Many banks already submit such data for home mortgages. Now lenders will have to disclose data on small business, small farm and consumer loan applications, acceptances and denials.

Then banks would be evaluated on where branches are located and how accessible they are to the community. Banks would get points for credit counseling, for instance, and low minimums for no fee checking accounts.

Finally, regulators will judge banks favorably if they invest in community development corporations or low-income housing ►

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consortiums.

The composite result will be broken down by service area.

Banks could opt out of this scheme, if they come up with their own CRA plan and subject it to an exhaustive public comment process. But if a bank failed to meet the goals in its own plan, it would be judged like everyone else.

Lenders under \$250 million are presumed innocent until proven guilty, if they have a loan to deposit ratio of 60 percent — and more than half their loans are in the community. That would affect 52 percent of all banks, according to the Federal Reserve. Smaller banks that fail to meet those tests will be scrutinized more closely, but still don't need to collect as much data as the larger banks will.

The new rules also give the agency en-

Lenders under \$250 million are presumed innocent until proven guilty

forcement powers for violators. Previously, the only major drawback of a bad CRA rating was bad publicity, and the possible — though unlikely — threat of a blocked merger or acquisition.

(Regulators nixed Shawmut's purchase of New Dartmouth Bank because of CRA concerns, but that was more the exception than the rule.)

It is the data collection requirement that mainly concerns banks and regulators.

Some 3,400 banks will be covered and have to collect the data, according to the Federal Reserve. That includes at least 13 banks in New Hampshire, said Little. The data collection rules will not only affect giants like Fleet, but smaller banks like Concord and Laconia Savings banks.

While some of the banks already have to

collect home mortgage data, some will not. And banks must now report an estimated 7.1 million loan applications each year. That should cost banks \$21 million a year estimates the Federal Reserve, not including agency costs.

"You kind of have to shake your head," said Little. "The goal is to reduce paperwork, and you are probably adding to it? Hello? Anybody home?"

It is paperwork, agreed Albert, but it is different, not more, than the paper work already being collected.

"Lending activity is the core activity of the banks," said Albert. "I should hope that banks already keep track of where they are lending their money."

The new rules raise other concerns besides costs. Lower income market shares studies can be misleading when comparing different sized banks, for instance.

And there is some question whether ge-

ographical distribution is a fair or accurate test, particularly in rural New Hampshire, where the poor are scattered in the country as well as concentrated in cities.

"By federal definition all of Belknap county is low to moderate income," said Bonnie Leclerk, CRA officer at Laconia Savings Bank, which just makes it over the

\$250 million asset threshold. "And that's where we make almost all of our loans. They would be hard pressed to say we don't meet the needs of the community. That's the only people we lend to."

Albert shares some of these concerns. The National Community Reinvestment Coalition (of which AFSC is a part) thinks that data should include the income level, not just location. That way bank's don't get credit for lending to yuppies gentrifying urban slums.

Banks also complain that regulations contradict existing statutes. Banks are not supposed to put race and sex on applications. The new rules require they do so.

And the pressure to lend in poorer communities might cause banks to loosen up lending practices in poorer communities.

"It forces us to give loans to a certain percentage of groups," said Bill Denison, the CRA officer at CFX bank. "That could be construed as reverse discrimination."

It also might get banks in trouble for making risky loans.

But credit worthiness and income level are not synonymous, said Albert. The loans that got people into trouble in the 1980s were speculative loans made to the rich, not bread and butter loans to the poor.

Even most people who live on the edge pay their rent first, said Albert.

"A person may not have the greatest credit rating. But if they have been paying their rent on time for the last ten years, that should count for something," Albert said. ■



"You kind of have to shake your head," said New Hampshire Bankers' Association President Jerry Little. "The goal is to reduce paperwork, and you are probably adding to it? Hello? Anybody home?"

Fed okays takeover of New Dartmouth

Shareholders will triple investment

By ARI RICHTER
Monitor staff

The Federal Reserve gave its blessing yesterday to Shawmut Bank's \$150 million takeover of New Dartmouth Bank, the second largest lender in the state.

The Fed's approval reverses a November decision to block the acquisition amid concern over Shawmut's lending practices.

Yesterday's board of governor's vote was 4-0, with John LaWare, the former chairman of Shawmut, abstaining.

"I think it's very positive for New Hampshire," said Robert Keller, New Dartmouth's president and chief executive officer. "Shawmut is a good organization. They've concentrated on consumer and small business lending, which is what New Hampshire is all about."

The U.S. Justice Department has 30 days to intervene if it determines the Fed acted incorrectly. Barring such a step, officials for both banks said they expected to close the deal on June 6.

The government cited an investigation into Shawmut's lending practices when the initial takeover bid was denied. Shawmut never admitted any wrongdoing, but settled with the Justice Department by earmarking \$960,000 to reimburse

minority applicants who were previously denied mortgages.

With assets of \$27.4 billion, Shawmut is the third largest bank in New England. It is based in Boston and Hartford, Conn., and has more than 250 branches in Massachusetts, Connecticut and Rhode Island.

"The acquisition means that the second largest bank in the state is now controlled by an entity based in Boston and Hartford," said Arnie Alpert, state program director of the American Friends Service Committee.

"It becomes more important for New Hampshire regulators to make sure the bank is paying attention to the needs of the people of New Hampshire," he said.

Alpert said his group took hard looks at the community-reinvestment records of both banks when plans for the acquisition first surfaced in March 1993.

He said, "Shawmut's record (at the time) was questionable because of allegations of discriminatory lending, and New Dartmouth had virtually ignored community reinvestment during its first year and a half of existence."

Alpert said both banks have improved their records considerably in the past year. He also said his

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■ SHAWMUT *Continued from Page A-1*

committee sent a letter of comment to the Fed in support of its new decision.

Gov. Steve Merrill, who opposed the deal when it was announced in March, said he also feels better about it now.

"Since that time, Shawmut has indicated they want to be a good neighbor in New Hampshire, and they have assured me that they will be active in small business and personal lending," Merrill said.

The governor suggested his prior concerns about New Dartmouth's private shareholders' reaping too large a windfall too quickly had also been allayed.

"If the Fed believes that the deal is appropriate," he said, "then I'm willing to take a fresh look."

New Dartmouth was formed in October 1991 when a group of 71 investors pooled the resources of three failed banks - Dartmouth Bank (which Keller headed), New Hampshire Savings and Numerica Savings. New Dartmouth found quick success, acquiring \$1.7 billion in assets and operating 37 branches statewide.

The takeover will mean yet another name change: this time, to Shawmut Bank NH. For New Dartmouth investors, it will mean a \$310.95 per share payoff, plus a percentage of New Dartmouth's earnings between last October and the date of closing.

That money will come in the form of Shawmut stock, which closed yesterday unchanged at 22¼. New Dartmouth's original investors bought stock valued at \$96.50.

"We're very pleased that it's happened," said Charles Baldwin, chairman of the board of trustees

of the New Hampshire Retirement System. The system invested \$4.2 million in New Dartmouth, giving it nearly a 10 percent stake in the bank.

"It's going to give us a very substantial return on our investment, and it's made our position liquid," Baldwin said. He said the system's stock portfolio manager will now decide whether to keep its Shawmut holdings.

The deal is also likely to mean the loss of jobs for some New Dartmouth employees.

"There will be some job eliminations, particularly in some corporate positions," Shawmut spokesman Robert Guenther said. "But in terms of branch personnel, there won't be much in the way of changes. And with the jobs that are eliminated, we'll certainly try to accommodate those people."

Guenther said customers will benefit from the extra services Shawmut can provide, including telephone banking, mutual funds, trust services and letters of credit.

Alpert said he didn't expect the takeover to have a large impact in the short run. Nor did he expect New Dartmouth customers suddenly to lose their confidence in the bank.

"New Dartmouth is a relatively young institution," he said. "It's not like people have been banking with them their whole lives."

Fed OK's Purchase Of New Dartmouth

By TOM FAHEY
Union Leader Staff

The Federal Reserve Board yesterday approved Shawmut National Corp.'s proposed \$170 million acquisition of New Dartmouth Bank of Manchester.

The board's 4-0 vote advances a deal proposed 13 months ago. The Fed delayed it in November, citing concerns about racial bias in Shawmut loans between 1990 and 1992.

Shawmut must still pass a 30-day U.S. Department of Justice review of whether the merger will

stifle competition. Most observers expect that to be no problem.

Shawmut, with dual headquarters in Boston and Hartford, Conn., will increase its assets to \$28.7 billion with the addition of New Dartmouth's \$1.7 billion. New Dartmouth's 37 branch offices will increase Shawmut's total to 312 in New Hampshire, Massachusetts, Connecticut and Rhode Island.

Shawmut spokesman Robert Guenther in Hartford said New Dartmouth will be renamed

Shawmut Bank NH, but the company is not ready to unveil all the changes that are likely to come with the acquisition.

"We haven't been in there to do product mapping as yet," he said. "We have a variety of commercial loans, small business loans, trust products and other products that New Dartmouth doesn't have."

In addition, Shawmut offers its own proprietary mutual funds and some insurance products.

"Right now the good news is that the deal has been approved," Guenther said.

BANK DEAL

(Continued From Page One)

Robert P. Keller, president and chief executive officer of New Dartmouth, said the merger "is good for New Hampshire."

"Shawmut is very oriented toward small business and consumer lending. They are a good bank with a lot of resources and specialized lending capabilities," Keller said.

He said the merger "will provide our customers with new products and services that could only be made available by the union of New Dartmouth with a larger institution."

He said the actual merger could come as early as the first week of June "to be signed, sealed and closed."

Once the two organizations combine, changes will be in store both for New Dartmouth's customers and its 650 employees.

Keller could not say whether Shawmut will continue the New Dartmouth practice of allowing free ATM transactions no matter what bank's machine is used. Shawmut generally charges its account holders for transactions at machines owned by other banks, he said.

One of the first changes Shawmut is likely to make will be in the so-called back office operations, essentially computer rooms where checks and other transactions are processed. When banks merge, they eliminate the need for duplicate data processing systems. Once the computer engineers figure a way to combine the systems, the number of workers needed falls quickly.

Shawmut is unlikely to make any quick changes to the existing branch network of 37 New Dartmouth offices. The branches give Shawmut an instant widespread presence in a state where its only operation to date has been a pair of mortgage loan offices.

The Federal Reserve's vote to block the merger in November took the nation's banking industry by surprise. The Fed sent a clear signal that it was serious about expecting compliance with Community Reinvestment Act and other laws mandating equal opportunity in lending.

The Fed asked Shawmut to provide additional evidence that it had rectified the problem with minority lending before it would let the merger proceed.

In December, under a settlement Shawmut reached with the U.S. Justice Department, it set aside \$960,000 to reimburse minority loan applicants who had been denied mortgages.

Shawmut Chairman Joel B. Alvord said the Fed's endorsement of the merger was good news. "But even more important ... is knowing that the Fed has been fully satisfied with Shawmut's lending performance," he said.

The delay cost Shawmut an extra \$37 million when New Dartmouth negotiated a slight increase in the amount of Shawmut stock its investors will receive, and extra cash hooked to the profits New Dartmouth produces before the merger is complete.

Arnie Alpert, head of the American Friends Service Committee's Banking Project, said New Dartmouth had improved its early record in community lending. "We're very pleased to see it," he said of the change.

Gov. Steve Merrill said he has spoken with Shawmut officials and was assured "this purchase will mean more small business loans, and personal lending, for the citizens of New Hampshire."

"I welcome Shawmut to New Hampshire and look forward to their contribution to our improving business climate," the governor said last night.

How to keep big banks accountable

Federal law helps
in era of mergers

By **ARNIE ALPERT**
For The Monitor

When Shawmut Bank and Citizens Financial Bank announced acquisitions of smaller banks in mid-June, Bank of New Hampshire's stock went up on Wall Street. The Manchester-based bank is seen as a takeover target as consolidation of the banking industry proceeds.

The number of banks is declining. New Hampshire's bank commissioner oversaw 40 commercial banks and 37 savings banks in 1988. By 1992, a combination of bank failures and takeovers had reduced the number to 28 commercial banks and 24 savings banks.

After the crises of the late 1980s, banks are doing well for their stockholders. The nation's commercial banks cleared a record \$43.4 billion in 1993, up 36 percent from the previous year. Faced with competition from mutual funds, insurance companies and other non-bank financial institutions, bankers are investing more of their profits in acquisitions rather than in housing or business growth.

Banking industry merger mania is expected to accelerate with congressional approval of laws enabling banks to branch across state lines. Under the old laws, banks must create holding companies with separate subsidiaries in each state. With

Monitor Forum

Board of contributors



interstate branching, banks based in Massachusetts, New York or California will have an easier time purchasing New Hampshire banks.

Already, the state's three largest banks, First NH, Shawmut and Fleet, are controlled by out-of-state institutions. Shawmut, which is pursuing an aggressive merger-a-month strategy, is itself thought to be a takeover target by larger institutions. Fleet is reported to be talking merger with the Bank of New York.

It is not only the big banks that are getting in on the act. In the current climate, smaller banks are positioning themselves to acquire other banks or be taken over themselves. Family Bancorp., a Massachusetts bank with branches in the Merrimack Valley and one in Seabrook, is taking over the Plaistow Bank and Trust and opening a new branch in Exeter. Banknorth Corp., a holding company which controls five separate Vermont banks, is taking over the Farmington National Bank. Keene-based CFX bank, formed by the merger of Valley Bank, Cheshire County Savings and Monadnock Bank, is taking over the Orange Savings Bank in Massachusetts.

When the dust settles a few years down the road, analysts believe we will be left with only giant interstate banks and small local ones. The CEO of First Union Corp., a North Carolina banking giant, projects that fewer than 10 banks could control three quarters of the nation's banking by

the year 2000.

For banking consumers, including homeowners and businesses, bank consolidation is a mixed blessing. Larger banks may be able to operate more efficiently, which could result in healthier banks and cheaper services for consumers. On the other hand, banks with headquarters hundreds or thousands of miles from the communities they serve may be less responsive to community needs. In that mix lies the clout communities need to turn back consolidation to their advantage.

The Community Reinvestment Act, adopted by Congress in 1977, requires banks to help meet the credit needs of all communities where they do business. It requires regulatory agencies to consider each bank's responsiveness to community needs when ruling on mergers and takeovers. And it enables community challenges at every step in the process.

In New Hampshire, the Community Reinvestment Association is bringing together groups that advocate for low-income people, affordable housing, social justice and civil rights to make sure that our hometowns do not get lost in the shuffle. To make the process work for us, we need to understand our communities' needs, whether they are for small business credit, multi-family housing loans or free government check cashing. After all, if we don't understand our community's needs, we can't expect a bank to figure it out, whether its headquarters is in Concord, Charlotte or Dublin.

But if we do know what the community needs, the Community Reinvestment Act says we can get the banks to do their share.

(Arnie Alpert, New Hampshire program coordinator for the American Friends Service Committee, is a member of the Monitor's board of contributors.)



Alpert

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CRA Letter

Oct. 12, 1994

➡ **The consolidation of the banking industry marches on.** First NH has applied to acquire **South-east Bank for Savings** in the Dover-Rochester area. **Pelham Bank and Trust** is being taken over by **Andover Bank**. **CFX** is acquiring **Orange Savings** in central Massachusetts. **Banknorth**, a Vermont holding company, has bought **Farmington National Bank**. **Family Bank** has bought **Plaistow Bank and Trust**. **Fleet** has bought a mortgage company in California and is rumored to be negotiating a merger with the **Bank of New York**. **Bank of New Hampshire** is considered a takeover target by Wall Street analysts. Even **Shawmut**, which has taken over **New Dartmouth** and several other smaller banks in the past year, is rumored to be for sale. Passage of interstate branching legislation is sure to accelerate the process of bank mergers in the next couple years.

