CONFESSIONS OF A GEOIST

by Edward Coverdale

June 1999

Edward Coverdale, a fictional character borrowed from Hawthorne (Blithedale Romance, 1852), discovers the following manuscript sitting alongside Edward Bellamy's Looking Backward in the Shawmut College archives. It is December 26, 2000 (Y2K). It's a website (shawmut.edu) and a Y2K computer glitch still occurring that year somehow "misfired" a file transfer. The file was dated for December 21, 2100 but it mysteriously appeared on the Netscape during Y2K.

Preface

Revisiting the Historical Section

Shawmut College

Boston (December, 2000)

(After Bellamy, Looking Backward, 1988 (page 1)

I started these essays in Port-au-Prince, Haiti in December, 1987 thinking about having them ready, by December, 2000, at least for the historical section of Edward Bellamy's "imaginary college" (Shawmut College) for which he may have been writing Looking Backward (1888) about a century earlier, and which were to be found in the historical section or "college archives".

What would Julian West, the protagonist in Bellamy's novel have to say about the world from the real vantage point of the year 2000? As we get near that date, one would likely continue to be appalled by the material conditions of most of the people in the world where we now live.

When I first read Bellamy's novel, I was struck by the fact that the first paragraph of his preface picks up in the year (1957), "or, was it 1857" that I was committing a memorable (hopefully a first and only) act of real wrongdoing -- plagiarizing from a movie (It's A Wonderful Life) to create a "short story" for my high school magazine at Thomas Jefferson High School in Richmond, Virginia. I was the co-editor of the magazine.

I recently read a review of a book written (by a Professor Duke) about "Tee Jay" High School, fully expecting that I would find myself in the book identified as one of the "successful" products of that school. According to the review, the book is about change, continuity, and survival (of an institution) while my story is about personal and institutional change, continuity and survival.

After all, after I had plagiarized my first piece of romantic fiction (sparked in part by passion for my girl friend and a desire to win her heart and eliminate my competitor), I was to capture (by also wooing the teachers) the class speakership (a substitute for a highly graded valedictorian) and pose a set of moral questions for the 400 odd members of the class and their families, entitled "What Is Success"?

All I can remember is a few assorted lines from this or that long forgotten Victorian poet or preacher, defining a desire for "success" as something like a life's objective to "Plant trees, write a book, and have sons". I would quote these lines when 90% of what was really on my mind was a deeper, more intimate, relationship with my girl friend. end.

In rereading Bellamy and his critics many years later, I found that he was accused (as was I at the time by a my class competitor, the co-editor of the magazine) of plagiarism. According to the accuser, Bellamy was romanticizing Laurence Gronlund's Cooperative Commonwealth (1884).

Perhaps Bellamy and I were both "technically' plagiarists, but we were really trying through our romantic narratives to infuse others with a desire to lift themselves not so much out of material poverty but also poverty of living. To me, nothing so much captures the romantic political imagination as Bellamy's "parable of the coach" in Chapter 1 of his 1888 book. It was his "general impression of the way people lived together in those days, and especially of the relations of the rich and poor to one another, perhaps I can do no better than to compare society as it then was to a prodigious coach which the masses of humanity were harnessed to and dragged toilsomely along a very hilly and sandy road". Bellamy's "parable" goes on for several pages about the struggle of this mass of humanity before he concerns himself with Julian West's attempt to settle down in a life of marital bliss (riding comfortably at the top of the coach) in spite of the strikes and disturbances which were threatening this bliss at that time.

In my essays, I tell a lengthy story about riding comfortably in a coach (Coach class from Paris to Port-au-Prince Haiti along with my family to land in the middle of a major general strike in Haiti in June 1987). Because of the dearth of travelers to Haiti that summer, I was put in a First class seat along with the son of the French Ambassador, coming from school to visit his parents.

This is about 100 years (June, 1987) from the time Julian West starts his narrative on May 30, 1887 for the college archives. Life at the top of the coach was rudely interrupted as my family (wife, two children and a cat were evacuated two months later). I got by for about two months until late November 1987 when Haiti experienced the infamous "massacre of the voters" (My cook saw people shot at the polls) and as I was trying to calm my fears outside my mountaintop chalet residence (next to the French Ambassador's palatial estate), I was rereading Bellamy, Henry George's Progress and Poverty and Condercet's Esquisse. This was Condercet's last book, which he wrote in hiding, shortly before he lost his life in the terror (1792).

