

RenCen: Bigger drain than Silverdome?

editorial opinion

Easy answers fail to solve tax dilemma

The threat of a taxpayers' revolt conjures images of the French Revolution with a twist.

If California voters approve the Jarvis-Gann initiative next month, it may be the signal for taxpayers across the nation to pull a lever for property tax relief. There's a lot of appeal to pulling a lever and lowering taxes.

In fact, it is a high stakes poker game. Voters may be willing to call the bluff of elected officials who threaten drastic cuts in services. But taxpayers are naive if they're unaware of how budgets are cut. You slice away at the largest allocations—salaries. Fewer teachers, fewer police officers, fewer firefighters, and fewer clerical workers all add up to a slump in services for the public. If taxpayers can live with those cutbacks, fine. But bureaucrats resent the easy answer of tax limitation.

Take a look at the Farmington school board, for example. The board has a right to feel neglected. Over the past few months, public attendance at meetings has been dismal. The June 12 election has revealed voter apathy at its peak.

TWO SEATS are up for grabs on the board, and neither incumbent chose to run for re-election. Yet only four persons entered the race. One of those candidates, Catherine Egypt, known as "the Ghost," has failed to make an appearance at board meetings or last week's candidates' night.

She, like the overwhelming majority of school district voters, hasn't shown an interest in the board. Yet two of the candidates will oversee a \$27 million annual budget, which takes up the largest chunk of property taxes.

If taxpayers are genuinely interested in lowering taxes, why don't they bother to get involved with the election? That's a rhetorical question. Obviously, it's too much trouble. Better to spend an evening watching "Starsky and Hutch," bowling or hitting the driving range and let the elected officials give their time and effort to hassle with community and school problems and take the grief as well.

It's a lazy but popular attitude, and I've yet to see why anyone bothers to run for local office. It's a thankless job.

THE TAXPAYERS' revolt is generated by the attitude of letting someone else do it. But if we're lazy about taking a part in the governmental process, we forfeit our right to complain. The 18th century French property owners didn't have a say in how tax dollars were spent. That's the difference.

If we turn the tables 200 years later and assume the attitude of the French monarchy, we neglect a very important issue in all this. It's not a question of "us against them." If we want the best out of local and state budgets, we'd better be ready to reckon with the consequences.

LYNN ORR

In memoriam

The approach of Memorial Day reminded us of an old Abe Lincoln story told by artist P.B. Carpenter, who painted "The Signing of the Emancipation Proclamation." Carpenter's reminiscences of the 16th president were published shortly after Lincoln's death.

A woman's husband and three sons enlisted in the Civil War, and the husband was killed. She visited Lincoln to ask the discharge of her oldest son. Satisfied her story was true, Lincoln promptly wrote the discharge order.

"On reaching the army," the story goes, "she found that this son had been in a recent engagement, was wounded, and taken to an hospital. She found the hospital, but the boy was dead, or died while she was there. The surgeon in charge made a memorandum of the facts upon the back of the president's order."

The woman went to see Lincoln again. He said, "I know what you wish me to do, and I shall do it without your asking; I shall release your second son." The tearful woman blessed Lincoln profusely.

The point of retelling that tale today is to remind ourselves that Memorial Day is more than a day off work with pay. It is even more than a parade. It is a time when we can reflect individually on the men and women who gave "the last full measure of their devotion," in Lincoln's words. It is a time to reflect on the immense cost of war itself in comparison to the benefits.

This is a tale of two cities. It has two different plots and probably two different endings. Pontiac, the seat of Oakland County, owns and operates Silverdome, a stadium of national caliber. The city has some troubles because the stadium has run up an operating deficit of some \$3.7 million.

There has been talk that Pontiac would seek help, possibly from Oakland County, in covering the deficit. So far, County Executive Daniel T. Murphy tells me the city has not approached him. And he doesn't expect it to. Murphy says city officials and the stadium authority "have a good thing going" with box seats for themselves. Moreover, Pontiac's city manager is Philip O. Mastin, the man Murphy defeated for county executive in 1976, so it would be a terrible political embarrassment for the city to ask for county help.