Our ability to use this time of merger mania to the benefit of our communities is directly related to how well we understand what our communities need from their financial institutions. If you have thoughts on this topic, we need to hear from you. We are especially interested to know if there are any concerns about the First NH-Southeast Bank merger (comment period ends Nov. 6). If you have concerns or comments, call Arnie Alpert at 224-2407 or Ellen Gershun at 528-4170.

➡ **The federal regulatory agencies have just released their second proposal to reform CRA procedures** following a period of intense lobbying by bank industry groups. According to the National Community Reinvestment Coalition, the new proposal has both positive and negative changes. We will have in depth analysis available soon. The comment period on the proposal ends November 21.

➡ **Olde Port Bank in Portsmouth has just received a "needs to improve" rating** from the FDIC. Copies of the evaluation are available from us or from Olde Port. Organizations with programs in Portsmouth, Greenland, Hampton, New Castle, Newington, N. Hampton, Rye, and Stratham, as well as Eliot, Kittery, Ogunquit, and York Maine should expect cooperation from Olde Port if the bank wants to improve its rating. The only other bank in the state with a less than satisfactory rating is **Lancaster National**. **People's Bank of Littleton** has just been downgraded from "outstanding" to "satisfactory." In other bank news, **Siwooganock Bank** has agreed to install Lancaster's first ATM machine following expressions of community concern and newspaper stories.

➡ Our major tools for community education and organizing are **local workshops** which combine CRA training with assessment of local needs for low income consumer banking services, compliance with non-discrimination laws, and credit for housing and small business. **Martha Yager** is working with groups in the North Country, and plans to begin working in the Newport-Claremont area. **Ellen Gershun** is working with groups in the Rochester-Dover area. If you know people they should speak with, call Ellen at 528-4170 or Martha at 428-3402.

➡ **New Hampshire CRA** wants to be able to say which groups are part of our association. So far we have heard affirmatively from: NH Council of Churches, ALPHA Alianza, AFSC, Episcopal Human Needs Consultation, Mobile/Manufactured Home Owners and Tenants Assoc. of NH, and Unitarian Universalist Social Responsibility Committee. Can we add your group to this list? Let us know.

The Union Leader

"THERE IS NOTHING SO POWERFUL AS TRUTH" DANIEL WEBSTER



Manchester, N.H. — Wednesday, August 25, 1993

Bank Merger Warning Sounded

By TOM FAHEY
Union Leader Staff

An otherwise routine hearing yesterday on Shawmut National Corp.'s proposed takeover of New Dartmouth Bank included a call on the state banking commission to watch closely as the state, "is becoming dominated by large regional, national and international banks."

Under the proposed merger, Shawmut, a Boston and Hartford bank company with \$25.8 billion in assets, will pay \$143 million for New Dartmouth, a \$1.7 billion bank headquartered in Manchester. The new venture will be called Shawmut Bank-NH.

New Dartmouth, the state's second-largest bank, was formed on Oct. 10, 1991, out of the ashes of the failed Numerica, New Hampshire Savings and Dartmouth banks. Investors in the start-up bank will roughly triple their investment under the merger agreement.

The state's largest bank, First NH Bank, is owned by the \$25 billion Bank of Ireland. Fleet Bank-NH, with \$1.7 billion in assets, is owned by the \$45 billion Fleet Financial Group of Providence, R.I.

Arnold Alpert, of the American Friends Service Committee, told members of the state's Board of Trust Company Incorporation the state needs, "as-

surance that the new megabanks will serve the needs of all the people of New Hampshire, even if we represent a small corner of their far-flung enterprises."

AFSC's Banking Project encourages state banks to focus on the need for non-discriminatory and affordable banking and credit for housing developers and employers.

Only four speakers addressed the board. The emphasis was on the need to meet the credit needs of low- and middle-income borrowers and of small business.

Shawmut vice chairman Eileen S. Kraus said her bank will make sure its New Hampshire subsidiary meets federal Community Reinvestment Act guidelines. It will hire a new CRA officer for New Dartmouth, monitor CRA compliance issues, see that local credit needs are being met and use lending guidelines similar to those in place at other Shawmut operations.

Shawmut senior vice president George E. Russell said that Shawmut is already one of the most active mortgage lenders in New England and the largest in Massachusetts. He said that since 1986 the U.S. Small Business Administration has designated Shawmut as a preferred lender.

He said Shawmut's small business group will make five basic lines of credit available in New Hampshire: working capital lines, term loans, mortgage loans, time notes and lines of credit.

The company is proud of its employees' volunteer roles in school and youth programs, community development and housing initiatives, health programs and other community efforts, Russell said.

Alpert said that while AFSC has no direct problem with Shawmut, it views New Dartmouth's performance to date as substandard. He said the bank set "such stringent standards for business lending that new businesses were excluded from consideration as 'desirable loans.'"

While the bank showed improvement in recent months in its CRA compliance, he said, it earned a "needs to improve" rating from regulators.

New Dartmouth Bank president and chief executive officer Robert P. Keller said after the hearing that the bank has been lending \$30 million or more a month for the last four months. He said the bank leads the state in student loans and in the capital access program of the Business Finance Authority, and is second to the \$4 billion First NH Bank in loans to small business.

BUSINESS

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Aug. 25, 1993
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Bank hearing centers on customer service

By KEVIN LANDRIGAN
Telegraph Staff

MANCHESTER — Present and hope-to-be future owners of New Dartmouth Bank said Tuesday customers will receive more and better services with its acquisition as proposed by Shawmut National Bank.

"We think that we have found a strong bank in New Dartmouth Bank. Shawmut's dedication to and expertise with the consumer and small business markets makes it an excellent match for New Hampshire's predominant banking requirements," Eileen Kraus, vice chairman, Shawmut National Corp., told the state Board of Trust Inc.

The three-person panel conducted a brief public hearing Tuesday on the purchase announced last March by Shawmut of New Dartmouth for \$143 million in stock.

Banking officials hope by Thanksgiving to have the sale approved by both the state board and the Federal Reserve Bank. New Dartmouth was the merged entity which arose from the closure of three ailing savings banks back in October 1991.

A citizen-action group, while remaining neutral on the buyout, blasted the short-time nature of New Dartmouth Bank and called on state regulators to prevent a repeat of quick profit-taking.

Arnie Alpert of the American Friends Service

Committee said New Dartmouth violated its pledge for a "long history" of consumer and small business lending.

"In its short history, it clearly failed to serve the best interest of the communities in which it operated," Alpert began.

"Instead, the bank owners stand to walk away with a very healthy profit, while credit needs have gone unfulfilled and the U.S. citizens have been stuck with hundreds of millions of dollars in bad loans by New Dartmouth's predecessors."

Robert Keller, chief executive officer of New Dartmouth, defended the incumbent's record, noting New Dartmouth is the largest lender of loans for education and state-backed capital loans to business and the second largest lender to small business.

"For a bank that isn't making loans, I think we have a pretty good record," Keller said.

The purchase offer for the bank — 259 percent of its investment, seven times the earnings rate and 187 percent of the bank's book value — is not out of line, Keller continued.

"If someone had invested in other New England banks during that time, they could have gotten a greater return with far less risk," Keller said.

Shawmut officials said their bank has a stellar histo-

■ Citizens' group says New Dartmouth, which Shawmut wants to buy, violated a pledge of long-term service.

ry for community-based lending and Kraus pledged that, once in place, the proposed "Shawmut Bank of New Hampshire" would have its own community re-investment officer and committee to monitor whether such goals are being met.

Alpert said he's optimistic about a change in lending practices after recent discussions with Shawmut officials.

Keller and Kraus said the sheer size of Shawmut should also guarantee customers are given broader choices.

New Dartmouth is the state's second largest bank and has \$1.7 billion of assets and \$1 billion in loans. Shawmut holds \$25.8 billion in assets and makes \$15.1 billion in loans.

Shawmut has said the company's current 654 employees should not worry about the purchase and, if anything, the firm will add to the total number of workers employed in New Hampshire.

Local/State

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CONCORD MONITOR Monday, December 6, 1993

B

Noteworthy

AFSC awarded grant

A Quaker group that is monitoring the state's banks to ensure they treat poor people as fairly as the better-off received a grant recently to help it do its work.

The New Hampshire Office of the American Friends Service Committee received \$25,000 from the Public Welfare Foundation in Washington, D.C. The money will allow the group's Banking and Community Reinvestment Project to continue, and expand, said program coordinator Arnold Alpert.

For the first time, banks in the state are being assessed by the group in areas that deal with credit, banking services and affordable housing for low- and middle-income people.

"No one was really doing this before," Alpert said. "We're not pioneering this program, but we are pioneering it here in New Hampshire."

Congress passed a law in 1977 that made it illegal for banks to refuse to invest in a community's lower-income areas. The law was not well enforced until it was amended in 1989 to make public a bank's performance in community reinvestment, Alpert said. Then groups like his started getting involved.

The group that awarded the grant supports organizations that provide direct services to the disadvantaged.

Alpert said the money would be used to pay phone and other bills and to hire part-time help. The group is planning to release a comprehensive appraisal of the performance of the state's banks.

— Scott Hilyard

Opinion

CONCORD MONITOR Tuesday, December 7, 1993

Shawmut's skeletons come haunting

Other N.H. banks should take federal regulators' warning to heart

By ARNIE ALPERT
For The Monitor

The Federal Reserve's decision last month to reject Shawmut Bank's purchase of New Dartmouth Bank should serve notice to New Hampshire's banking community that federal community reinvestment requirements need to be taken seriously.

Under the Community Reinvestment Act, federally regulated banks must meet the credit needs of communities in which they do business, including low and moderate income neighborhoods, and meet the needs of racial minorities, all within a framework of sound banking. Regulators rate each bank's community reinvestment performance and can block the expansion plans of banks with low ratings or other Community Reinvestment Act problems.



Alpert

Until now, the regulators' power has been little used. As *Business Week* reported last April, of 77,000 applications for expansion or merger reviewed by federal regulators since the Community Reinvestment Act became law in 1977, only 20 were ejected due to low performance on the act's criteria. Given such lax enforcement, bankers who concluded the act did not matter were taking only a small risk.

New Dartmouth Bank, the state's second largest, is one of the few banks in New Hampshire with a less than satisfactory Community Reinvestment Act rating. In its first year of existence, New Dartmouth's approach to the act and the needs of low and moderate income people was at best casual.

Not only did the bank take little initiative to assess the needs of low and moderate income communities, but it also refused opportunities to participate in innovative, financially sound projects such as local bank pools and mobile home cooper-

Monitor Forum

Board of contributors



atives that addressed the state's affordable housing crisis. Although its records indicated a higher than average level of loan denials to women and minority applicants, according to the FDIC, it never evaluated these rejections to determine if unlawful discrimination was taking place.

When Shawmut Bank, one of New England's largest, announced last spring it would take over New Dartmouth, the way appeared open for regulatory approval. Although Shawmut was under investigation by the Justice Department for discriminatory lending practices in Boston, it had made serious efforts to improve and had developed healthy working relationship with low-income, civil rights and affordable housing groups in Massachusetts, Rhode Island and Connecticut. It was beginning to develop similar relationships in New Hampshire.

Like Shawmut, New Dartmouth has improved its community investment performance since the critical evaluation was released. But now, skeletons in their closets are returning to haunt both institutions.

The *Wall Street Journal* reported that the Federal Reserve's rejection of the Shawmut-New Dartmouth deal put "the first real teeth into laws aimed at the racial discrimination that can deny a family a choice in purchasing its own place to live." According to the *Journal*, the new law for banking is "lend fair or die."

First NH Bank, the state's largest, should pay close attention. The Bank of Ireland, its parent company, is thought to be interested in selling its New Hampshire division. The bank's weak reputation for community lending could spook potential buyers.

■ ■ ■ In its first year, New Dartmouth's approach to the needs of low and moderate income people was at best casual.

Fleet Bank, a Rhode Island-based holding company with a New Hampshire subsidiary, should also pay heed. Fleet is in the process of acquiring Sterling Bank, an eastern Massachusetts institution. Although Fleet-NH has an "outstanding" Community Reinvestment Act rating, other divisions of the company are under investigation for discriminatory lending.

Banking observers attribute the new regulatory toughness to Bill Clinton. Clinton's plan to support "community development financial institutions" which invest money in poor neighborhoods is working its way through the Capitol Hill maze. He has appointed Community Reinvestment Act-minded regulators to key jobs. And the new administration is redrawing procedures under the act to give them even sharper teeth.

Advocates for affordable housing, civil rights and small business hope fair lending and community investment will be an integral part of local banking activity, not simply added on when deals are being made or regulators walk through the door. Since the state's banking crisis ended, New Hampshire's financial institutions have regained stability and in several cases are earning record profits. But as small business owners and developers of affordable housing can testify, the cash is not trickling down to borrowers.

The new regulatory toughness can be great news for our local economy.

(Arnie Alpert, New Hampshire program coordinator for the American Friends Service Committee, is a member of the Monitor's board of contributors.)

NEW HAMPSHIRE WEEKLY

DECEMBER 12, 1993

Friends keeping eye on lending practices

The New Hampshire chapter of the American Friends Service Committee has begun a "watchdog" program through which it hopes to keep tabs on the lending and credit practices of New Hampshire's banks.

Arnold Alpert, New Hampshire AFSC program coordinator, said the goal of the group's Banking and Community Reinvestment Project is to increase the amount of credit given to groups providing affordable housing and credit to low-income residents.

The AFSC recently received a \$25,000 grant from the Public Welfare Foundation in Washington to fund the project. The group is now reviewing the community reinvestment statements of all New Hampshire banks and the results of performance evaluations conducted by federal regulators. The group has begun meeting with bank representatives to discuss the project.

"Watchdog, gadfly, advocate, intervenor — it's all of those," Alpert said.

The Community Reinvestment Act, passed by Congress in 1977 and amended in 1989, requires banks to meet the credit needs of all segments of the communities where they take deposits. Under direction from President Clinton, federal regulators have recently drafted a new set of regulations that would require federally insured banks to go even further in expanding services, lending and investment in moderate and low-income areas. The new rules, the Wall Street Journal reported in November, will likely take effect in 1995.

Alpert said that if the group's research indicates that a bank has a

"deficient record" in complying with the CRA or other non-discrimination policies, the AFSC will file a protest with federal regulators when banks apply to merge, expand or acquire other banks. This, he reasons, will give banks an incentive to give credit to all segments of the population.

"This type of thing has the potential to embarrass a bank and give them bad publicity, and banks are usually very sensitive to their community image," Alpert said. But, he added, "We hope this is not what our work is going to come to . . . We're also going to be able to commend the banks that are doing well."

Alpert said that, while there are very active groups in New Hampshire that strive to make credit available to low-income residents, so far there has been no citizen action group focusing a critical eye on banks.

"We were aware of the need for somebody in the state to be doing this," Alpert said. The recent economic woes and their affect on low-income people have spurred interest among AFSC, said Alpert, "in finding some specific contribution we were going to make to economic justice in New Hampshire."

Quaker Witness

... a New Hampshire newsletter

April 1993

Stride Toward Martin Luther King Day

Stride Toward the "Beloved Community"

(As Quaker Witness goes to press, legislation to change the name of Civil Rights Day to Martin Luther King, Jr. Civil Rights Day is under consideration at the State House. Passage will cap a 14-year campaign.)

Carrying signs reading "Let freedom ring from the prodigious hilltops of New Hampshire" and "Martin Luther King Day: a new beginning for New Hampshire," 250 high school students marched to the State House on January 18. Their message, and the message of hundreds of others who participated in Martin Luther King Day events throughout the state, was that it is time for New Hampshire to honor Martin Luther King, Jr.