The Ton-Ton Macoutes were shooting outside -- greatly disturbing me, as well as my dog (the remaining pet who was left behind and who was also shot at in order to merely terrify her). In reality, they sought to intimidate the French Ambassador and the general population. Nonetheless, I found it hard to concentrate on preparing my own short Esquisse (sketch) which has now been elaborated in a period covering more than a decade. During that time, I developed and elaborated a set of ideas which I would like the compare and contrast with those which are an outgrowth of Bellamy's which I would put under the umbrella of Georgism (or geoism).

There is no doubt that as I started the essays, I was driven by another (personal) movement of sorts, called egoism. Over the years I gradually tried to put the g before the e and convert to geoism. But I started with the clear motivation to show how the modern theory of incentive compatibility, which some have been suggesting could advance the spirit of Bellamy's ideas could be used more fruitfully to advance George's and my ideas.

Coverdale goes through the manuscript, written by one of the incentive compatible theorists of the late 20th century. Most of the work is in the form of a draft, marked October, 1997, entitled Confessions of A Geoist.

Author's Preface

These extracts from a prospective book, or collection of essays, reflect my 30 years experience in public economics. The experience has been in every level (from city to international) and includes most governmental functions. The experiences I want to tell about reflect the interplay of the positive (what is) and the normative (what ought to be) and the attempt to narrow the gap between the is and the ought.

To recount some of the lessons learned, I draw largely on my experiences in intergovernmental fiscal relations and public regulation as well as upon the development of an idea, called demand revelation, which provides a potential means of better linking individual desires and their realization in the political processes which guide government's actions.

I will introduce my ideas in the form of a brief speech I recently gave to the Council of Georgist Organizations. The speech was entitled "Geoism and the Practice of Public Economics".

Geoism and the Practice of Public Economics.

I was happy to be invited here and talk about a topic which has come to be known as Geo-Economics. (See Feder, 1994).

I have long been sympathetic to the Geoist position, and to the extent that you will let me characterize my views as Geoclassical rather than Neoclassical, Geoism represents a position that many in the public economics profession can gradually be attracted to, as I was over the course of thirty years.

The geoist position, at least as developed by people like Feder and Tideman, is simply to advance principles of public economics known as benefit taxation, to structure incentives that will constrain rent-seeking behavior, and share rents from use of natural resources and the exercise of government privileges more equitably among citizens (present and future, ours and the world's citizens).

In this talk, I pick up on some themes in Gwartney and Tideman (1996), which references attempts to better measure rents from land, natural resources and government sponsored privileges and a good statement by Tideman ("The Morality of Taxation: The Local Case") about putting limits on the extent to which citizens can treat their fellows as targets of plunder (i.e. through political exploitation).

I would also like to elaborate on ideas of what might be done as we move from the local case to higher levels of government, picking up on a theme Tideman has expressed in other writing as follows:

"For local political decisions, privilege and political exploitation of fellow citizens have little salience, because dissatisfied citizens can go elsewhere. Land value taxation, free trade, Wicksellian approval procedures and user fees corresponding to marginal costs may be attractive components of a local political order, but they cannot be described as compulsory as long as no one is deprived or exploited. As the scale of the political order grows, the possibility of depriving or exploiting one's fellow citizens increases, and it becomes more and more essential to use the forms of organization that are objectively fair and efficient."

My development of this theme is as follows: (1.) recounting some of my experiences over the last 30 years, traveling through these higher orders of government (2.) some history and political philosophy or observations about converting the impossible to the possible (a purpose, I suppose, of political philosophy) and (3.) some suggestions about concrete steps that could be conceivably undertaken, by real political actors in the foreseeable future, to better implement the geoist vision as set forth by Tideman, Feder, and others. In some respects, I propose to present geoism as social art -- in part science, in part politics (the art of the possible) and part political philosophy (converting the impossible to the possible).

(1.) Waiting for Turgot: Confessions of A Geoist

I certainly wasn't educated to be a Georgist. I encountered Henry George first in the unfavorable (underground) light that Heilbroner portrayed him in the Worldly Philosophers. My initial bout with "Chicago economics" did not change this view.

