

he pointed out that "when we talk about declining tax base, we are really talking about what local jurisdictions assess their tax bases at. I daresay if we use full value of land as a measure, we would find no declining tax bases in even the big cities that are suffering the worst economic decline right now.

"The incentive alone could create new inner city construction development or rehabilitation of existing improvements and could further enhance locational values so that all local revenue could soon be derived that way."

While no one was asking the Federal Government to intrude on local process, Mr. Finkelstein said that there are many programs in the Federal Register that have a good deal of impact on local land use policy. He suggested the Federal Government require that the tax base of a locality be stated in terms of its full value and not in terms of its assessment rolls, which do not mean anything. He made particular reference to the use of the true value yardstick in calculating the burden of shared programs that is to be borne by a locality. This is some-

thing, he said, "that ought to be generally recognized and could be rather quickly and painlessly done."

There are very few strong downtown areas, he observed, but while properties have deteriorated and buildings are abandoned, downtown sites in our cities have not declined in value. Hence, if we let the tax on run-down buildings go while upgrading sites to full value assessment, we will not be decreasing the tax base.

Mr. Finkelstein and others on the panel were responding to legislators' questions about the economic effects and political feasibility of shifting tax incidence from improvements to site.

Appearing with the Center director were Arthu Becker, economics professor of the University of Wisconsin; Lowell Harriss, economics professor of Columbia University, and John Shannon of the Advisory Commission on Intergovernmental Relations. George Peterson of the Urban Institute was the principal witness at the hearing devoted to "Reforming Local Taxation as an Aid to Municipal Finance."

Letters

FORCE OF HISTORY

Syndicated columnists William Buckley and James Kilpatrick--writing in the recent political campaign--grouped together "gun nuts, food nuts, single-taxers, anti-flouridationsits, and a hundred passionate fellows who write in capital letters with red typewriter ribbons.

That Georgists should be labeled or associated in the public's mind with that calibre of mentality is some measure of what we must overcome.

The crisis of our movement is one of identity. Georgists find themselves aligned with almost every economic/political school of thought. Clearly, the first responsibility of our membership in New York is to define: What we are. Who we are. What we stand for.

We are judged within a framework of values delineated by the major concepts

of reality and interpretations of history that today contest for men's minds. The ascendant concept of history is Marxist. It is accepted by the public because the dominating intellectual communities (those that establish value criteria throughout the world) perceive the catalytic forces shaping society as confirmation of Marx's interpretation of history.

If we are to compete for men's minds effectively, we must recognize and accept that George's perspective is also an interpretation of history--one that is *more dynamic and more valid* than Marx's. Our socioeconomic postulations are really limited expressions of George's interpretation of history. The "fleeing out" and definition of that interpretation would be a monumental jog indeed, but the various public figures and intellectuals sympathetic to our views give us the capacity for such a definition.

We have made a start.

The most influential opinion molder of the nation, The New York Times, increasingly is quoting our research. This is symptomatic of our society's search for valid answers communicated in a meaningful and responsible manner.

This association with the media has been cultivated over a two-year period. It is the consequence of our research program. The basis for the program was agreement among Georgists to establish relevant dialogue with the influential elements of the community. The program evolved naturally and logically once we determined that objective.

There are other programs that can be developed and carried forward under the aegis of a Georgist historical perspective. Undoubtedly they would present fresh answers and insights to a responsive. In turn, these programs would substantially impact upon and improve the basic educational efforts of our school.

Si Winters

WITHER THE STATE

I have taken a few course at the Henry George School and have tried to read *Progress and Poverty*. Surely, it is a Christian idea that everyone is entitled to share the use of our God-given earth. But the clarity of George's economics and the details of his politics remain a bit beyond my grasp.

How do we translate his abstractions of "rent, wages and interest" in today's income and outgo business world without getting confused? Probably those who are smarter than I can untangle this, but unless it is straightened out, I and probably many others will have trouble following George's explanation.

Maybe it is not necessary to understand the economics to see the underlying justice in freedom of access to nature's gifts. We can take George's prescription for securing this freedom on faith. Suppose we do? Does this solve the political problem of our time? That problem is to find a way to prevent government, which is supposed to be the servant of the public, from becoming a parasitic bureaucracy encrusted on the community.

Perhaps George was more clear-sighted, or more honest, than Marx. George did not promise that "the state will wither away." He did, however, want the state to run utilities, railroads, and by extension we can assume telephones, radio, television and airlines, provide public baths and plant fruit trees with the tax-rent it collected.

Where then is the champion against the welfare state?

James T. Malone

ON BEHALF OF TRADE

The new Under Secretary of State for Economic Affairs has suggested that the US give up its efforts to negotiate an internationally agreed ban on many subsidies that governments give their exporters.

Former professor Richard Cooper, who now serves the Carter Administration, was expressing these ideas at a George Washington University meeting of European trade experts before he officially joined the Carter Administration. If his views are followed, they would bring about a major shift in US policy toward export subsidies and affect the current round of negotiations at Geneva.

Countries may be permitted to subsidize their exports to make themselves more competitive in world markets, but their introduction should be gradual, Mr. Cooper said. If a country were to subsidize its agricultural exports, he said in offering an example, its currency would strengthen on foreign exchange markets. This should result in an offsetting decrease in its exports of industrial goods because currency appreciation would have made them more expensive.

Few believers in free trade would object to buying farm commodities, for instance at a discount when the cut rates are financed by taxpayers of other countries. One cannot but wonder, however, why a country would be willing to give its farmers a boost if it has to take the benefit out of the hide of its manufacturers.

Lancaster M. Geene