From the early days of the Montgomery bus boycott to his death 25 years ago, King's vision encompassed civil rights, but went beyond it to call for creation of a "beloved community"



that included people of all races and nationalities. Achievement of this far reaching goal requires us to continue the struggle against all forms of hatred, violence, and poverty. For New Hampshire, adoption of Martin Luther King's holiday can help us on that road forward.

Stride Toward King Day - a new publication

The story of the campaign to adopt MLK Day in New Hampshire is told in *Stride Toward King Day*, a 20-page pamphlet by AFSC program coordinator Arnie Alpert, published by the AFSC and the Martin Luther King Day Committee. Copies are available from AFSC-NH for \$1, plus 50¢ postage.

Reflections on Economic Globalization Think Locally, Act Globally

Arnie Alpert

Since early in the century, many of New England's factories have been relocating to the southern United States in search of low wage workers. Along the way, thousands of employees lost jobs and communities were devastated. The same process is still taking place, only now the companies are likely to be moving further south.

Among the latest: Clarostat Company, once the largest employer in Dover, is shutting down its plant there and moving to Juarez, Mexico, just across the border from El Paso, Texas. Hundreds of employees, some with decades of service, are losing their jobs. Their pending unemployment and underemployment will send further shockwaves through the already weak local economy. But to the firm's owner, British Tire and Rubber (BTR), the logic of the plant closure is compelling: the *daily* wages for Mexican workers are about the same as the *hourly* wages Clarostat paid its employees in Dover.

BTR, a London-based conglomerate, bought Clarostat two years ago from another British-based conglomerate, Hawker Siddeley. But it's not the nationality of the owners, or the location of corporate headquarters that matters. Ford and General Motors behave the same way. As *Business Week* reported in a 1990 cover story, "big global companies are effectively making decisions with little regard to national boundaries. Though few companies are totally untethered from their home countries, the trend toward a form of stateless corporation is unmistakable."

The rules of international business are currently being rewritten to the advantage of the global corporation. The General Agreements on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA) will set the regulations under which businesses and nation-states agree to trade. The objective of the revised standards is the free flow of goods, services, investment, and profit across international borders. Protection for workers, communities, and the environment is at best an afterthought. In fact, local, state, or national laws which provide such protection can be challenged as "restraints to free trade" and over-ruled by international tribunals of unelected bureaucrats.

Impact on US and Mexican workers

According to the precepts of classical economics, liberalization of international trade will lead to growth on both sides of the border. However, distribution of growth's benefits is uneven. The winners are the people Labor Secretary Robert Reich calls "symbolic analysts," whose skills are highly

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Economic Globalization

valued in the new, international market, and whose incomes rose in the past decade. Among the losers are people like the employees at Clarostat and other manufacturers, even if their employers stay put. According to *Business Week*, "The increase in trade bears much of the blame for an unprecedented surge in income inequality between the most- and least-educated halves of the US work force."

If U.S. workers are losers, are Mexican workers winners? Not necessarily.

In 1989, the average Mexican manufacturing wage was 16% of U.S. manufacturing wages. The minimum wage is set at \$1.25 an hour. In the export-oriented assembly plants, known as "maquiladoras," which line the U.S.-Mexico border, workers contend with dreadful working and living conditions as well as low pay.

The wage differential between the United States and Mexico has grown. (In 1975, the ratio of U.S. to Mexican wages was 4:1. By 1985, it was 10:1.) The primary cause is Mexico's national debt, which resulted from heavy borrowing in the early 1980s followed by a period of rising interest rates. To deal with the debt, and the need for dollars to pay it off, international lending institutions forced Mexico to devalue its currency, cut back social programs, lower wages, and shift toward an export-oriented economy.

Mexico's largest exports to the United States are not automobiles, electronic components, or textiles. They are dollars, paid to international banks, and people, who have fled Mexico's depressed living and working conditions in search of a better life.

If NAFTA could raise Mexican wages and living standards such that trade between the United States and Mexico was like trade between New Hampshire and Maine, it might not be a bad deal. But this result is unlikely without substantial debt relief and development assistance. A more likely outcome will be that Mexican workers will continue to flood into the U.S. and Mexican manufacturing sectors at low wages. Jobs will continue to flow from the U.S. to Mexico. As President Bill Clinton acknowledged at his March 23 news conference, without changes NAFTA might "lower wages on both sides of the border and pollute the environment."

The future of our jobs and our communities is tied to Mexico. For that matter, the future of our jobs and communities is tied to Guatemala and Chile and the Dominican Republic and every other nation where global corporations move to take advantage of low wages, weak unions, and lax regulations. NAFTA is seen by many political and business leaders as a step toward total integration of the hemispheric economy, from Canada to Tierra del Fuego.

The issue before us is not simply NAFTA or no NAFTA. British Tire and Rubber did not wait for NAFTA to close Clarostat. With or without NAFTA, globalization of the economy will continue. The questions before us are: Will global corporations be held accountable to anyone but their directors? Will local, state, or national governments have any ability to regulate business activity within their borders? Who will write the rules which govern globalization? Will the rules

Time for Peace Conversion

Conference May 7 in Manchester

The prospect that the Portsmouth Naval Shipyard would be closed generated fear throughout the Seacoast region and sparked a campaign to keep the facility open. Amidst the cries to "save our shipyard," few voices cried out for alternatives to nuclear submarine repair as a source of employment for the Shipyard's 6000 workers.

With the Cold War over, levels of military spending are coming down, but the United States still has military forces many times larger and many times more expensive than any other country. The dependence of millions of workers and hundreds of communities on military contracts for their livelihood bolsters the argument that more guns, subs, and bombers are needed. Fear of job loss is the biggest roadblock to further cuts in military spending.

Numerous studies have shown that investment in civilian enterprises creates more jobs and stimulates greater prosperity than an equal amount of military spending does. But if those civilian jobs exist only in theory, it is a rare worker who will give up a well-paying position fixing submarines or designing missiles. That is where planned economic conversion comes in.

A forum exploring economic conversion will be held on Friday, May 7, at the UNH downtown Manchester campus, 8:30 am to 12:30 pm, sponsored by the NH Citizens Budget Campaign. Registration is \$10.

The keynote speaker will be Dr. Ann Markusen of Rutgers University, co-author of *Dismantling the Cold War Economy*. Other speakers will include US Rep. Dick Swett; Mark McKenzie of the NH AFL-CIO; State Senator Wayne King; Rep. Jim Splaine, Assistant Mayor of Portsmouth and President of the Seacoast Shipyard Association; Brian Gottlob; Vice President of the NH Business and Industry Association; and former State Rep. Elizabeth Hager.

"Successful conversion will take planning and cooperation of business, labor, civic and government leaders," said Katherine Hillier Buck, a spokesperson for the Citizens Budget Campaign. "We are offering this forum to get this important dialogue moving."

The Citizens Budget Campaign is made up of more than fifty New Hampshire organizations, including AFSC, working for cuts in military spending and increased support for programs that address economic, human, and environmental needs.



To pre-register for the conversion conference, or for more information, contact the CBC at: PO Box 771, Concord NH 03302, or call (603) 228-0559.

protect the interests of workers and communities on both sides of the borders? And, will workers and community leaders find ways to organize across borders in their mutual interests?

There's a slogan that goes "Think globally, act locally." It's time for a new slogan to go alongside: "Think locally, act globally."

Overcoming Discrimination in the Military An AFSC Letter to President Clinton

President Bill Clinton
The White House

Dear President Clinton, March 10, 1993

The American Friends Service Committee supports your pledge to end discrimination against lesbians, gays and bisexuals in the armed forces of the United States. For us it is a matter of simple justice that discrimination based on sexual orientation, like other forms of discrimination, should be ended everywhere in our society.

We are a pacifist organization; hence our support for your position does not have to do with any desire to make the military more attractive to young women and men. We support your pledge because we recognize that if you are successful in overcoming the long-standing bias of this very large and visible government institution, the same bias and discriminatory practices will more readily be corrected in other institutions of our society. We believe that if you fail, the forces of reaction could be strengthened everywhere.

Our support is also rooted in our concern for those presently serving in the armed forces, many of whom are there only because of the lack of economic opportunities in their own communities. The AFSC has a number of programs that have worked directly with service members hurt by this discriminatory policy over a long period of time. Our experience teaches us that the problem with the current policy is not simply that it is a ban, but also that it serves as an encouragement for the widespread mistreatment of service members, including harassment, witch-hunts and physical violence.

Human dignity is denied as long as one's sexual orientation is made a basis for discrimination anywhere in our public life. It is essential that lesbian, gay and bisexual service members be treated the same as other service members with regard to both status and conduct. We recognize that this will not be achieved by a mere change in written policy. In addition, mechanisms must be put in place that ensure equal treatment of lesbian, gay and bisexual service members on an ongoing basis.

We look forward to the day when the military will not play the disproportionate role in American society that it presently does. But the issue of justice for gay, lesbian, and bisexual people among us has now been raised with respect to the armed forces, and we know that how it is decided there will have a major effect throughout our society.. We therefore urge you to maintain the position you articulated in your campaign for the presidency, without compromise.

Sincerely yours,
Kara Newell
Executive Secretary

April 26 March for Lesbian, Gay, and Bi Rights

AFSC has endorsed the 1993 March on Washington for Lesbian, Gay and Bi Equal Rights and Liberation, which will take place on Sunday, April 25. New Hampshire buses will be leaving from Portsmouth, Concord, and Keene.

The Portsmouth bus will leave at 10 pm on April 24, and be back in Portsmouth by 7 am on April 26.

The Concord bus will leave at 9 pm on April 24, and be back in Concord by 8 am on April 26.

To reserve a seat on the Concord or Portsmouth bus, send a check for \$50 to: March on Washington, PO Box 3971, Manchester NH 03105. Enclose a self-addressed stamped envelope for ticket and confirmation, and indicate which bus you prefer.

The Keene bus will leave at 9 pm on April 24, and be back in Keene between 7 and 9 am on April 26. To reserve a seat, send a check for \$75 to Frank Kellom Monadnock AIDS Project, PO Box 348, Keene NH 03431, or call (603) 357-0979 for information.

Action Statement for the March

The Lesbian, Gay, Bisexual, and Transgender movement recognizes that our quest for social justice links us fundamentally to the struggles against racism, sexism, class bias, economic injustice, and religious intolerance. We must realize that if one of us is oppressed, we are all oppressed. The diversity of our movement requires and compels us to stand in opposition to all forms of oppression that diminish the quality of life for all people. We will be vigilant in our determination to rid our movement and our society of all forms of oppression and exploitation, so that all of us can develop to our full human potential without regard to race, religion, sexual orientation/identification, identity, gender and gender expression, ability, age, and/or class. (Adopted May 10, 1992.)

Portsmouth to Consider Equal Rights Proposal

The Open Door City Coalition is working toward passage of an ordinance to eliminate discrimination based on sexual orientation in the city of Portsmouth. For more information, or to lend your support, write: Open Door City Coalition, PO Box 883, Portsmouth NH 03801, or call: (603) 431-4941.

Quaker Witness is a publication of the New Hampshire Office of the American Friends Service Committee. In its work for social justice and peace, the AFSC expresses a Quaker belief in the dignity and promise of every person, and a faith in the power of love and nonviolence to bring about change. Arnie Alpert is AFSC's New Hampshire Program Coordinator. Contributions to AFSC are deductible for federal income tax purposes.

Staff Sabbatical

AFSC-NH program coordinator Arnie Alpert will be on sabbatical leave during May, June, and July. The office will be staffed part-time by volunteers during this period.

GIVE PEACE A DANCE



Give Peace A Dance - May 22

The second annual "Give Peace A Dance," to benefit the AFSC New Hampshire program, will take place Saturday, May 22, 1993 at the Green Street Community Center in Concord, from 6 to 11 pm.

Live and recorded music will be featured, including rock and roll, world beat, and country dance tunes. Performers will include Drums of Thunder, Many Happy Returns, country dance callers Eve Kitchen and Peter Yarensky, and World Beat DJ Jack Beard.

Admission is free for those who have collected \$10 or more in pledges. Regular tickets are \$20 for families, \$8 for adults, and \$4 for school-age children, with \$1 off for advance tickets. Pre-schoolers are admitted free.

For information, pledge forms, and tickets, contact AFSC-NH at (603) 224-2407. Tickets will also be available at ISIS, 38 N. Main St. in Concord.

Green St. Community Center is located behind Concord's City Hall, and is wheelchair accessible.

Give Peace A Dance is organized by Concord Friends.Meeting.



NH CAN Benefit May 7

Singer/songwriters Dean Stevens and Nancy Del Giudice will perform at a concert to benefit the New Hampshire Central America Network's Sister City programs on Friday, May 7, at 8pm, at the Unitarian Universalist Church, 274 Pleasant St. in Concord.

The concert is co-sponsored by the State Street Food Co-op. Adult tickets are \$8 in advance, \$10 at the door. Children's tickets are \$4. For more information about the concert, NH CAN, and sister city organizing, call: (603) 224-7895.

Quaker Witness

American Friends Service Committee - NH
80 N. Main St. / PO Box 1081
Concord NH 03302-1081

phone: (603) 224-2407

Address Correction Requested

Reminder: Have You Responded to Our Annual Fund Appeal?

We are grateful to everyone who has responded to last month's once-a-year appeal for funds to support the AFSC New Hampshire Program. As we reported in the letter we sent to everyone on our in-state mailing list, we need to raise more than \$20,000 in contributions this year to meet our budget.

If you appreciate this newsletter, and value the work we do year-round for peace, social justice, and nonviolent transformation, please send a contribution now. Thanks.

Vets for Peace Film Series

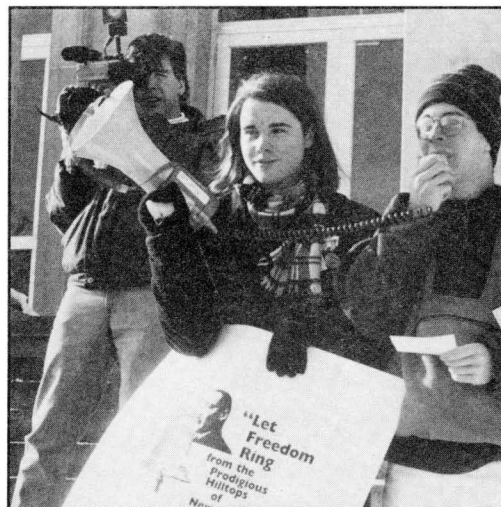
The A.J. Muste Chapter of Veterans for Peace is sponsoring a Spring Film Series in Manchester. Upcoming films are "Faces of the Enemy," April 30, "The Panama Deception," May 21, and "People Power," June 25.

"Faces of the Enemy," based on a book by Sam Keen, examines the psychology of hatred and war.

"The Panama Deception" exposes the hidden sides of the 1989 U.S. invasion of Panama, including the role of the mass media, General Noriega's long ties to the CIA and George Bush, and the invasion's impact on life in Panama.

"People Power—Winning Without Guns" explores the role of nonviolence in the struggles of Palestinians, Chileans, and Filipinos in the 1980s.

All films will be shown at Springfield College's School of Human Services, 500 Commercial St. in Manchester. Refreshments will be served. Contributions will be accepted. For more information, call Dennis Provencher at 669-9093 or Zane Knoy at 666-5700.



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Quaker Witness

... a New Hampshire newsletter

October 1993

Economic Literacy for Economic Justice

AFSC's International Division defines "development" as a process which decreases people's vulnerability to forces which threaten them and improves their capacity to take care of their own needs. The definition is as useful for analyzing communities in New Hampshire as it is for evaluating Third World relief projects.