Geoism came fast to me, however, in the mid-1960's in working for a land economics consulting firm, curiously named the Real Estate Research Corporation. I worked on real world projects involving transportation projects in the Chicago Metropolitan area (including a new international airport in the Lake, and the planning and financing of new towns (at the height of the "new town" movement). It was a time of near-revolutionary activity (the period from 1964 through the Chicago riots of 1968), and as part of a national attempt to understand (or perhaps contain) the revolution, we also contributed to the study of urban problems (as instanced by the contribution of the son of the founder, Anthony Downs, to the work of the National Commission on Urban Problems, known as the Douglas Commission).

I was always curious about really what went on with that Commission in its deliberations, and I may finally satisfy my curiosity. The source of this curiosity was the somewhat passionate (a vote of 8 to 4, I believe) dissent to the majority of the Commission recommending a "Treasury study" of "land value taxation" (LVT). It was led further into my study of how people like Paul Douglas (a Chicago economics professor) were led to carry these ideas beyond simply having them further studied. I was led into a study of how historians and political economists dealt with the Georgist phenonomen (Steven Cord's 1964 book on Henry George) and led me then into studying particularly the lives of people like Frederic Howe, particularly in two books: Confessions of A Monopolist (1905) and his later Confessions of A Reformer (1925) Howe had shared many of the same frustrations as Douglas -- each dealing with the public utilities in Cleveland and Chicago respectively.

Geoism -- Chicago style

What I was learning in the world of public policy was both reinforcing and conflicting with what I was learning in a more theoretical realm.

While working on projects such as building an airport in the Lake (which happily died), I was starting a dissertation on the "economics of water quality regulation", sitting for hours trying to figure out how costs of cleaning up Lake Michigan ought to be allocated in a way that might also lead to a process of revelation of preferences for improved water quality, and even the location of an airport in the Lake.

Some 30 years later, the process (called demand revelation) I came up with is finding its way into books on the economics of environmental management. See Oates and Mueller in Oates, 1996, on the use of preference revelation techniques to determine water quality cost allocations among communities surrounding the Chesapeake Bay). I describe the process later in a discussion of incentive compatible approaches to intergovernmental fiscal and regulatory coordination.

In essentially working towards some better solution to the public goods (preference revelation) problem in the context of environmental management, I came to the view that land was a public good (in a less strict, technical sense than usually meany in public economics).

As Petrela (1985) has noted in the same context, "Henry George's resolution of the social implications of land as a public good is consistent with modern economic theory's resolution of the negative externalities created by the use or abuse of nature's gifts, for example air and water... George's treatment of land as a public good was alien to early classical economic analysis and as Terence Dwyer (1982) has noted surprisingly modern "... rent reflects net externalities, so establishing private tenure but at the same time collecting the competitively determined economic rent for the public benefit will establish an optimal level of externality."

My initial experiences with treating "land" (and natural resources) as a public good (in the sense of collecting a competitively determined rent for the use of land and natural resources) were not fruitful (i. e. it was most alien to NCE ("neoclassical economics") taught at the University of Chicago). I was working as an Assistant Dean of Students in the Chicago Business School and that school had one professor in an urban economics program, but he had no students. I was his first formal student. There were students in the economics department like Tideman who were investigating something like what was later to come to be called the "Henry George Theorem" (in an article I refer to later), which I gradually became aware of. Nonetheless, when it became obvious to "middle of the road" academic advisers that my Geoist persuasions were perhaps in sharp conflict with "properterian" (and overt anti-Georgist opinion -- two of my advisers were republishing George's 1887 debate with Alfred Marshall in the Journal of Law and Economics -- 1969), I was gradually encouraged to shift my focus to some promising ideas on "preference, or demand revealing" (DR) approaches to helping to solve the public goods problem.

I got to introduce some of my Georgist thinking at the Smithsonian Institution in what became the lead chapter of my 1980 book --- calling it "The New Incentive Mechanisms: Capitalism, Socialism, and Henry George". During this period there was also a real awakening among economists to the merits of what has been named the "Henry George Theorem" (HGT), in the work of Smolensky and Tideman (1970), Vickrey (1977) and Arnott and Stiglitz (1979). There has also been work linking these ideas -- HGT and DR -- Tideman (1985, 1993), the spirit of which is contained in Gwartney and Tideman's article on the morality of taxation mentioned above.