Tim Richard

Much has been made in Detroit circles of the Silverdome deficit, but the truth is that such deficits were expected in the early years of Silverdome's operation.

Silverdome annually receives an \$800,000 subsidy from the Michigan Legislature. Much has been made in Detroit circles about this, too.

DETROIT POLITICOS, however, have little rea-

son to point the finger at Pontiac.

In the same bill by which Pontiac gets its \$300,000 each year, Detroit gets \$28 million or more.

Detroit this year will get some \$7 million-plus for operation of the Institute of Arts alone. That's about nine times the Silverdome's subsidy.

While Pontiac is pumping \$3 million or more into Silverdome, with the local subsidies due to decrease, Detroit has all but stopped putting city money into the Institute of Arts. For all practical purposes, the city is financially out of the art game.

Detroit is in the process of planning a riverfront arena. It will get federal help—Mayor Coleman A. Young is certain of that.

The contrasts don't stop there.

UNDER A STRANGE new state law, Detroit is setting up an economic development corporation and an economic development district, which is basically the downtown inside all the freeways.

If the city goes through, as expected, with the development district, all new property tax revenues will be "captured," to use the city assessor's jargon, by the city for development corporation.

The gimmick is that the \$337 million Renaissance Center will go on the tax rolls for general purposes at something like \$29 million—its early 1977 assessment.

As the assessment rises into the hundreds of millions, all those new RenCen taxes will go to the city development corporation. Wayne County, which is broke, will get zilch. Detroit schools will get zilch. Wayne County Intermediate School District, Wayne County Community College, the Huron-Clinton Metropolitan Authority—tough luck. The city "captures" all the new taxes.

DETROIT SCHOOL Supt. Arthur Jefferson is understandably unhappy. In five years, his schools will lose \$10 million in revenue because of the city's creaming off the RenCen pot of gold.

Jefferson will ask the Michigan Legislature to make up that \$2 million a year loss.

Now, let us contrast and compare.

Pontiac is absorbing (so far) the operating deficit of Silverdome and is getting an \$800,000 state subsidy for its stadium authority.

Renaissance Center is privately-owned, but its taxes won't be doing the schools, county and other local governments any good. The Detroit school district will seek—and no doubt get—an extra \$2 million a year from the state, 2½ times the Silverdome subsidy, and all the rest of us will have to pay Detroit schools the taxes they won't get from RenCen.

Adding it up, RenCen is likely to be a far bigger drain on the Michigan taxpayer than Silverdome.

THE \$2 MILLION DOLLAR QUESTION:
WHICH ONE IS THE BIGGER TAX DRAIN ON US?

☐ A. The Renaissance Center
☐ B. The Pontiac Silverdome

Jobless rate no index of human misery

Since the Great Depression, programs to minimize unemployment or protect working people from its effects have had the highest peacetime priority.

For several years, the reported rate of unemployment has been uncommonly high. Nearly seven million Americans now are, at least statistically, unemployed.

But the unemployment figure is no longer a reliable evidence of human emergency. Today's army of unemployed is quite different from the one which shivered in breadlines or sold apples on street corners and molded national attitudes about unemployment in the 1930s.

Of the 7.5 million unemployed whose plight was at the top of the national agenda last year, seven million were receiving unemployment insurance. Another 15 million Americans were on welfare, and 19 million were receiving food stamps. The Bureau of Labor Statistics has reported that nearly one-third of today's unemployed has turned down at least one job offer.

This is not to say unemployment is not a problem any more, but it is an altogether different problem from the one that shaped our present policies and attitudes.

ONLY A GENERATION ago, unemployment was a near fatal catastrophe. Today generous levels of unemployment compensation have made it, for some, a desirable and sought-after condition. Thousands of persons have their unemployment checks mailed to Florida.

The unemployment problem has outgrown its official definition. We are measuring the job-creating capacity of our system with a yardstick that has lost most of its meaning.

Last October the official rate was seven per cent. The figure broke down this way:

- One per cent were looking for work for the first time.
- Two per cent were re-entering the job market having voluntarily withdrawn for a while.
- One per cent had quit their jobs.
- One per cent had been laid off temporarily.
- Two per cent had been fired.