New Hampshire is no longer made up of rural villages isolated from each other and the rest of the world. For example, locally owned stores are closing all over the state and being replaced by impersonal chain stores owned and controlled somewhere else. The state's economy rises and falls with the regional, national, and international economy, despite our unique tax structure.

The United States is less isolated economically from the rest of the world, too. In fact, our economy is linked to a national and transnational web of business, labor, financial, government, and environmental relations. Economic decisions made in Manchester or Portsmouth can affect people in Mexico or the Philippines. Likewise, economic decisions made in Tokyo or New York can affect people in Laconia and Keene.

The ability of people in New Hampshire to provide themselves and their families with food, housing, and health
ECONOMIC LITERACY, page 3

AFSC Project Banking and Community Reinvestment

When you put your money in the local bank, it doesn't just sit in a vault. The bank takes your money and lends it to help someone buy a house or expand a business. Or the bank may lend it to another bank or buy government bonds. The bank's investment may help your next door neighbor, or it may support an enterprise thousands of miles away.

Thanks to the Community Reinvestment Act (CRA), passed by Congress in 1977 and amended in 1989, we have the means to monitor and influence the performance of our local banks. CRA states that federally regulated financial institutions have an obligation to meet the credit needs of low and moderate income neighborhoods in communities from which such banks draw their deposits. The law was passed to prevent "redlining," a practice by which banks refused to invest in areas where residents were mostly poor or people of

THAT'S WHERE THE MONEY IS, page 3

Guatemala: The Struggle for Land and Life Arnie Alpert

AFSC-NH Program Coordinator Arnie Alpert visited Guatemala for two weeks in July with Peace Brigades International and the Fellowship of Reconciliation.

In the early 1980s, the Guatemalan Army unleashed a reign of terror against the indigenous people of the country's western highlands. More than 400 villages were destroyed, tens of thousands killed, and hundreds of thousands made homeless. Many Guatemalans found their way across the border to Mexico, where 45,000 now have official refugee status.

The refugee camps are scattered throughout southern Mexico. One of them, Porvenir Uno, is home to 260 families. The camp is nestled amongst rolling hills, at the end of a windy dirt road 50 miles from the nearest Mexican city. There is no electricity and no plumbing. Houses are made of boards and corrugated metal, and the residents cook on open fires inside each house. Food supplies are limited. Cash is scarce. Guatemalan troops occasionally cross the border in pursuit of suspected guerillas, some of whom are civilian refugees fleeing from the Army.

Struck by the hardship he witnessed in Porvenir Uno, one North American visitor last August observed "Life is difficult." Yes, said his host, "No hay tierra." There is no land.

"The land is how we live"

According to Mayan mythology, people were created from corn. Access to land, and the capacity to raise corn, is central to indigenous culture as well as the livelihood of Guatemalan families. As a leader of one organization struggling for land and cultural rights commented, "The land is how we live."

GUATEMALA, page 2



"No to militarism, Yes to civilian society."

Guatemala...

continued from page 1

Hernando Cortes, the conqueror of Mexico, turned down a royal land grant nearly 500 years ago, writing "I come to get gold, not to till the land like a peasant." But when the Spanish colonists realized there was little gold to be found, they began forcing indigenous people off the best farmland. By this century, multinational food corporations and German coffee growers as well as descendants of the Spanish controlled the country's most precious natural resource. In fact, it was the Guatemalan government's decision in 1954 to take idle farmland from Boston-based United Fruit that prompted the CIA to engineer a coup and install a military dictatorship. Guatemala has been ruled by military force since then.

Guatemala has the most unequal distribution of land in all of Latin America, with 2% of landowners controlling 65% of the arable land. The best land is used for export crops like coffee, bananas, cotton, broccoli, beef, and sugar, while native Guatemalans struggle to eke out a living raising corn and beans on mountainsides so steep farmers sometimes tie themselves to trees to till and harvest.

The maldistribution of land ownership is a pillar of Guatemala's political economy. Anyone who shakes that pillar threatens the status quo and risks reprisals by landowners and their military allies. In the 1986 election campaign, candidate Vinicio Cerezo pledged to the large landowners that he would not even mention land reform because "to use the term in this country causes emotional reactions." Cerezo won, and true to his promise, meaningful land reform was kept off the political agenda.

The good news is that the Guatemalan people, despite tremendous risk, are organizing for their right to land and security. Ironically, refugees are playing a leading role. Insulated from the daily repression of life in Guatemala, thousands of refugees have learned to read and write in



Leaders of women's committee at Porvenir Uno

Spanish, studied their constitutional rights, and organized groups to meet other community needs, all activities which would have branded them "subversives" in their own country. Now they are planning group returns to Guatemala, where their demands for land and human rights will embolden others to demand the same.

Arnie Alpert is available for presentations on Guatemala to schools, religious groups, and other organizations.

A Step Toward Peace

AFSC's Executive Director, Kara Newell, was present for the September 13 signing of the Israel-PLO accord at the White House, and termed the event "a courageous step toward building a future of peace for the Palestinian and Israeli people."

Since 1948 the AFSC has worked with Israelis, Palestinians, and others in the Middle East on peacemaking and humanitarian projects. Arabs and Israelis working for peace have often turned to AFSC for assistance in communicating with each other and with other concerned parties.

The AFSC has called for mutual recognition between the PLO and Israel and for a two-state solution to the Israeli-Palestinian conflict since 1970. At that time, AFSC wrote of two "brilliant and energetic people, whose present and potential value to all people is immense," and said that what the world needed was "the example of a new adventure in cooperation unlike anything that has gone before."

In letters to Israeli Prime Minister Yitzhak Rabin and Palestine Liberation Organization Chairman Yasir Arafat, AFSC said "Your words today and the signing of the Declaration of Principles give us hope that the 'new adventure in cooperation' has truly begun. We pledge to do all that we can to work with you towards our common goal of peace with justice."

For a brochure describing AFSC perspectives on "Building a future for Israel, Palestine, and the Middle East," contact AFSC-NH.

NH Family Returns from AFSC Service in Vietnam

Linda and David Blair of Harrisville have just returned from Vietnam after 2 1/2 years as co-field directors for the AFSC

We lived in a row house that stood squeezed between its neighbors on a small deadend street in Hanoi. Our neighbors were almost all Vietnamese, and they lived their lives on the street—children playing any one of dozens of games, adults sitting, talking, strolling, visiting and arguing. Weddings and funerals, celebrations and arguments, heated gambling, baby's first steps—all happened on the street.

We were part of this. We bought bread at the first corner, got our haircuts 20 feet from the bread lady and our pastry 10 feet in the other direction, had our afternoon coffee two corners down and repaired our bikes just beyond that.

Our work took Linda and me, always in the company of our colleague, Phuong, to two provinces in the north, Son La to the northwest and Thanh Hoa just to the south. We travelled by jeep, motorbike, boat and foot to remote tribal villages in the mountains and to sandy coastal communes. But we did not come as tourists, instead to work with the village people to design and then implement projects that would improve their lives.

Chief among these were water projects—drinking water and irrigation for their rice crops. We also worked with animal vaccination; alley cropping in the mountains to slow

soil loss and offer come cash crops (coffee, tung, fruit) to poor farmers; dry-season gardening techniques and fish raising to increase and diversify the food supply; income generation projects (e.g. salt production, fish net weaving); malaria prevention and control; primary education among mountain minorities; and, toward the end of our time, women's health and family planning.

The joy of this work was in growing alongside the people we worked with. We were so fortunate to see both ends of our projects—not only the office administration but also the actual work in the rice field or on the hillside. We developed a vision of what “development work” should be. It is above all the development of human resources.

David and Linda welcome the chance to talk about Vietnam to interested groups. Contact them at (603) 827-3205.

Economic Literacy... *continued from page 1*

care is dependent on this web of transnational relationships and decisions. Yet how many grasp the economic forces which have a profound effect on their lives? Without a basic understanding, they will be hard-pressed to take effective action to reduce their own vulnerability and improve their capacity to meet their communities' needs. Also, without understanding the forces at work, some people will be seduced by racism, anti-semitism, and xenophobia as they seek explanations for their problems.

For the next several years, economic literacy will be a major focus of AFSC-NH's work. Focusing initially on banking (see accompanying article), AFSC aims to provide skills and information to New Hampshire activists who want to be advocates for their communities and economic justice.

Economic Literacy and Peace Education

Remember when Secretary of State James Baker said the United States had to be ready for war against Iraq in the name of “jobs”? Despite the moral strength of our arguments, the peace movement keeps running into the brick wall of economic reality.

For example, at the most local level, economic dependence often keeps women in abusive relationships. Young people looking for jobs, skills, and access to education still report to the recruiter's office.

At the national level, the biggest obstacle to cuts in the U.S. defense budget is the dependency of workers and communities on military contracts. International arms sales are now seen as the way to save jobs.

It is difficult to see how the peace movement can win its objectives without serious attention to jobs and economic development. From Los Angeles to South Africa to Northern Ireland to Guatemala to Palestine, an end to community violence requires an end to economic oppression, not just an end to external repression. From Portsmouth, England to Portsmouth, New Hampshire, economic alternatives will speed the day when communities are no longer dependent on the military economy.

Quaker Witness is a publication of the New Hampshire Office of the American Friends Service Committee. In its work for social justice and peace, the AFSC expresses a Quaker belief in the dignity and promise of every person, and a faith in the power of love and nonviolence to bring about change. Arnie Alpert is AFSC's New Hampshire Program Coordinator. Contributions to AFSC are deductible for federal income tax purposes.

That's Where The Money Is... *from page 1*

color. Regulatory agencies are required to encourage banks to comply with CRA, evaluate bank performance, and consider CRA when ruling on bank applications for mergers, acquisitions, and branching changes. CRA not only gives communities the means to watchdog their banks, it gives the banks a positive incentive to do the right thing.

In the coming months, AFSC plans to work with community activists to encourage banks to serve New Hampshire's need for economic well being. In particular, the project will focus on the need for non-discriminatory and affordable banking services, and on credit for affordable housing developers and employers. As locally managed banks give way to regional, national, and international institutions, AFSC is concerned that local communities may become vulnerable to disinvestment and neglect.

AFSC has already begun discussions with Shawmut National Corporation, which is in the process of acquiring New Dartmouth Bank, about the Boston-based bank's plans for community investment in New Hampshire. In the coming months, AFSC plans to train bank monitoring activists and convene a coalition of groups with similar interests to strengthen CRA work in the state.

It is said that bank robber Willie Sutton was once asked why he robbed banks. “That's where the money is,” Sutton supposedly replied. AFSC could give a similar answer if asked about our CRA project. Responsible behavior by New Hampshire banks can have a positive impact on affordable housing, jobs, and the health of New Hampshire's economy. This strategy is not the only route to economic justice, but it is an important one. We invite others to join us on the way.

If you want training as a bank watchdog, or your organization is interested in community reinvestment, please contact AFSC.

clip and mail to AFSC, PO Box 1081, Concord NH 03302

☒ Yes.

I am interested in learning more about banking and community reinvestment. Please contact me to let me know how to get involved.

Name _____

Address _____

Phone _____

Martin Luther King Arts and Writing Contest 1993-1994

"Injustice Anywhere is a Threat to Justice Anywhere" is the theme for the 1993/1994 Martin Luther King Arts and Writing Contest, a project of the Martin Luther King Coalition for New Hampshire students in grades one through twelve.

Awards include money, books, plaques, and certificates, with separate prizes awarded in three age groups to be presented at the Coalition's MLK Day Celebration, January 17 at Notre Dame College in Manchester.

The deadline for entries is December 6, 1993.

For contest details, call AFSC-NH.

Citizens Forums on Criminal Justice

NH CURE, AFSC-NH, and the NH Council of Churches will hold three Citizen Forums on Criminal Justice featuring legislators, judges, and staff from the Department of Corrections in dialogue with citizens about intermediate punishments, mandatory minimum sentences, and other public policy issues. are also sponsors of the forums.

For more information, contact NH CURE at (603) 886-3760 or write: PO Box 3594, Nashua NH 03061.

Manchester	Laconia	Concord
Oct. 23, 1993	Oct. 30, 1993	Nov. 20, 1993
1 - 4:30 pm	1 to 4:30 pm	1 to 4:30 pm
Brookside Church	Unitarian Church	Unitarian Church
2013 Elm St.	172 Pleasant St.	274 Pleasant St.

Nonviolence in Guatemala

Janey Skinner of Peace Brigades International will visit New Hampshire for several days to speak on "Nonviolent Peacekeeping in the Guatemalan War Zone." Skinner and other members of Peace Brigades serve as unarmed escorts for Guatemalans threatened with death squad violence because of their own nonviolent work for human rights and social change.

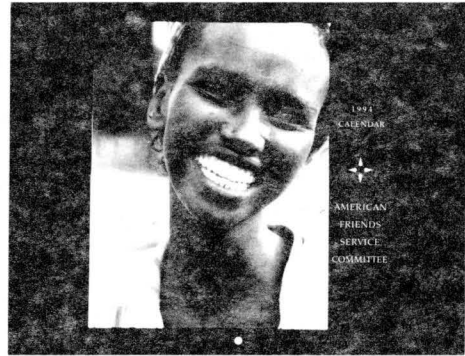
Skinner has accompanied 1992 Nobel Peace Prize winner Rigoberta Menchu on the indigenous leader's visits to Guatemala. She also accompanied the historic return from Mexico of 2500 Guatemalan refugees last January.

Skinner's visit is sponsored by AFSC. Call for more information.

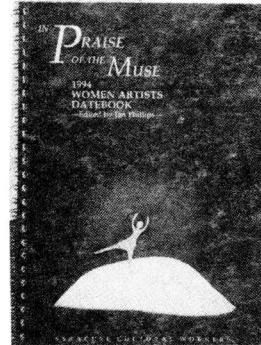
Durham	Henniker
Tuesday, Oct. 19, 7:30 pm	Wednesday, Oct. 20, 7 pm
Spaulding Hall, Room 19	Carriage House, Room 14
University of NH	New England College

Both events are accessible for people in wheelchairs.

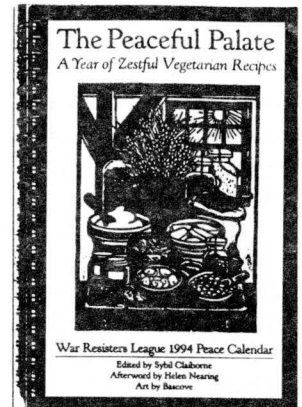
1994 Calendars Available from AFSC-NH



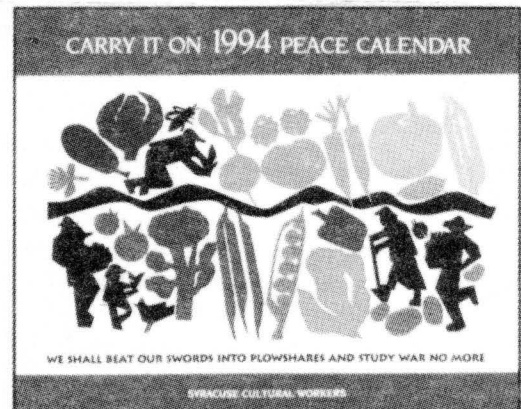
AFSC wall calendar, black & white photos. \$10



Women Artists desk calendar, from Syracuse Cultural Workers. \$12.95



"Peaceful Palate" desk calendar, from War Resisters League. \$12



"Carry It On" calendar, from Syracuse Cultural Workers. \$11.95

To order calendars, phone, write, or visit AFSC-NH. Please add \$1 shipping per calendar.