Remarks on Bailey and Tideman's "Constitution".

I would like now to turn to my main purpose -- how you design "financial laws" that act as a complement to LVT and, more importantly, force, or strongly encourage, the adoption of LVT as a source of financing public services.

The ideas are contained in several recent articles by Martin Bailey, one of Chicago's most famous public finance professors, who recently died. Nic Tideman has taken on the task of publishing his posthumous work on A Constitution for A Future Country. In his articles (Public Choice, 1996, 1997), Bailey structures a set of incentive compatible decision mechanisms and agenda setting/referendum arrangements that essentially mimic the operation of the private market in the public sphere.

These markets largely eliminate the incentive to rent-seeking and politically exploitative behavior and to the extent that community-created values are appropriately reflected in land rents (i. e. the building of a dam or flood control projects) as opposed to some good that has non-material or symbolic value (Bailey, 1996, uses the example of public support of a monarchy), then there is a strong motivation to adopt what amounts to LVT (land value taxation) and/or the appropriate (supplementary) marginal cost (user) charges.

I have been trying in recent work to show how Bailey's method would work in a subset of current expenditure activities -- for example transportation or environmental trust fund expenditures (Clarke, 1996) which has been integrated into a collection of essays, entitled "Waiting for Turgot". Chapter 5 is a revision of a paper presented at the November, 1996 meetings of the Southern Economics Association, entitled "Incentive Compatible Resource Allocation: An Application to 'Distributive' Federal Programs".

(2.) Turgot Unplugged: The Practice of Social Art (and of Everyday Life).

I'll briefly introduce the concept here, which Robert Conlan (presently at the University of Hawaii) and I have called a "General Progress Program". I explain this concept as follows in a treatment of "intergovernmental coordination" in a section extracted from the aforementioned essays.

On Intergovernmental Coordination

The Nation has long needed more effective decision-making mechanisms for intergovernmental coordination of expenditures and regulations. Efficient coordination can be achieved in an incentive-compatible way where the effects of spending by any one subunit on another subunit can be more effectively taken into account as compared with current decision-making procedures.

Effective coordination also relates to an important national economic policy concern which is efficient and equitable spending and deficit management. The need for better coordination is evidenced by fractious Congressional debate (i. e. the Congressional debate over welfare reform) over how to implement acceptable reductions in intergovernmental transfers, accompanied by reductions in Federally mandated spending requirements.

Given the existence of decision-making mechanisms (i. e. demand revealing) that would motivate decision-makers to accurately reveal the positive and negative effects of spending and regulatory decisions on one another, why not use these mechanisms to achieve more effective coordination? The Federal Government can establish an initial level of entitlements (called a distributional status quo) and then, with appropriate provisions for agenda-control, let the political subunits decide what levels of actual spending, including Federally mandated spending, is required. In effect, Congress determines the initial distribution but allows more implementation flexibility to the subunits, adjusting the financial flows to reflect external effects.

To illustrate, I will assume we are applying the process to a subset of Federal discretionary programs (about $500 billion annually, and including National defense expenditures). Consider a subset of these programs consisting of about $55 billion in programs (transportation, communications and the environment) financed by Federal excise taxes. Assume first that, we take the President's budget and allow a "citizen's advisory committee" to propose substitutes or eliminations designed to "maximize the likelihood of minimizing harm" (a criterion elaborated by Bailey, 1996). Subject to oversight by a "Commission", it will allocate cost shares among political subunits (in this case Congressional districts) so as to try to equalize per capita (or household) net benefits among the jurisdictions (for example, by trying to make the cost shares proportional to estimated benefits -- see Clarke, 1980, Chapter V).

In this way, we approximate the goal of Wicksellian unanimity and Lindahl (benefit) taxation.