So less than half of the unemployed have been laid off, and one-third of these were simply waiting to be recalled. The rest could, on the average, find jobs in six to seven weeks.

THE OFFICIAL figure can distort the picture in other ways.

For example, it includes a lot more women than

Eccentricities
by HANK HOLAN

it used to, and a lot more teenagers. Women and teenagers tend to move in and out of the labor force voluntarily. If they don't find jobs the instant they begin to look, they show up officially as "unemployed."

Analysts estimate that the number of women and teenagers now in the labor force probably inflates the unemployment figure by as much as one per cent.

At the same time, many who will be suffering serious hardships are not included in the official figure because it only includes people who say they are looking for work. It excludes some unknown number who have given up looking.



By W.W. EDGAR

It was just happenstance that The Stroller was seated across the table from the 66-year-old lady who had been his wife Leonard's teacher when he accompanied her to the 54th reunion of the 1924 class of Marine City High School last weekend.

Over the years, he had been told of the wonderful teacher Florence Duddy was and how she helped her students develop their minds, though she was a strict disciplinarian. It seemed she was the favorite of all the students in that 1924 class.

Once before, at these annual gatherings, he had the chance to meet this jovial woman who has as much fun at these reunions—talking about old times—as any members of the class.

In other words, the official figure tends to leave out the very people who conform most closely to the unemployed stereotype—people who are distressed, discouraged, demoralized. So as a measure of hardship, it is worse than useless. People in the most distress are least likely to be included, and people the least distressed are most likely to be included.

THE UNEMPLOYMENT rate can be almost anything anyone wants to make it.

For instance, if you chose to limit the definition to full-time workers, it is 6.6 per cent. If you want to limit it to breadwinners or what the government calls "heads of households," the rate is 4.6 per cent. If you want to limit unemployment to people who have been laid off or fired, it is 3.2 per cent. If you want to limit it to people who have been out of work for more than 15 weeks, it is 1.9 per cent.

Since our official unemployment figures don't mean what they used to mean and certainly don't mean what most people think they mean, many experts think they don't mean much at all.

The Stroller

If Johnny can't read. . .

writers, so a student doesn't have to learn writing either.

"The schools are making a mistake because they are not teaching 'thinking.' It is just as important today as it was back when this class was in school that a student learn to think. They are not getting that today."

What did she think of the present system where students are being graduated even though they can neither read nor write?

Her answer was surprising. She said these students shouldn't be allowed to graduate but should be directed along a route that best suits their talents, even if it means terminating their school days.

TO PROVE HER POINT, this wise old school teacher told the story of a boy in one of her classes years ago who just couldn't make the grade.

"I counseled him. I watched over him. And I even put him on a special course for six months. I worked hard to get him on the right track. But he just didn't have it."

"There was only one thing I could do. I advised the boy to quit school (this would be an unpardonable 'sin today') and take up boat building as a career. He had come from a boat building family. He took my advice and became an outstanding boat builder and a real success in life. Yet he couldn't make the grade in school."

"This could happen in a lot of present-day cases. Instead of being kept in school when he can't read or write,

the student should be advised to leave school and take up a career in the thing he is best qualified to do."

This opinion, coming from a teacher who had handled all sorts of students up in the St. Clair River country, was rather shocking, at first. But as the thought sank in, The Stroller came to realize that it would be much fairer to the student if the cards were laid on the table and he were advised to leave school and take up a trade.

AS MRS. DUDDY SPOKE, The Stroller was reminded of the famous case involving Joe Louis, the Golden Gloves boxer, who went on to win the heavyweight championship of the world.

As the story goes, Joe couldn't make it in the grade schools in what was then Paradise Valley, on Detroit's lower east side.

So one morning his teacher gave him a note and sent him to another school. He followed instructions and when the new teacher opened the note, it read: "Please teach this boy to do something with his hands. He will never do anything with his brain."

So Joe used his hands and became one of the most popular of all the heavyweight champions.

Mr. Duddy liked that story. It was another example of what she thinks modern educators should do when they come across a student who can't make it.

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