Quaker Witness

American Friends Service Committee - NH
80 N. Main St. / PO Box 1081
Concord NH 03302-1081

phone: (603) 224-2407

Address Correction requested

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Arnie Alpert
PO Box 1081
Concord NH 03301

Quaker Witness

... a New Hampshire newsletter

January 1994

Gifts for Central America A Campaign to Aid Guatemalan Refugees

In the early 1980s, the Guatemalan Army unleashed a horrific reign of terror and drove hundreds of thousands of indigenous campesinos from their homes. Tens of thousands of them live in refugee camps in southern Mexico, where they have been planning their return to their native country. Despite continued violations of human rights by the government and its allies, the refugees are determined to rebuild their communities.

International assistance in the form of accompaniment, material aid, and monetary support are needed for the Return to succeed. The AFSC is collecting school supplies, carpentry and garden tools, personal hygiene kits, and money. Material donated will be transported to Guatemala in a spring truck caravan. (See page 2 for more details.)

The deadline for material aid contributions is Feb. 15.

Monetary contributions should be sent separately, with checks made payable to AFSC/Gifts for Central America.

For further details and the location of the nearest collection center call AFSC-NH at (603) 224-2407 or call AFSC-New England at (617) 661-6130.



Miguel Tareo Dominguez is one of thousands of indigenous Guatemalans who fled to Mexico in the early 1980s. Now he is a grassroots leader in his community, developing small-scale farming projects and organizing for the return home.

New Hampshire Friends Gather Jan. 15

The 1994 All New Hampshire Gathering of Friends will take place Saturday, Jan. 15 at Wesley Methodist Church, 79 Clinton St. in Concord, from 9:30 am to 3:15 pm. The theme for the gathering is "Enriching Our Meetings Worship." The program will also include a presentation by Harold Jordan, coordinator of AFSC's national Youth and Militarism Program. He will also lead a workshop on JROTC (see p. 3).

Childcare will be provided. For information, call Marian Baker at (603) 478-5650.

Martin Luther King, Jr. Day Proposed Again at State House

Although New Hampshire has a state holiday called Civil Rights Day observed officially on the third Monday in January, we remain the only state which does not honor Martin Luther King, Jr.

Legislation to change the name of Civil Rights Day to Martin Luther King, Jr. Civil Rights Day will again be introduced in January. A similar bill was defeated in 1993 by a 199 to 163 vote in the House after passage in the Senate.

The Martin Luther King Day Committee, which has coordinated grassroots efforts for a state holiday since 1988, is asking New Hampshire residents to contact their State Representatives.

"a national teach-in on nonviolence"

"The holiday has become a national 'teach-in' on the values of nonviolence, such as unconditional love, tolerance, forgiveness and reconciliation, which are so desperately needed to unify America. It has become a day of unprecedented interracial and intercultural cooperation and sharing. It has become a day of intensive education and training in Dr. King's beliefs and methods, and a day of creative nonviolent action for justice, freedom and peace. No other day of the year brings so many people from different cultural backgrounds together in such a vibrant spirit of brother and sisterhood."

Coretta Scott King, Jan. 17, 1993, from annual "State of the Dream" speech, Ebenezer Baptist Church, Atlanta GA.

AFSC BANK PROJECT UPDATE

Banking Regulators Say "Lend Fair or Die"

Arnie Alpert

The Federal Reserve's November 15 decision to deny Shawmut Bank's application to purchase of New Dartmouth Bank serves notice to New Hampshire's banking community that federal community reinvestment requirements need to be taken seriously.

Under the Community Reinvestment Act, commonly known as CRA, federally regulated banks must meet the legitimate credit needs of communities in which they do business, including low and moderate income neighborhoods. CRA also gives added weight to fair lending laws, which ban

BANKING, page 2

"I must confess that I do not draw a sharp or any distinction between economics and ethics. Economics that hurts the moral well-being of an individual or a nation is immoral and, therefore, sinful."

Mohandas K. Gandhi, 1921

Banking...

continued from page 1

discrimination based on race, sex, and national origin. CRA gives regulators power to stop expansion plans of banks with blemished records.

Until now, the regulators' power has been little used. Since 1977, only 20 out of 77,000 applications for expansion were denied on CRA grounds.

Federal regulators closed seven insolvent New Hampshire banks on October 10, 1991. Three of them—Numerica, Dartmouth, and NH Savings—transformed into New Dartmouth with a \$41 million private investment and a \$31 million loan from the FDIC. In addition, the FDIC agreed to assume ownership of more than \$600 million in bad loans. By agreeing a year and a half later to sell their interests to Shawmut, one of the New England's largest banks, New Dartmouth's owners stood to earn a 249% return on their investment.

AFSC-NH filed a letter of comment with the Federal Reserve in July, expressing concerns about New Dartmouth's record and the taxpayer-financed windfall profits which the bank's owners would receive. The letter said New Dartmouth management confused community lending with charity, failed to adequately assess community credit needs, neglected to review its records for evidence of discrimination, and backed out on affordable housing commitments of the New Dartmouth's predecessor banks. AFSC expressed similar concerns at an August hearing of the New Hampshire Bank Commission, but noted that New Dartmouth appeared to be making serious efforts to improve its performance.

Shawmut's acquisition was blocked due to evidence of discriminatory lending practices in recent years, despite sentiment from community groups that the bank was making a serious effort to improve.

The Wall Street Journal reported that the Federal Reserve's rejection of the Shawmut-New Dartmouth deal put "the first real teeth into laws aimed at the racial discrimination that can deny a family a choice in purchasing its own place to live." According to the business community's newspaper of record, the new law for banking is "lend fair or die."

Banking observers attribute the new regulatory toughness to Bill Clinton, who has appointed CRA-minded regulators to key posts. The administration is also re-drawing Community Reinvestment procedures to give them even sharper teeth.

AFSC is working with like-minded organizations to create the New Hampshire Community Reinvestment Association. Together we will be monitoring developments in world of bank-community relations and involving grassroots activists in order to improve bank practices and help build a healthy economy for everyone.

AFSC Backs Civil Rights Protection for Gays, Lesbians

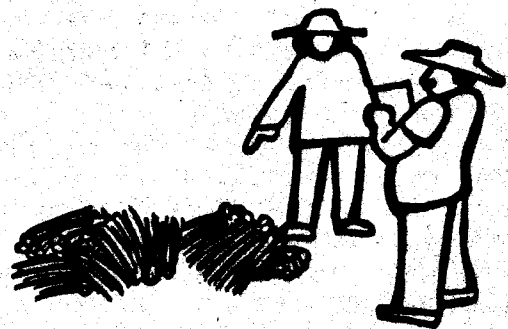
AFSC will support a bill to broaden New Hampshire's civil rights laws to protect the rights of gays, lesbians, and bisexuals, which will be proposed this year.

"Friends testimony of equality has always required a single standard of treatment for all human beings," said Phil Veatch, co-clerk of the AFSC-NH Support Committee. "As we continue the extraordinary and difficult process of opening to that of God in everyone, we need to respond and bear witness to the inequalities still present in the legal system."

The bill will simply add "sexual orientation" to the existing human rights statute, which currently outlaws discrimination in housing, public accommodations, and employment based on race, creed, color, age, marital status, national origin, and disability.

For more information, contact the Coalition to End Discrimination, PO Box 74, Concord NH 03302.

Help Guatemalans Build New Lives



Refugees returning to Guatemala need shelter and crops, and they are eager to continue their education. We can help with supplies (new or in excellent condition).

School Supplies: Pencils, pens, crayons, notebooks and composition books, new paints, construction paper, tape (masking, cellophane and book repair), scissors, chalk, erasers, glue, paste, metric rulers, modeling clay, pen and pencil pouches, tacks and pushpins, rubber bands.

Carpentry Tools: hammers, screwdrivers, pliers, wrenches, squares, hand saws, levels, planes, metal tool boxes, metric tape measures.

Garden Tools: hand tools of all kinds.

Personal Hygiene Kits: Include a new bar of soap in a plastic soap dish or ziplock, a comb or brush, a toothbrush, wrapped in a towel and safety pinned.

Materials should be packed in sturdy, full boxes, which are light enough for one person to lift. Boxes should be taped closed, with a packing list taped to the outside. Please mark boxes "Gifts for Central America." If you wish, include greetings (in Spanish) and photos or drawings. The deadline for material contributions is February 15.

JROTC Aims at New Hampshire

The Pentagon wants to double the number of high schools involved with its Junior ROTC program, and has its aim on New Hampshire. A subcommittee of the state's Board of Education is now investigating the program, and will report its conclusions later this year.

There are currently two JROTC (Junior Reserve Officers' Training Corps) programs in the state, at Rochester High School and Manchester's West High School. Students in the programs wear uniforms one day a week, comply with a military dress code, and learn American history from the Pentagon's perspective.

According to an information packet from the Army's JROTC program, objectives of the program include "a knowledge of basic military skills" and "an appreciation of the role of the U.S. Army in support of national objectives."

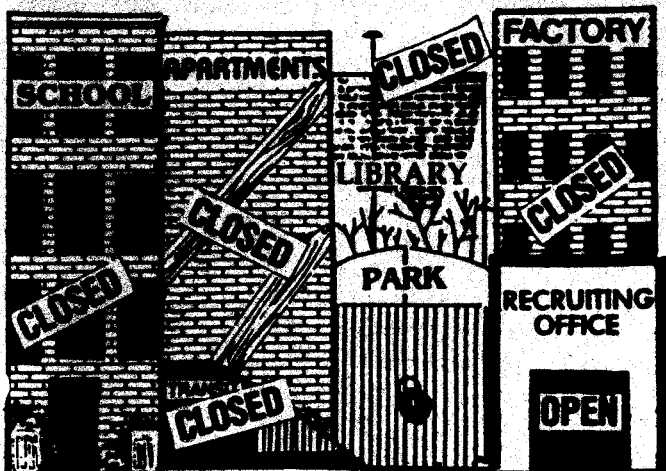
Although promoters insist JROTC is not a recruitment tool, "familiarity with the history, purpose and structure of the military services with emphasis on the accomplishments of the United States Army" is listed as a "desired learning outcome." Textbooks used in the program are provided by the military. Instructors are retired soldiers.

JROTC is advertised as a way to promote self-esteem, leadership skills, and self-discipline, and is even billed as a way to reduce school violence. AFSC questions how those worthy objectives are reconciled with the regimentation, rigid hierarchy, obedience to authority, and the ultimate reliance on violence which are at the heart of the military structures upon which JROTC is modelled.

While the overall military budget is being trimmed, JROTC is getting increased funding, some of which is used to support local JROTC programs. But the Pentagon does not pick up the entire tab; local school systems, some of which do not even provide kindergarten, would be required to pay for the remainder.

The Board of Education can recommend JROTC, but cannot require it. The decision to adopt JROTC would have to come from the local school board.

Comments may be sent to: Ovide LaMontagne, Chair, NH Board of Education, 101 Pleasant St., Concord NH 03301.



What's wrong with this picture?

JROTC Workshop Jan. 14

Harold Jordan, Coordinator of AFSC's National Youth and Militarism Program, will lead a briefing and strategy discussion for New Hampshire activists concerned about efforts to expand Junior ROTC in New Hampshire. The meeting will take place Friday, January 14, from 3:15 to 5:15 pm in Room 211 at the Tech Center, New Hampshire Technical Institute in Concord. The workshop is co-sponsored by AFSC and NH Peace Action.

As a leader of the National Campaign to Demilitarize Our Schools, Harold works with groups all over the country who oppose the militarization of education.

The NH Technical Institute is located off Exit 1 from I-93 in Concord. The Tech Center is wheelchair accessible.

For information, call AFSC at 224-2407 or Peace Action at 228-0559.

M.L.K. Day Events *continued from page 4*

Contest awards. Sponsored by Martin Luther King Coalition. Info: 800-654-1270.

Concord - Martin Luther King Day Service, place and time TBA. Sponsored by Greater Concord Interfaith Council. Info: 224-0291.

Signature Ad - The NH Women's Lobby is publishing a signature ad honoring Martin Luther King, Jr. and celebrating civil rights. Deadline is Jan. 12. Info: 224-9105.

Sunday, January 22

Portsmouth - Service with Rev. Dr. Bernice King, New Hope Baptist Church, 263 Peverly Hill Rd. Info: 431-7310.

Monday, January 23

Durham - Martin Luther King Day events, including: Candlelight March from Murkland Hall to Field House, 6:30 pm. Address by Rev. Dr. Bernice King, Field House 7 pm. Art exhibits and films 10 am to 7 pm, Memorial Union Building. Info: 862-2930.

Grants Received

AFSC New Hampshire has received a \$25,000 grant from the Washington DC-based Public Welfare Foundation for our Banking and Community Reinvestment Project. The grant enables us to expand our work for economic justice. It is the largest grant AFSC-NH has ever received.

We have also received a grant from the Boston Safe Deposit and Trust Company, Trustee for the Ella F. Anderson Trust, which made possible purchase of a laser printer.

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Martin Luther King Day Events

Sunday, January 16

Portsmouth - Martin Luther King Day Service, New Hope Baptist Church, 263 Peverly Hill Rd., 5 pm, with Rev. Robert Washington of Boston's St. John Missionary Baptist Church. Info: 431-7310.

Nashua - Martin Luther King Day Service, 1st Baptist Church, 121 Manchester St., 4 pm, with Rev. Dr. Eddie O'Neil of Andover Newton Theol. School. Info: 882-4512.

Dover - Martin Luther King Day Service, First Parish Church, 218 Central Av., 7:30 pm. Sponsored by Dover Clergy Association. Info: 742-5664

Monday, January 17

Nashua - Martin Luther King Day Breakfast, Alpine Grove, Rte 111-A, Hollis, 8 am. Theme: "The Challenge of Modelling the Vision in These Troubled Times," with keynote speaker Linda Wright-Fuller, former chair of O.B.U. Adults \$12. Ages 5 to 12 \$6. Under 5 free. Sponsored by Outreach for Black Unity. Info: 882-8994.

Portsmouth - Martin Luther King Day Breakfast, Frank Jones Center, Rte. 1 Bypass, \$12. Sponsored by Seacoast Martin Luther King, Jr. Coalition. Info: 427-0443.

Keene - Martin Luther King Day at Monadnock Children's Museum, 147 Washington St. Melany Everard with Songs to Celebrate Black History, 10:30 to 11 and 11 to 11:30am, African Maskmaking 10am to 5 pm. Info: 357-5161.

Concord - "Let Freedom Ring Rally," State House Lawn, noon to 12:15 pm, sponsored by NH Council of Churches, Greater Concord Interfaith Council. Info: 224-1352.

Concord - Martin Luther King Day Service, St. Paul's Church, 12:15 pm, sponsored by NH Council of Churches. Info: 224-1352.

Manchester - Martin Luther King Day Celebration, Notre Dame College, 2321 Elm St., 2 pm potluck meal, 3 - 5 pm program featuring the music of Jane Sapp, the ALPHA Teen Theatre, MLK Award to Ruth McKay, MLK Arts and Writing

MARTIN LUTHER KING DAY, CONT'D PAGE 3

Jane Sapp Makes MLK Day Return Appearance

Ruth McKay to Get MLK Award

Musician and educator Jane Sapp will headline the 1994 Martin Luther King Day Celebration at Notre Dame College on Monday, January 17. She is the Director of the Center for Cultural and Community Development in Springfield, a recording artist, and an acclaimed leader of workshops on the role of culture in social change.

The program will include presentation of the Martin Luther King Award to Ruth McKay, a Hudson peace activist who has recently concluded a 10-year weekly vigil outside New Hampshire's largest arms contractor. Other awards will be presented to winners of the Martin Luther King Arts and Writing Contest. The ALPHA Teen Theatre will also present skits on how teenagers deal with racial prejudice.