Suppose that the allocation of beneficiary tax-shares resulted in pressures for spending changes that were nonuniform among the districts. For example, spending may be cut about 10% (from $550 per household on average to $500. Lower spending districts with lower cost shares might end up with an average of $450 while higher spending districts remained close to the original $550 average. Under the system, compensating transfers in the form of interest on expenditures of $50 plus a credit on the $50 principal would be made in the form of an accounting transfer from the higher to the lower spending districts. If the advisory committee recommended prudent changes that also generated large net benefits and the compensating transfers were designed to achieve equal or proportional per capita net benefit increases for each district (that, say also averaged $500 per household), then the proposed package of changes would be accepted unanimously. (The result is that, relative to the original status quo, the lower spending districts would be loaning $500 per household to the higher spending districts and sharing in the social surplus created by more productive investments).

Perhaps such transfers may seem fairly insignificant in each household's budget. But what of the potential benefits to residents in any district if they carefully scrutinize the entire $500 or so in entitlements spent in or outside the district and can begin to effect self sustaining projects that are, say, financed through land rent increments and the appropriate marginal cost (user) charges? A resident that in no way benefits may be saving $500 per year with accumulating interest balances, accompanied by a significant incentive to make his/her preferences known.

In Chapter 5 of my book, I explore the potential for various "federalist" arrangements to govern district and National spending decisions. They range between close approximations of Bailey's "constitution" or "financial laws" to very simple means of determining interest rates to reflect disproportionate uses of Trust funds relative to initial entitlement (see Chapter 5). The strongest incentive system, based on Bailey's work, is a use of the pivotal mechanism for agenda setting and combined use of the pivotal mechanism and the Thompson "preference revealing" approach in making final budget and regulatory decisions in a manner that will achieve efficiency while minimizing redistributive harm. (To illustrate the power of the Thompson incentive if budgetary conflicts reached a referendum stage, the citizen would have a strong incentive to reveal the $500 he is paying for a project with no benefit to him and would receive up to one half that amount in compensation if his less preferred option was chosen).

Less strong incentive arrangements are explored in my SEA paper which are basically the integration of Bailey's approach with the Limited Fund Mechanism (LFM) which, like Thompson's approach, uses information generated by incentive-compatible means to compensate losers and minimize redistributive harm, through a process I which has been called "compensated incentive compatibility", or CIC (see Brough, Clarke and Tideman, 1995 and Tideman, 1979).

A second feature of Chapter 5 of my book is a combining of the agenda setting process with incentive compatible Congressional voting, at least initially, at the referendum stage. Rather than voting by individuals through direct democracy (as in Bailey's approach), I rely on representative voting in Congress or by Congressional committees representing regions or states in the process of agenda setting. I shall describe first an agenda setting stage where the system is operating under the aegis of one (monopoly) advisory committee which establishes one set of options for departures from the status quo. The committee works with executive officers (EOs) which essentially represent the interests of constituent regions (i. e. the executive officers substitute for competitive regional committees). I then turn to cases where there are competitive alternatives (e. g. a national committee's preferred alternatives competing with those of the executive officers or regional committees), where the decisions are made by Bailey's process in the context of Congressional voting via the VCG-Thompson mechanism. While the idea of such a method used in present legislatures may seem initially farfetched, one is usefully led into investigations of how it could be implemented in a "second best" setting.

In terms of what aspects of this approach may be immediately practicable, I suggest that they could be used in the context of infrastructure banking, through revolving funds or the rapidly evolving State Infrastructure Banks (SIBs) in the transportation area. The National government could, for example, come up with procedures for determining "incentive-compatible" procedures for lending among the ten administrative regions and the regions could "on-lend" in a similar way. I describe this mechanism in Chapter 5 in a section entitled "The Limited Fund Mechanism: Is It Ready For Prime Time?")

Conclusion

How does all this relate to Turgot and the problems of today. In a chapter of my essays, entitled "The Practice of Social Art", I speak of the various kinds of reforms discussed in these essays (education finance reforms and other efforts to structure financial laws to encourage benefit taxation) as analogous to Turgot's "Memoire sur les Municipalities" (September 1775). A good treatment of the treatment of the "memoire" in the enlightenment conception of "social art" is contained in Keith Baker's Condercet (1975). My interest in this area is how all this is traced from Turgot, through Condercet and the Idealogues through two "Belgian socialists" -- Colins and DePaepe. Colins (who died in 1859) is still referred to in the Grand Larousse as a "disciplino of Henry George". In his work during the mid-1830's, he built a grand "federalist" superstructure, almost a metaphysical one, to try to create the conditions that would lead towards the appropriate taxation of land rent. His work included detailed discussion of auction techniques for awarding franchises in the rapidly emerging public utility enterprises of the time (He even envisioned a worldwide "aviation enterprise" and the means for governing it).

