

And finally, to emphasize a point in my paper, the per capita State and local tax as projected by the Tax Foundation for a family of five would be about \$2,100 in 1975. And this is indeed a lot of money. Perhaps this is one reason why people may seem to have difficulty in meeting their own needs through the market and privately.

Representative GRIFFITHS. One of the real problems, I think, in this whole question of whether or not you simply send back money from the Federal Government has become the feeling, evidently, or the understanding among the general public that if the money came from Washington, they would get a tax reduction.

Now, there are not going to be any tax reductions no matter which way you do it.

I would like to ask you also, in the matter of care of the central city or, of the cities, you have talked about the city's choice, what about the individual's choice within the city, the fact that the tax base could simply go almost to nothing? I was riding around the city of Detroit on Thursday afternoon with police officers. One of them looked mournfully at the burned-out area and said, "There goes the tax base. I will never draw my pension."

And I got to thinking about it afterward, and I thought to myself, you know, that is really not too farfetched an observation.

The real truth is that the problem of paying these pensions, particularly of police officers, is that they are a very high cost of any city budget. And it is not at all inconceivable that they might welsh on their agreement.

Let me give you a little example:

There is a deputy superintendent of police who retired in the 1930's still living in Detroit. He is in his 90's. The highest salary he ever drew was \$3,000. He is now drawing \$12,000 in pensions.

Mr. HARRISS. The inherent economic advantages of central cities are very substantial. The tremendous destruction in Europe of one city after another did not lead to the abandonment of the central cities as the place to rebuild. In spite of the rubble, and so forth, the reconstruction took place pretty much in the same locations—testifying among other things, I would think, to the economic viability. The real difference between the central city and other locations is the disadvantaged portion of the population. And Professor Netzer makes a good point about the rate of economic growth of central cities. Here is one reason why I suggested that any change in Federal aid be concentrated on the welfare aspect of the total problem. It is the one that State and local governments are least able to take care of themselves on a satisfactory basis, because of the mobility, interarea competition, et cetera.

Representative GRIFFITHS. Of course, one of the differences, though, between Europe and the United States, it seems to me, is that, first, in the United States there really is quite a lot of land left. And even big factories in the city of Detroit that employ hundreds of thousands of people can move, and they charge it off to the taxpayers anyhow.

Mr. NETZER. Yes. But, Mrs. Griffiths, there is a vast increase in office activity, white-collar activity, which is going on. Much of it is spread around suburban areas. But the increase is so large that it occurs in the central cities even so. What we are seeing in a large number of the bigger cities is a decline in manufacturing employment, or at least