The Celebration is sponsored by the Martin Luther King Coalition, which includes the AFSC and 15 other member organizations. It is also supported by the Teamsters Union and the NH Civil Liberties Union. The Celebration begins with a potluck meal at 2 pm, followed by the program from 3 to 5pm. It is held in Holy Cross Hall, 2321 Elm St. in Manchester. Holy Cross Hall is wheelchair accessible. For more information, call (800) 654-1270.

Bernice King at UNH Jan. 24

Rev. Dr. Bernice King, youngest child of Martin Luther and Coretta Scott King, will be the keynote speaker for UNH's daylong Martin Luther King observance, Monday, January 24.

Rev. Dr. King is trained in law and the ministry, and is known as a powerful speaker for social justice. She will speak at the UNH Field House at a program beginning about 7 pm, after a candlelight march from Murkland Hall at 6:30 pm.

UNH will also hold a breakfast, film series, and art exhibit the same day.

Martin Luther King Speakers Bureau

Is your class, community group, congregation, or club looking for a speaker on the struggle against racism in America? The Martin Luther King Speakers Bureau includes seventeen experienced civil rights activists, storytellers, and educators available to speak on a variety of topics. The Speakers Bureau is a project of the Martin Luther King Coalition. For more information, contact Vanessa Johnson at 668-3626 or 669-5727.

Quaker Witness

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Quaker Witness

... a New Hampshire newsletter

October 1994

Will Communities be Stranded by Bank Consolidation?

Arnie Alpert

When Shawmut Bank and Citizens Financial Bank announced acquisitions of smaller banks in mid-June, Bank of New Hampshire's stock went up on Wall Street. The Manchester-based bank is seen as a takeover target as consolidation of the banking industry proceeds.

Banking industry merger mania is expected to accelerate with Congressional approval of laws enabling banks to branch across state lines. Under the old laws, banks must create holding companies with separate subsidiaries in each state. With interstate branching, banks based in Massachusetts, New York, or California will have an easier time purchasing New Hampshire banks.

Already, the state's three largest banks, First NH, Shawmut, and Fleet, are controlled by out-of-state institutions. First NH, the state's largest, plans to acquire Southeast Bank for Savings which has branches in Dover, Barrington, Rochester, Rollinsford, and Somersworth. There have also been persistent rumors that First NH's owner, the Bank of Ireland, is interested in selling the New Hampshire division. Shawmut, which has completed the takeover of New Dartmouth and is pursuing an aggressive merger-a-month strategy, is itself thought to be a takeover target by larger institutions. Fleet is reported to be talking merger with the Bank of New York.

It is not only the big banks that are getting in on the act. In the current climate, smaller banks are positioning themselves to acquire other banks or be taken over themselves. Family Bancorp., a Massachusetts bank with branches in the Merrimack Valley and one in Seabrook, has taken over the Plaistow Bank and Trust and is opening a new branch in Exeter. Banknorth Corp., a holding company which controls five separate Vermont banks, is taking over the Farmington National Bank. Keene-based CFX bank, formed by the merger of Valley Bank, Cheshire County Savings, and Monadnock Bank, is taking over the Orange Savings Bank in Massachusetts. Pelham Bank and Trust has been bought by Andover (Mass.) Bank.

When the dust settles a few years down the road, analysts believe we will be left only with giant interstate banks and small local ones. The CEO of First Union Corp., a North Carolina banking giant, projects that fewer than ten banks could control three quarters of the nation's banking by the year 2000.

For banking consumers, including homeowners and businesses, bank consolidation is a mixed blessing. Larger

BANK MERGER MANIA, continued page 3



Ronald Julien, a Haitian immigrant who came to New Hampshire after the 1991 coup, speaks at AFSC's Vigil for the Haitian People September 16 in Concord.

AFSC Letter On Haiti

September 22, 1994

Dear President Clinton,

The American Friends Service Committee is relieved that an invasion of Haiti and the accompanying use of violent military force by United States troops has been averted by a last-minute agreement signed in Port-au-Prince. Many lives will have been saved by this action.

The agreement signed by former U.S. President Jimmy Carter and *de facto* Haitian President Emile Jonassaint on September 18, 1994, however, is deeply flawed and potentially disastrous for the people of Haiti. The understandings arrived at in three years of international diplomacy and prior agreements on restoration of the elected government must be made explicit and should be acted upon swiftly and unambiguously. Recent actions on the part of the Haitian military, namely the September 20th killing of one civilian and the beating of numerous others, only serve to increase our concern about the flawed nature of the Carter-Jonassaint agreement....

AFSC urges all who are concerned about Haiti to ponder what we have learned from years of partnerships with Haitian people: The Haitian people, like all people, when they enjoy basic respect for their lives and safety, work effec-

AFSC LETTER ON HAITI, continued page 2

AFSC Promotes Public Health in Haiti

Positive solutions to Haiti's problems will come through determination and improving daily life with practical measures. That's the approach taken by AFSC's staff members in Haiti, who recently started a much-needed health program, working alongside residents in a community of the Grande Anse department.

Since the coup d'etat in September 1991, AFSC staff members have encouraged communities to keep faith that there will be a positive resolution to the current political crisis. Prior to the coup, the main activities of the AFSC program—located in three communities of southwestern Grand Anse—were educational training at the grassroots level and development of small projects. As a result of political events, the AFSC program, started in 1989, assumed a less public role. AFSC decided to stick with the program regardless, maintaining a five-person Haitian team of field staff to be ready to operate more publicly as soon as it became possible.

Now the team dispenses small amounts of emergency assistance, and staff members, with a few community leaders, have participated in a series of trainings in Port-au-Prince and in the Dominican Republic. In late 1993, AFSC staff members made arrangements to put a health program in place in a community of the Grand Anse. After hiring a Haitian doctor and a Haitian nurse, the program started operating in 1994.

The principal focus of the health program is on training with a vision to enable community members to "take their health into their own hands" in a region which prior to 1994 had never had a permanent medical presence. The AFSC program provides that first contact with medical professionals.

AFSC has received numerous messages thanking it for continuing its involvement in Haiti, despite the tremendous challenges this work poses, and for embarking on this new venture, which has begun to improve the situation of people in serious need.

To support AFSC's work in Haiti, please send a contribution today. You can call 1-800-226-9816 and use your credit card, or send a check to AFSC Haiti Assistance, PO Box 1081, Concord NH 03302.

continued from page 1

AFSC Letter on Haiti

tively to develop their communities and make a better life for themselves, their children, and their nation. A fundamental goal for all of us must be to remove the tyranny of violence and arbitrary authority that has affected the everyday lives of Haitians.

Sincerely,
Kara L. Newell
Executive Director, AFSC

[For a complete copy of Kara Newell's letter to President Clinton, send a self addressed stamped envelope to AFSC-NH, PO Box 1081 Concord NH 03302.]



AFSC Relief and Development in Africa

The AFSC is accepting funds to support relief, development, and reconciliation projects in Rwanda and among Rwandan refugees in Zaire and Tanzania. The AFSC is cooperating closely with the Mennonite Central Committee, the Friends World Committee for Consultation, and Kenyan Quakers to get assistance efficiently to people who need it.

As desperate as the plight of Rwandans is, AFSC is not forgetting refugees in Somalia, Mozambique, and other parts of Africa. Contributions may be sent to AFSC and directed either to Rwanda Relief or to the Africa Hunger and Development Fund. To make a contribution, please send a check to AFSC or call 1-800-226-9816 and use Master Card or Visa.

1995 Calendars from AFSC-NH

"With Peace on Our Wings: 50 Years of Resistance to the Bomb," the War Resisters League datebook, \$12.

"In Praise of the Muse," the Women Artists Datebook from the Syracuse Cultural Workers, \$12.95.

"Carry It On" wall calendar from the Syracuse Cultural Workers, \$11.95.

"Guatemala Rainbow," wall calendar with photos by Gianni Vecchiato, \$13.95.

To order calendars, phone, write, or visit AFSC-NH.

Please add \$1 per calendar for shipping.

NH Jobs Network in Formation

A conference on jobs development and conversion for New Hampshire drew 100 people from unions, peace groups, community organizations, and government agencies to the State House April 29. Some speakers discussed the range of job training and business development programs currently active in the state, while others described campaigns in other communities that unite labor, religious, and business leaders around programs for job retention, job creation, and conversion of military industries to civilian production. Judy Elliott, an economist who has worked with AFSC and organized labor, reported that the "economic recovery" of recent years is creating jobs fastest in low-wage industries, while high-wage jobs continue to disappear. The conference was co-sponsored by AFSC, the AFL-CIO, Citizen Action, and other groups.

Since the conference, activists interested in developing strategies for creation of good jobs and sustainable economic development have continued meeting. For more information, contact: Judy Elliott, NH Jobs Network, (603) 783-9830.

First NH Meets Black, Hispanic Leaders

Senior executives of First NH Mortgage Corp. and First NH Bank unveiled ambitious plans to increase minority lending at a meeting with Black and Hispanic community leaders in Manchester July 20, convened by the New Hampshire Community Reinvestment Association (NH CRA).

First NH, the state's largest lending institution, is developing plans to improve its lending to minorities and low income people, explained Richard B. Rist, Vice President for Product Development of First NH Mortgage Company. Plans include making qualifications for mortgages more flexible, aggressive marketing geared toward communities of color, enhanced staff training in non-discrimination and cultural sensitivity, affirmative action hiring, and internal reviews of denied loan applications.

The NH CRA organized the meeting after a review of home mortgage statistics showed First NH Mortgage Corp., the state's number one mortgage lender, had made no loans at all to African Americans and only one to Hispanics in 1992.

"We are very pleased with the comprehensive nature of First NH's plans," said Arnie Alpert of the NH CRA. "It appears that First NH has the serious commitment needed to improve access to credit by minorities and low to moderate income people."

The federal Home Mortgage Disclosure Act requires mortgage lenders to track loans and applications by race, sex, and income in statistical metropolitan areas. Statistics for New Hampshire indicate that lenders are not reaching into the Black and Hispanic communities, according to Alpert. "1992 statistics indicate that out of 14,480 loans in the state's densely populated areas, only 31 went to Blacks, while 50 went to Hispanics. These numbers are well below the proportion of Blacks and Hispanics in the areas where these statistics are collected," Alpert said.

The meeting was attended by more than twenty community leaders, and was co-chaired by the Rev. Bertha Perkins of New Fellowship Baptist Church, a Black congregation based in Hudson, and Nury Marquez, Executive Director of the Alliance for Progress of Hispanic Americans in Manchester.



Marsha Ealy of Nashua makes a point with First NH VPs Jim Melia and Tom Mullen looking on.

CRA in the North Country

Forty-five people from human service organizations and banks attended a forum in Lancaster on June 17 to learn about the relevance of the Community Reinvestment Act for the North Country and to discuss the area's credit needs in housing, small business, and other banking services. Community members learned about the myriad regulations controlling the banks. Bankers learned about the financial needs of people on the margins of the economy, some of whom have never been inside a bank.

"It became clear that basic education about money, budgets, and developing a usable credit history is a major need in the community at large," said Martha Yager, who organized the forum for the Community Reinvestment Association. "The community also needs a better understanding of what services are already available."

Since the forum, a group has formed to improve communications between banks and community organizations and to begin to develop plans for meeting credit needs.

For more information, contact Martha Yager at the AFSC office.

Banking Project Wins Haymarket Grant

AFSC-New Hampshire has received a \$20,000 grant from the Haymarket People's Fund to support the AFSC Banking and Community Reinvestment Project. The grant will fund AFSC's work with the NH Community Reinvestment Association during the fiscal year which started October 1. It was the largest ever given out by Haymarket's New Hampshire funding board.

Haymarket has supported grassroots social change groups in New England for 20 years.

Bank Merger Mania *from page 1*

banks claim they can operate more efficiently and provide cheaper services for consumers. On the other hand, banks with headquarters hundreds or thousands of miles from the communities they serve may be less responsive to community needs. In that mix lies the clout communities need to turn bank consolidation to their advantage.

The Community Reinvestment Act, adopted by Congress in 1977, requires banks to help meet the credit needs of all communities where they do business, requires regulatory agencies to consider each bank's responsiveness to community needs when ruling on mergers and takeovers, and enables community challenges at every step in the process.

AFSC-NH has formed the Community Reinvestment Association to bring together low income advocacy, affordable housing, social justice, and civil rights groups to make sure that our home towns do not get lost in the shuffle. To make the process work for us, we need to understand our communities' needs, whether they are for small business credit, multi-family housing loans, or free government check cashing. After all, if we don't understand our community's needs, we can't expect a bank to figure it out, whether its headquarters is in Concord, Charlotte, or Dublin. But if we do know what the community needs, we can get the banks to

March and Rally for MLK Day in Concord Oct. 23

Supporters of a holiday honoring Martin Luther King, Jr. will march to the State House in Concord for a rally Sunday, October 23, beginning at 1 pm. New Hampshire is the only state which has refused to recognize Dr. King. In 1993, the House of Representatives voted 199 to 163 to defeat a bill which would have changed the name of the existing Civil Rights Day to Martin Luther King, Jr. Civil Rights Day. This year, after an identical bill was approved in the State Senate, the House voted 183 to 164 to block the proposal's consideration on the grounds that they had already defeated it once.

According to Valerie Cunningham of the Martin Luther King Day Committee, which is sponsoring the march and rally, the event is timed to raise the holiday issue just before the election. "We must seize the moment for New Hampshire to turn its embarrassing status as 'the last remaining...' into an opportunity to re-focus energy on Dr. King's teachings of love and non-violence," Cunningham said.

Marchers will assemble at the Walker School, at the corner of N. Main and N. State Streets in Concord, nine blocks north of the State House. The rally will begin at 2 pm at the State House steps.

Music will be provided by the Central high School Marching Band and the Seacoast Gospel Choir. Gubernatorial candidates Steve Merrill and Wayne King have been invited to speak, as have other political, religious, student, and civic leaders.

In case of rain, the rally will be held at South Congregational Church, 27 Pleasant St. in Concord.

Legislation to change the name of Civil Rights Day to include Dr. King will be proposed again in 1995. For more information, call (603) 224-2407 or (603) 225-2097.

Quaker Witness is a publication of the New Hampshire Office of the American Friends Service Committee. In its work for social justice and peace, the AFSC expresses a Quaker belief in the dignity and promise of every person, and a faith in the power of love and nonviolence to bring about change. Arnle Alpert is AFSC's New Hampshire Program Coordinator. Contributions to AFSC are deductible for federal income tax purposes.

Martin Luther King, Jr., a life serving others

In 1968, two months before his murder in Memphis, Tennessee, Dr. Martin Luther King spoke about how he wished to be remembered when he died. He said he did not want a long funeral or a long eulogy or even mention made about his numerous awards, including the Nobel Peace Prize. Instead, he suggested the following:

"I'd like somebody to mention that Martin Luther King, Jr., tried to give his life serving others. I'd like for somebody to say that day, that Martin Luther King, Jr. tried to love somebody. I want you to say that day, that I tried to be right on the war question. I want you to be able to say that day, that I did try to feed the hungry. And I want you to be able to say that day, that I did try, in my life, to visit those who were in prison. I want you to say that I tried to love and serve humanity."

"Yes, if you want to say that I was a drum major, say that I was a drum major for justice; say that I was a drum major for peace; I was a drum major for righteousness. And all of the other shallow things will not matter. I won't have any money to leave behind. I won't have the fine and luxurious things of life to leave behind. But I just want to leave a committed life behind."

-from "The Drum Major Instinct,"
Atlanta, Georgia,
February 4, 1968.