His follower, DePaepe, who eschewed Colins' metaphysics, tried to carry Colins' ideas forward and to demonstrate to both Marx and Proudhon that such techniques would minimize the potential for political exploitation, either of the capitalist or socialist variety. (See G.D.S. Cole's History of Socialism, Volume II, Chapter 4) for a brief treatment). I think both these individuals deserve some attention in future anthologies of geoist thought.

I'll conclude this brief treatment of Waiting for Turgot with some of the related writings of Turgot's co-author (Dupont) and follower (Condercet).

The actual Memoire was a very "bare-bones" and straightforward outline of proposed reforms at the local level that did not involve economic matters beyond notes on various economies to be achieved in particular administrative reorganizations. It is clear that Dupont had written the "Memoire" as part of what he foresaw as an overall reform of government that would make possible a country-wide administration of the physiocratic tax. "In a letter to the Grand Duke of Baden, Dupont described the way in which the planned system of municipal courts would determine levels of tax on the net produce according to the needs both of the national and their own local levels of government". (The Economic Writings of Dupont).

Later, Condercet who picked up many of these themes in His "Vie de Turgot" (1785) was picking up further on these themes in his Letter From A Citizen of New Haven to A Citizen of Virginia".(1787).

As we were deliberating very general provisions involving the levy of direct taxes, excises and so forth (on a uniform basis) and authorizing expenditures on postal services and roads (U. S. Constitution, Condercet was advising as follows:

Let us now discuss financial laws: They are concerned principally with (3 things)...

"First, the way in which taxes are levied. it is very important both for the freedom and prosperity of the State that we decide once and for all that the only tax which is just and involves no violation of natural law is a tax levied directly on land, in proportion to its direct product."

Condercet then goes on to describe what must be done if this principle is not adopted (in terms of voting rules and the pluralities among the voting districts to decide about a direct territorial tax.

Later, he says:

"The second concern of financial laws is to fix the amount of the tax. I have to say I can find no good way of doing this unless we accept the principle, which is very simple and well proven -- even if rarely adopted-- that a land tax is the only just form of taxation."

Condercet then goes on with a detailed discussion of expenditure controls. What I'm suggesting in this brief paper that having decided to levy uniform excises, we can design a set of incentive compatible expenditure arrangements that motivate the districts to return, where appropriate, to the land tax as a final source of revenue.

I'm also suggesting a very simple moral to the story. No one is going to seriously move forward on land taxation when people can get what they want for free. We need to live with that realization. However, we often have episodic periods of reform when broad, if discrete, administrative measures might be undertaken in conjunction with an eye towards instituting what amounts to benefit taxation. Imagine an alternative to a "Truth in Budgeting" bill that can take Trust Funds off budget (which failed by one vote in the last Congress) passing with the appropriate incentive-compatible allocation features). One might find those with a strong bent towards benefit taxation (like Dupont) working in tandem with those who have no strong ideological bent towards the benefit tax idea (like Turgot).

One can always imagine an agitated Finance Minister. As in Waiting for Godot (late in Act I)

Estrogen (the assistant) turns to Vladimir (the Finance Minister) as says: "Be Happy". Later (after considerable reflection), Vladimir replies: Now That We Are Happy, What Shall We Do? Later, Estrogen then says (not in the play): Let's Write That Memoir".

Postscript.

A geoist colleague has suggested I might put my speech (what I actually said as well as what I actually wrote) on the rapidly developing network of geoist home pages on the Internet. The following is a brief description of my work and the prospective directions I anticipate taking in trying to advance it. I am trying to address the question and provoke comment, criticism and suggestions on the broad topic of "what should public economists do?". My contributions to a geoist home page are intended to elicit interest in answering that question. I adopt the conventional Webmaster's format -- Who, What, Where (How)? -- in order to help establish my credentials and describe the problem I am seeking to address.

Who?

In my 30 year's of government experience, I have sought to develop a sounder and fairer domestic and international political economy. My practical experience includes that of planner/economist working with the City of Chicago's designated planning firm (1967-70) to make that city a dominant international trade and financial center; the State of Illinois (1970-73) to help reform its tax, expenditure and economic development policies (particularly in the area of educational finance); and the Federal Government (1973-present) to better determine how the governmental regulatory apparatus (inclusive of taxes and subsidies) could be managed in a manner that would be socially efficient (including procedurally efficient and fair), as well as reasonably attain certain distributional goals of stability and fairness. I have written a book (1980) and more than a dozen articles (as well as contributions to government reports) on how these criteria could be met and it is now agreed that this work, for the first time, has shown a way to operationalize traditional welfare economics criteria (e. g. the Wicksellian unanimity principle in public economics). In my own work, I seek to demonstrate that this and related principles can also be operationalized in practical public policy, from the planning and management of the government telephone system to the management of global environmental and natural resources.

My goal, as I approach some 25 years in the "national service" (around the end of 1999) is to begin an active program of research and teaching in the area of public policy and public economics. Alternatively, I could become a preacher or propagandist along the lines described by Ulrich Witt in a article on the normative public choice economist can pursue the ideal without falling into the trap of "rational constructivism". My essays illustrate my experiences in a way that could help others better understand how one can shape a role as an "endogenous (normative) public choice economist" (see U. Witt Public Choice, January 1992) so as to avoid this trap. The Forward and Chapter I of my book discusses this problem, from the standpoint of political philosophy, in some detail.

At a practical level, this philosophy means improving institutions and decision rules, so as to make government and its relation to the domestic and international political economy more effective. This requires strategic thinking, effectively operationalizing and communicating policy -- based on the premise that could policy will translate into good politics. My experience elsewhere at the city, State and international level has taught me that this is possible. I believe it is also conceivably possible in Washington.

What?

As I contemplate my entry into this new field (which I'm trying to define for myself in these essays), I am preoccupied not only with the question of what public economists should do, but also about what I should do.

I sought to make some inroads on answering this topic (for myself at least) over the course of the summer of 1997, in preparation for my talk (see above) at the North American Council of Georgist Organizations. At age 58 (my age), Henry George died of a heart attack, precipitated by his attempt running too hard for election as the Mayor of the City of New York. I also wanted to use this opportunity to engage Georgists in helping to advance the philosophy of William Vickrey, another New Yorker who also died of a heart attack, in October 1996, about three days after winning the 1996 Nobel Prize in economics. I am hoping to find a way to live the rest of my life, hopefully to at least Vickrey's age, spending it in ways that were as fruitful and productive as his.

In 1993, Vickrey presented a provocative talk as President of the Atlantic Economics Association (see Vickrey, 1994), which was entitled "My Innovative Failures in Economics". He dealt with some prospective applications of the demand revealing approach, for example in the allocation of airport slots and to problems of fiscal federalism, topics that are taken up in Chapter 5 of this collection of essays.

Over the years, Vickrey's work evolved strongly towards what I would call the geoclassical direction. The work reflected both a strong geoist philosophy and the means by which the goals could be realized in concrete action. In order to illustrate the application

of the geoclassical approach, as well as the potential applicability of what have become known as "Vickrey-Clarke-Groves" (VCG) mechanisms, I include in Chapter 5 a brief discussion of the airport slot problem from a geoclassical perspective, also referencing a more technical paper on the subject (which a will include in a brief anthology on geoism and incentive compatibility). See outline of Volume II which follows.

This is a example of what I call in this work "geoliberal heresthetics", exemplifying an attempt to move the geolibertarian ideals, espoused in these essays, towards practical reality. It also expresses the conflicts that arise when, as a part of sound moves to free an industry from unsound regulation, one becomes engaged in "propertarian" conflicts over the use of what should be a "community owned" resource (airports and airways). One becomes embroiled in contentious disputes of the kind elaborated in my example of "geoliberal heresthetics".