Martin Luther King Arts & Writing Contest

"A Life Serving Others" is the theme of the Martin Luther King Arts and Writing Contest for 1994-1995. The Martin Luther King Coalition, of which AFSC is a member, is asking New Hampshire students grades 1 to 12 to submit posters, essays, and other creative works for consideration. Winners will receive cash, books, plaques, and certificates to be awarded at the Martin Luther King Day Celebration to be held Monday, January 16, 1995 at Notre Dame College in Manchester.

The deadline for entries is December 5, 1994. For additional details and specifications, call AFSC at 224-2407 for a brochure.

Quaker Witness

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Quaker Witness

... a New Hampshire newsletter

May 1994

AFSC BANK PROJECT UPDATE

CRA Reform Emphasizes Performance Over Paper

The 1977 Community Reinvestment Act (CRA) has made a real difference to the economic health of neighborhoods across the country, but has earned criticism as well. Bankers have complained about excessive paperwork and government interference. Community groups have charged that banks without significant reinvestment activities were claiming to meet community needs by having employees who were Cub Scout leaders or hockey coaches.

When President Clinton named Eugene Ludwig to be Comptroller of the Currency, a top Treasury Department position with responsibility for regulating nationally chartered banks, Ludwig was told to re-write CRA regulations to meet concerns from both sides. Ludwig convened hearings around the country and solicited comments from bankers and advocacy groups. Federal regulators are now reviewing written comments, including those of the NH Community Reinvestment Association, a group AFSC is helping to form. AFSC also convened a group to meet directly with Ludwig in February when he visited New Hampshire to address a group of bankers and business people.

When the new regulations come out, they are expected to emphasize performance rather than documentation of contacts between bankers and community groups. Large banks will be rated according to the loans and investments they actually make in low income areas. Small banks will be held to a different set of standards, based on an assumption that they would go out of business if they were not meeting community needs. AFSC and the NH Community Reinvestment Association will continue to monitor the performance of New Hamp-

CRA REFORM, continued page 2



Jeff Brown and Woullard Lett discuss CRA reform with Eugene Ludwig, Comptroller of the Currency.

JROTC: Pentagon Propaganda for the Post-Cold War Era

Arnie Alpert

For forty-five years the Soviet threat drove American policy and dominated American politics. Now the Soviet Union is gone, and the Pentagon faces a new crisis. It's not North Korea, Libya, Iraq or Iran. It's not drugs or illegal immigrants. The military is endangered by peace, which raises public doubts about the need to maintain forces at Cold War levels. As national defense specialist Robert L. Goldich, of the Congressional Research Office has written, "The major challenge for the services in the post-Cold War era may well be in maintaining this validation in a period of prolonged peace."

This desire to maintain public support for the armed services and associated recruiting challenges is a major reason why, in a period of decreasing force levels and spending, the Pentagon wants to double the size of the Junior ROTC program. JROTC is a high school-based military education program taught by retired soldiers. New Hampshire currently has JROTC units at Spaulding High School in Rochester and Manchester West High School. The Navy is negotiating with Londonderry school officials, according to documents obtained by the American Friends Service Committee. The State Board of Education is considering a proposal to recommend expansion of JROTC to other New Hampshire schools.

The public rationale offered for JROTC is the same as many other educational enrichment programs: reducing drop out rates, resisting drugs and alcohol, and promoting self-

PENTAGON PROPOGANDA, page 2

Friends Oppose JROTC

"In accord with Friends' traditional testimony for peace and against preparation for war, we wish to make New Hampshire Friends aware of a new concern about the increased militarization of our public schools.

"We encourage individuals Meetings to become aware of any preparation for instituting Junior ROTC programs in their communities, and to organize Quakerly opposition, community by community and within each student population. If you wait until your school district meeting to confront this issue it may be too late.

"While vocal opposition is necessary, Friends should be aware that this is a highly emotional issue that can result in backlash."

adopted at the New Hampshire Gathering of Friends, January 1, 1994, Concord NH.

continued from page 1

JROTC: Pentagon Propaganda

discipline. But the Department of Defense is not the Department of Education. It has other objectives, accomplishment of which require broad public support. Much like breweries sponsor sports teams, military sponsorship of educational programs helps the Pentagon image. Because the military threats to American security are small, "so remote that they are difficult to discern," according to former Defense Secretary Richard Cheney, the military needs all the visibility it can get.

Robert Goldich has written "if the military downsizes below a certain 'critical mass,' which cannot be easily determined in advance, it may become invisible in the minds of a large segment of the population—potential recruits and their parents." JROTC helps the Army, Navy, Marines, and Air Force stay highly visible in communities across the country, thereby increasing political support and improving prospects for new recruits.

According to an information packet from the Army's JROTC program, "appreciation of the role of the U.S. Army in support of national objectives" is among the key JROTC objectives. "Familiarity with the history, purpose and structure of the military services with emphasis on the accomplishments of the United States Army" is a "desired learning outcome." JROTC is a military propaganda exercise.

Along with drop-out and drug prevention, JROTC is being sold as a citizenship education program. In an article on New Hampshire's JROTC programs, The Boston Globe reported "Junior ROTC is a citizenship, social psychology, science and self-esteem course rolled into one, with military organization as its basis, according to Dr. Kenneth Daley, national chief of the Air Force Junior ROTC in Montgomery Alabama." As the military plans further inroads into public education, it is worth asking what kind of citizenship can be promoted with "military organization" at its heart.

The military is not a democratic institution. Its leaders are chosen by their superiors, not by election. Freedom of speech and association are severely limited, as are rights of due process. If promotion of citizenship and democratic values are to be important goals for public education, we should keep the military as far away as possible.

AFSC has convened a JROTC task force with participants from NH Peace Action, the War Resisters League, Veterans for Peace, and Concord Friends to research JROTC and recommend action. The task force is encouraging peace activists to monitor their local school districts to identify whether administrators are talking with JROTC promoters.

For more information, contact AFSC-NH.

Converting from what to what?

The \$2.5 billion allocated to "defense conversion, reinvestment, and transition assistance" in the 1994 Defense Appropriations Act includes \$73 million for JROTC.

"The history of the Community Reinvestment Act (CRA) really began long before it was enacted in 1977. Traditionally, financial institutions in the United States have had an obligation to serve the public because of the privileges they receive from the government—which other businesses do not. For example, financial institutions have charters to do business, obtain federal deposit insurance, and borrow money under special arrangements from the Federal Reserve discount window and Federal Home Loan Bank. These privileges gave rise to the principle, found in our banking laws as far back as the 1930s, that financial institutions should serve the 'convenience and needs of their communities.'

"In the years leading to passage of the CRA, there was considerable concern about ensuring fair access to credit, especially in the inner cities. Community groups spoke out against redlining—the perceived practice of drawing red lines around disfavored neighborhoods where money would not be lent, regardless of the creditworthiness of individual loan applicants. Many people felt that the visible economic decline of urban areas was aggravated by financial institutions, which were seen as taking deposits out of the neighborhoods from which they came and investing them elsewhere. Against this backdrop, the attention of the Congress was turned to the problem of revitalizing neighborhoods and the role financial institutions could play in that effort."

from "A Citizen's Guide to the CRA," from the Federal Financial Institutions Examination Council, 1992.

CRA Reform

continued from page 1

shire banks, large and small, urban and rural.

AFSC is interested in working with individuals and community groups who want to work with banks to develop programs which meet the needs of low income people. If you care about non-discrimination and fair lending, affordable housing, small business development, and affordable banking services, please give us a call.

-Arnie Alpert and Martha Yager

Military Spending Still at Cold War Levels

The Clinton administration's plan to spend \$1.2 Trillion on national defense in the next five years will cost New Hampshire taxpayers \$7.7 Billion, according to NH Peace Action. "Last year alone, New Hampshire's citizens and businesses' share of the military budget was \$1.6 Billion—more than double the entire state operating budget," said Katherine Hillier.

"The United States accounts for 40% of the entire world's military expenditures," said Hillier. "When you add up the military budgets of the countries the Pentagon names as potential enemies—Iran, Iraq, Libya, Syria, Cuba, and N. Korea—their combined budgets are only 8% of what we spend." While military spending is maintained at Cold War levels, federal funds for community development, job training, and anti-poverty programs have been cut dramatically over the past twelve years.

"When our needs for jobs, housing, education, and health care are so great, it makes no sense for the Pentagon to spend like the Cold War is still on," Hillier said.

Delegation from Russian Shipyard City to Visit Portsmouth June 4 - 12

Severodvinsk, a city of 250,000 people in the far north reaches of Russia, has the largest nuclear submarine base in the world. As with Portsmouth-Kittery, the base is the area's major employer. Both communities face similar problems as a result of declining military budgets that threaten base closure. Both face massive ecological problems. Both are exploring conversion.

For the past six months, a group of Seacoast residents has been planning an exchange between Portsmouth and Severodvinsk. Four community leaders from the Russian city will visit Portsmouth June 4 to 12, with plans for a Seacoast delegation to visit Severodvinsk a few months later.

Severodvinsk officials have expressed a sincere interest in visiting Portsmouth to discuss what they call "social problems" common to cities where nuclear submarines are built, overhauled, and decommissioned. They are interested specifically in how we are dealing with radioactive and other hazardous waste, conversion to non-defense industry, labor issues, work force diversification, and health and safety. They also want to learn about the political infrastructure of our city, state and federal governments and how the government relates to the shipyard.

The delegation's schedule will include roundtable discussions on government, economics, and ecology, as well as visits to Pease, the Shipyard, and Portsmouth High School, and meetings with union officials. Anyone interested in helping by hosting visitors, providing meals, or translating should call the Portsmouth/ Severodvinsk Connection Committee at (603) 433-4119.

- Macy Morse

Have Your Responded to Our Annual Appeal?

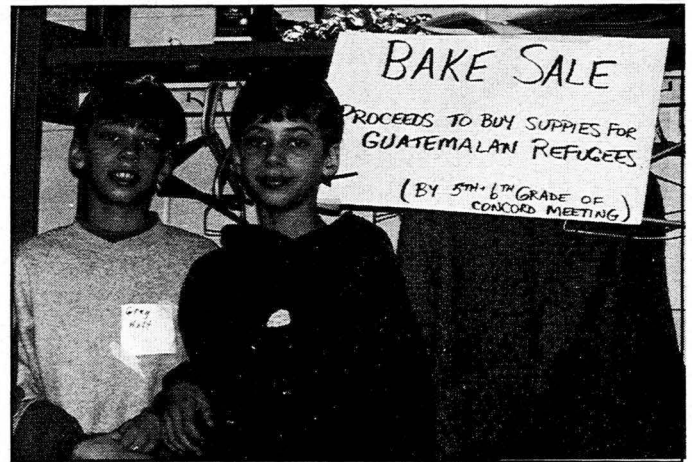
AFSC sends sincere thanks for the 110 responses to our annual fund appeal. Your support is essential to our program's continued effectiveness. If you have not responded yet to our request for donations, please consider sending whatever you can to AFSC-NH, PO Box 1081, Concord NH 03302.

Kathy Hillier Leaving Peace Action

Kathy Hillier, Coordinator of NH Peace Action since 1988, has accepted a position as Plymouth librarian and will be leaving the Peace Action staff. The organization's Steering Committee accepted her resignation with sincere regrets at its April meeting. Help give Kathy a good send-off by attending the Peace Action Annual Meeting on Thursday, May 26, 5 to 9 pm at the Concord Unitarian Universalist Church. Guest speaker will be Bill Hartung, a specialist on the global arms trade at the World Policy Institute and author of *And Weapons for All*. The organization will be seeking a new coordinator on a 3/5 time basis. For information, call Peace Action at (603) 228-0559.

NH Woman Monitors Progress Toward Democracy in El Salvador

Lynn Clowes of Northwood has visited El Salvador to monitor the March election and visit rural communities which have established "sister" relationships with New Hampshire churches. She has returned to monitor the April presidential run-off. Lynn will show slides and talk about developments in El Salvador at the Concord Unitarian Universalist Church on Friday, May 6, 7:30 pm and is available for other speaking engagements. For information, call her at (603) 942-7806.



Youth from Concord Friends Meeting, the Sant Bani School, and the First Congregational Church of Manchester raised money last winter to purchase humanitarian supplies for Guatemalan refugees. The Guatemalans are returning to their homes after years of exile in Mexico.

Alternatives to Violence

Would you like to develop skills in conflict resolution? lead workshops in conflict resolution in prison and community settings? become a peacemaker reducing violence in our society? The Alternatives to Violence Project (AVP), begun by Quakers in 1975 in New York, is a prison-based training program which helps participants examine the violence around and within them, and helps them explore alternatives. AVP has also been used for non-prison workshops.

The first AVP program in New Hampshire was held in 1992 at the NH State Prison for Men. AVP trainers plan to hold sessions there every other month in 1994, and hope to expand the program to other institutions. AVP is looking for more trainers, especially Black and bilingual Latino trainers. To find out more about AVP and the next Training for Trainers, contact Deborah McIlwaine, PO Box 603, Sugar Hill NH 03585, (603) 823-8866, or Dick Cornelius, 417 Shaker Rd., Canterbury NH 03224, (603) 783-0082.

Martin Luther King Day Defeated Again

By a 183 to 164 vote on March 10, the House of Representatives killed this year's attempt to change the name of New Hampshire's Civil Rights Day to Martin Luther King, Jr. Civil Rights Day. Supporters of giving recognition to Martin Luther King, Jr. expect to see another bill introduced in 1995.



Give Peace A Dance - May 14

The third annual "Give Peace A Dance," sponsored by Concord Friends Meeting to benefit AFSC-NH, will take place Saturday, May 14, from 6 to 11 pm at the Green Street Community Center in Concord.

Performers will include Drums of Thunder, a Warner-based group which draws its inspiration from African rhythms. Country dance caller Dave Bateman will lead a band made up of John Gfroerer, Bob Shanahan, Mark Doughty and others. Many Happy Returns, featuring Jonah and Will Erickson, will provide original and popular rock music.

Admission is free for those who have collected \$10 or more in pledges. Regular tickets are \$20 for families, \$8 for adults, and \$4 for school-age children, with \$1 off for advance tickets. Pre-schoolers are admitted free.

For information, pledge forms, and tickets, contact AFSC-NH at (603) 224-2407. Tickets are also available at ISIS, 38 N. Main St. in Concord.

Green St. Community Center is located behind Concord's City Hall, and is wheelchair accessible.

"The significance of spiritually-based nonviolence work is that it is moved by a vision of a future condition of peace that seems so improbable to the discouraged citizenry of individual states as to paralyze their capacity for action. The vision of God's Peaceable Commonwealth on earth is our unique contribution to a despairing world. Working to invent the nonviolent instruments that can bring it about will take all our energy, leaving no time for discussions about how much support to give to armed humanitarian interventions by states."

- Elise Boulding, in Fellowship, March/April 1994

Jobs development conference April 29

Despite the heralded "recovery," many people in New Hampshire are still anxious about the state of the economy. Numerous studies show that most of the new jobs created in recent years have been low wage. Temporary employment may be the fastest growing part of the economy.

We should not have to point out that people can't plan their futures on part-time or temporary low-wage jobs that don't have decent benefits. But that awareness is not enough to create good jobs that enable working families to live securely.

A conference on "Jobs Development and Conversion in New Hampshire" will be held Friday, April 29, from 9 to 3:15 pm at the Legislative Office Building in Concord to look at the state of employment development in New Hampshire and to examine approaches being made in other areas. The conference will take a special look at efforts to convert from military dependence to a civilian economy.

Sponsors include AFSC, the AFL-CIO, NH Peace Action, and the National Association of Social Workers. To pre-register, or for more information, contact the Granite State Coalition at (603) 226-3322.

PBI Volunteer Speaks in Peterboro May 5

Mary Loehr will give a slide show and talk at the Peterboro Unitarian Universalist Church on Thursday, May 5 at 7 pm about Peace Brigades International's work with the Innu Nation in northeastern Canada. In eastern Quebec, the Innu are resisting Hydro Quebec's plans to flood native lands with massive dam projects. In Labrador, the struggle is more against desperate poverty.

Mary Loehr spent nine days in Davis Inlet, Labrador working as a non-partisan observer, invited by the Innu Nation to help avert conflict between the Innu and the Royal Canadian Mounted Police. Previously she had spent a month as a PBI observer in Quebec. Her talk is co-sponsored by Monadnock Friends and the Peterboro Unitarian Universalists. Donations for the work of PBI will be requested. For more information, call Bob Hillegass at (603) 547-3589.

Quaker Witness is a publication of the New Hampshire Office of the American Friends Service Committee. In its work for social justice and peace, the AFSC expresses a Quaker belief in the dignity and promise of every person, and a faith in the power of love and nonviolence to bring about change. Arnie Alpert is AFSC's New Hampshire Program Coordinator. Contributions to AFSC are deductible for federal income tax purposes.

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Quaker Witness

... a New Hampshire newsletter

January 1995

Peace Activists Oppose JROTC



Educators and peace activists concerned about a growing military presence in public schools presented testimony critical of Junior ROTC to a NH Board of Education subcommittee meeting at West High School in Manchester Dec. 7.

"JROTC costs too much for local school districts, uses a flawed curriculum, drives down educational standards, and legitimizes war as a means of resolving conflict," said Judith Reed, a member of Concord Friends Meeting and coordinator of the JROTC Task Force.

Following presentations by JROTC cadets and demonstrations by rifle-bearing drill teams, representatives of AFSC, Peace Action, Veterans for Peace, and the War Resisters League had their chance to speak.

Reed presented Board members with summaries of a new AFSC report, "Making Soldiers in the Public Schools: An Analysis of the Army JROTC Curriculum." According to the report, "JROTC introduces guns into the schools, promotes authoritarian values, uses rote learning methods and drill, and consigns much student time in the program to learning skills that have little relevance outside the military."

Since September of 1993, the School Safety Subcommittee has been considering a proposal to encourage expansion of the JROTC program, which provides military education to public school students. A decision to start a JROTC program

SHOOT TO KILL, continued page 3

Introducing the NH Community Reinvestment Association

When AFSC decided last year to intervene in Shawmut Bank's acquisition of New Dartmouth, we quickly realized we could not—and should not—carry out this project on our own. We know we were not the only organization that cared about the community reinvestment performance of New Hampshire banks, and that many others had valuable ideas about what banks ought to be doing. Among our first activities was to convene meetings with representatives of organizations representing low income people, people of color, and affordable housing developers to develop proposals for Shawmut to consider.

Since then, AFSC has continued to develop relations among groups that care about the needs of banking consumers and to give birth to the New Hampshire Community Reinvestment Association, or NH CRA. Organizations currently involved with NH CRA include, in addition to AFSC, the Alliance for Progress of Hispanic Americans, the Human Needs Consultation of the Episcopal Diocese of NH, the Mobile/Manufactured Home Owners and Tenants Association of NH, the NH Association for the Elderly, the NH Council of Churches, the Twin Pines Housing Trust, and the Social Responsibility Committee of the NH-VT Unitarian Universalist Association. AFSC staffs and coordinates the Association.

The mission of NH CRA is to ensure that financial institutions serving New Hampshire meet credit and development needs of local communities, particularly low and moderate income people and small businesses; promote public involvement in the decision-making of those institutions; and end discrimination by them.

NH CRA's activities include:

Education

To promote understanding of the importance of reinvestment to the economic and social well-being of local communities.

Coalition Building

To organize and collaborate with diverse community groups, small businesses and individuals who see community reinvestment as vital to their communities and the state.

Technical Assistance

To help people define and communicate their credit needs to financial institutions.

NH CRA, continued page 3

1995 - The 50th Anniversary Year - Resources and Actions

Seeking and Telling the Truth

The year 1945 unleashed great hopes with the end of World War II and the founding of the United Nations, but it was also the year when the horrors of the Nazi death camps were revealed, atomic bombs were dropped on civilian targets, and the Cold War began. With this year be an anniversary to intensify our fears for the future or nourish our hopes for peace?

As the controversy surrounding the Enola Gay exhibit at the Smithsonian Museum has demonstrated, interpretations of historical events can be highly charged with political implications for the present. Despite the scholarly consensus that the atomic bombs were not needed to bring about Japan's defeat without an invasion, politicians and some veterans groups succeeded in pressuring the Smithsonian to tone down aspects of the exhibit which raised questions about the decision to drop the A-bombs and revealed the impact on Japanese civilians.

"It is most unfortunate that the Smithsonian is becoming associated with a transparent attempt at historical cleansing [emphasis in original]," charged a letter to the Smithsonian signed by several dozen scholars.

Peace activists planning activities that commemorate the events of 50 years ago need to be aware of the deep emotions aroused by memories of the Pacific war, the death camps, and the use of atomic weapons. However, we should not shy away from seeking and telling the truth. Nor should we shy away from our commitments to nuclear disarmament, to peace, and

AFSC Youth Delegation to Japan

Sixteen young people from throughout the United States participated in an AFSC delegation to Hiroshima and Nagasaki last summer. Ian McConnell, Sandra Park, and Amy Simmons, all students in Massachusetts, are available to visit New Hampshire for talks to schools, religious groups, and others about their visits with atomic bomb survivors and Japanese peace activists.

"With Our Own Eyes"

"With Our Own Eyes" is a 15-minute video about the AFSC Youth Delegation to Japan, showing how young people today learn about the bombings of Hiroshima and Nagasaki. The video was produced by Academy Award winner David Goodman, a former New Hampshire resident.

With Hiroshima Eyes

With Hiroshima Eyes: Atomic War, Nuclear Extortion, and Moral Imagination is a new book by Joseph Gerson, AFSC New England Program Secretary, to be released this spring.

Citizen Assembly, April 21 - 22

An International Citizens Assembly to Stop the Spread of Weapons will be held in New York City April 21-22 to coincide with the 25-year review of the Nuclear Nonproliferation Treaty at the United Nations.

Peace Crane Project

NH Peace Action is preparing kits to enable school and youth groups to fold origami paper cranes, symbols of the nuclear disarmament movement.

For more information about resources for 1995:

AFSC-NH, PO Box 1081 Concord NH 03302. 224-2407.
NH Peace Action, PO Box 771, Concord NH 03302.

Welfare Quiz

1. The vast majority of people receiving AFDC benefits are children?
true or false?
2. How many teenage pregnancies are intentional?
(a) more than 3/4 (b) half (c) less than 1/5
3. The average number of children in families on welfare:
(a) 1 (b) 2 (c) 3 (d) 4
4. From 1975 to 1994, the average AFDC benefit per family (not adjusted for inflation)
(a) increased 26% (b) stayed the same
(c) decreased by 9% (d) decreased by 37%
5. In how many states does the combination of welfare plus food stamps bring a family up to the poverty line?
(a) 49 (b) 27 (c) 11 (d) none
6. How many adults on AFDC have recent work histories?
(a) 71% (b) 65% (c) 48% (d) 21%

Answers

1 true, 2 (c), 3 (b), 4 (d), 5 (d), 6 (a)

Facts from Ruth Sidel, "The Welfare Scam," *The Nation*, Dec. 12, 1994. Sidel is Professor of Sociology at Hunter College.

Special Thanks

In the fiscal year which ended September 30, AFSC-NH received contributions from 250 people, totalling roughly \$15,000. Gifts ranged from \$2 to \$800. We send our deepest thanks to everyone who helps sustain our work for social justice and peace.

Universal Declaration of Human Rights

Article 25

1. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

2. Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

Adopted by the UN General Assembly, December 10, 1948.

Guatemalan Refugee Leader Visits NH

Nicolas Rafael Cardona, a Guatemalan Mayan whose village was completely destroyed by the Guatemalan Army in 1982, spoke at Hanover Friends Meeting on November 13. He is a member of the Permanent Commission of Guatemalan Refugees in Mexico.

Nicolas told about negotiations with the government so that refugees could re-occupy their former land, and about the experiences of the 10,000 refugees who have returned. A number of villages and agricultural cooperatives have been re-established, literally rebuilt from the ashes. The Guatemalan Army is no longer carrying out large-scale massacres, but is following other "strategies," including telling the people currently occupying the land promised to the returnees that the returnees are guerrillas. Nicolas said that this is false.

He said that we can help the refugees by getting our government to pressure the Guatemalan government to allow them to safely return, and to help them recover their land from those currently occupying it. They also need the sorts of physical support that refugees everywhere need, including credit for land purchases. Finally, they need outside representatives to be present in the ten re-established communities to serve as observers and witnesses and in this way to help prevent attacks by paramilitary groups.

[based on a report by Scot Drysdale in the Hanover Friends Meeting newsletter.]

Resources for Action for Guatemala

Join NISGUA's Rapid Response Network. Receive alerts when human rights abuses occur so you can send messages to US and Guatemalan officials. Write: Network in Solidarity with Guatemala, 1500 Massachusetts Ave., NW, #241, Washington DC 20005. (202) 223-6474.

Build Monuments to Truth. Help Guatemalans overcome military impunity by building memorials to people massacred by the Army. Write: Campaign for Peace and Life in Guatemala, PO Box 6069, Washington DC 20005. (202) 223-6474.

Support Women's and Children's Nutrition. AFSC's Gifts for Central America program is seeking holiday season donations for programs promoting women's and children's nutrition in Guatemala and El Salvador. In El Salvador, contributions will support diversification of family diets through kitchen garden projects initiated by women. In Guatemala, contributions will support livestock production and vitamin distribution. Send donations to: Gifts for Central America, AFSC, 2161 Mass. Ave., Cambridge MA 02140.



Guatemalan refugees in Mexico

JROTC: the bottom line is

"shoot to kill"

(continued from page 1)

would be made at the local School District level.

Macy Morse, a Portsmouth peace activist, described JROTC as "a seductive way of bringing younger and younger people into the military, with a bottom line of 'shoot to kill.'" Will Thomas, a Manchester teacher and Cuban Missile Crisis veteran, said ROTC is military training and does not belong in our education system."

JROTC is a military-run program, which includes military history and weapons training, offered in public schools. Congress has approved Defense Department plans to double the number of schools with JROTC programs. The Pentagon also plans to open 30 public high school military academies, which would be, in effect, entire high schools turned over to JROTC. Soldiers are also actively involved in school "volunteer" programs, like the NH Partners in Education.

Copies of "Making Soldiers in the Public Schools: An Analysis of the Army JROTC Curriculum" are available for \$3.50 from AFSC-NH.

NH CRA

(continued from page 1)

Direct Negotiations

(a) To work with banks to meet community credit needs; and (b) if necessary, to bring Community Reinvestment Act challenges, to negotiate and monitor compliance with CRA agreements, and to assist local groups in doing so.

If you would like more information about NH CRA, contact Arnie or Martha at the AFSC office.

Staff Notes

Martha Yager on Temporary Assignment

Martha Yager, of Henniker, has been hired to help staff the Banking and Community Reinvestment Project during the current fiscal year. Prior to that, she had been working with AFSC as a consultant. Although Martha's professional background is in theology rather than banking or finance, she says "it really isn't all that different. Our work is help empower people who are marginalized by our economic system, and to call upon institutions to give value to the human dimensions of their business."

Martha, who attends Concord Friends Meeting, is working with groups in northern New Hampshire to help them understand how they can make banks more responsive to the needs of New Hampshire's poorest region.

NH Friends Gather Jan. 21 in Concord

The 1995 All New Hampshire Friends Gathering will be held Saturday, January 21 at Wesley United Methodist Church, 79 Clinton St. in Concord, from 9 am to 3:15 pm. The theme is "Honesty and Integrity: Games People Play." Pre-registration for children is needed; call Shirley Leslie at 332-5472. For other information, call Marian Baker at 478-5650. Wesley Church is wheelchair accessible.

MLK Day Celebration Jan. 16 in Manchester

Awards to Bertha Perkins and Susan McLane.

Jared Sexton, President of the Black Student Union at the University of New Hampshire, will be the keynote speaker at the 12th annual Martin Luther King Day Celebration at Notre Dame College in Manchester, New Hampshire on Monday, January 16 at 2 pm.

The Celebration will feature presentation of the annual Martin Luther King Award to Rev. Bertha Perkins, pastor and founder of the New Fellowship Baptist Church in Hudson, New Hampshire, in recognition of her dedication to community service. A special award will be given to State Senator Susan McLane who retired in 1994 after years of legislative leadership for civil rights.

Awards will also be presented to the student winners of the Martin Luther King Arts and Writing Contest.

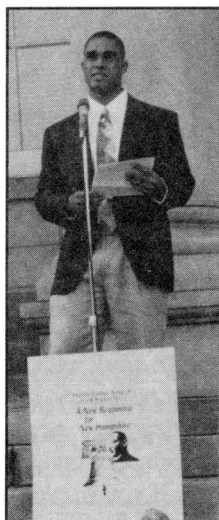
The Celebration will feature a reading of "Rich Soil," a play by Phillips Exeter Academy Senior Keya Gill Lui. "Rich Soil" won first prize in the Arts and Writing Contest in 1994.

The New England Pentecostal Church Choir, from Pelham, New Hampshire will perform original gospel music.

The Martin Luther King Day Celebration is sponsored by the Martin Luther King Coalition, made up of thirteen organizations. The Celebration begins with a potluck dinner at 2pm, followed by the program from 3 to 5 pm.

Notre Dame College is located at 2321 Elm St. in Manchester. The Celebration will be in Holy Cross Hall, which is wheelchair accessible.

For more information, call (800) 654-1270 or (603) 224-2407.



Jared Sexton



Hundreds Rally for MLK Day in New Hampshire

Nearly five hundred people marched down Main Street in Concord, New Hampshire on October 23 and held a rally at the State House steps calling for the state to change the name of its existing Civil Rights Day holiday to Martin Luther King, Jr. Civil Rights Day.

Speakers at the rally blamed New Hampshire's resistance to Martin Luther King Day on racism, ignorance, and "granite-headed stubbornness."

"New Hampshire must free itself from its state of ignorance and prejudice," said Jared Sexton, President of the Black Student Union at the University of New Hampshire.

Speakers also called attention to Dr. King's legacy in areas other than civil rights. "If we wish to indicate the principles that Dr. King personified," Sexton said, "we would have to call the third Monday in January Civil Rights-Human Rights-Equal Opportunity-Equitable Housing and Education-War on Poverty-Collective Bargaining-Fair and Impartial Judgment-Peace and Justice at Home and Abroad-Brotherly and Sisterly Love for thy Neighbor-Nonviolent Protest-The Pen is Mightier than the Sword-Patience and Understanding-Truth, Equality and Freedom for every last citizen of the nation-Piety and Deference Before God-Dignity and Pride for the Oppressed-Struggle, Struggle, Struggle, and Reconciliation...Day."

A proposal to change the name of Civil Rights Day to Martin Luther King, Jr. Civil Rights Day was adopted in 1993 and 1994 in the New Hampshire State Senate, but failed in the House both times. A similar bill will be introduced in 1995.

Proposals to enact a holiday for Dr. King were defeated in 1979, 1981, 1985, 1987, 1989, 1989, 1991, 1993, and 1994.

Civil Rights Day was proposed in 1991 by staunch MLK Day opponents.

AFSC-New Hampshire Turns Twenty This Year!

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