Philosophically, I'm an optimist and, as stated in the above talk, look at political philosophy as a way of converting the seemingly impossible to the possible. To get a sense of an attractive philosophy in my view (but one which often seems impossible to implement), one can go to the now burgeoning Georgist Home Pages on the Internet. Examples that come close to my philosophical position include Dan Sullivan's "Geolibertarian" Home Page. See, in particular his papers entitled, "Greens and Libertarians: The Yin and Yang of Our Political Future" and "geolibetarians vs. royal libertarians". I also like Dodson's more historically oriented "Cooperative Individualism" where Dodson outlines his own ideas and points to influential present figures as well as those outside the Anglo-American tradition (e. g. Turgot) who have strongly influenced modern neo-Georgist thought.

To appreciate the broader reaches of the geoist approach as a "philosophy for the future", I would recommend the Earth Rights Institute home page, particularly Alana Hartzok's "Financing Planet Management". Hartzok lays out ideas that I gradually became familiar with over the years in the work of Nicolaus Tideman, starting at the University of Chicago as a graduate student, and later in the writing of a book, entitled Demand Revelation and the Provision of Public Goods (Clarke, 1980).

An example of Tideman's approach to public finance and economics is contained in a recent paper by Gwartney and Tideman, entitled "The Morality of Taxation: The Local Case" (1995). His approach to Social Justice is contained in a more recent speech/paper, entitled "Peace, Justice and Economic Freedom" (Reference paper on the Internet).

Less the ethical and philosophical features of geoist thinking may appear too distant from present reality, one can find ready access to a wealth of information and ideas in terms of how to support and implement important reforms on Cord and Vincent's Home Page (Henry George Foundation) as well as that of Hanno Beck's (The Banneker Center). Jeffrey Smith's Geoeconomics home page contains a wealth of ideas for implemnting geoist ideas in such areas as environmental and natural resource policy.

Where and How?

I am also a self styled "pragmatic liberal". Throughout

my public career, alternating between theory and practice, I have always been primarily (perhaps much too) concerned with what other practitioners would regard as "practical". The terms of engagement with existing "communities of interest" is very important. While there is considerable room for "political entrepreneurship", the path of policy change is sharply constrained by memes (the system of existing customs, habits and beliefs) and by what others in the "community" view as "practical". A good view of the problem, as well as portrayal of the role of professional economists in influencing public policy in communications media over the last couple of decades appears in T. Streeter Selling the Air (1996). See in particular Chapter 4 on the operation of the "interpretative community" within the Washington Beltway (available on the Internet).

My essays, particularly the Forward, take up this disjuncture between theory and practice in terms of how I gradually moved towards the geoclassical/geoliberal perspective and the relationship of this approach to the traditional public choice perspective (and classical political economy generally) as well as the perspective of those who pursue public policy from more traditional "pragmatic liberal" perspectives. In the Forward, I also address the view that the "optimistic strand" of public choice (which endorses the adoption of incentive compatible, demand revealing" collective choice procedures) is "impractical." The Forward contains a "dialogue" on this subject between myself and a law professor at one of our prominent Western universities.

A outline of the book as well as the Forward, Chapters 1, 2, 4 and 5 of the book follows.

Outline

CONFESSIONS OF A GEOIST

The following is an outline of the Chapter titles of my Confessions of A Geoist. The Forward and Chapters 1, 2, 4, and 5 follow. I intend to give these and the remaining chapter (3) to friends and associates in the near future. During the summer of 1999, Coverdale put 4 of these essays, which he took from the Shawmut College Archives, on his Home Page.

Forward

1. The Practice of Social Art: A Philosophy of Memory and Hope

2. Waiting For Turgot: The Making of A Public Economist

3. Road From Richmond: Confessions of a Geoist

4. An American Romance: A Via Media Between Memory and Hope

5. From Romance to Reality: The Practice of Everyday Life

Appendices

(A) On Demand Revealing Mechanisms

(B) On Bailey's Constitution

Note: The two appendices (A and B) to this volume provide a nontechnical treatment of how demand revealing processes work. They also describe how many problems (coalitions, rational ignorance) identified in the literature (including many textbooks) are solved through Bailey's "constitutional" approach. Two other appendices (under construction) relate all this to ethical problems of demand revealing and Appendix D describes, in summary form, a sophisticated approach to National budgeting based on Bailey's constitutional apparatus.

Who is Coverdale?

The reader my ask, why is this author and his tone so uncertain, veering towards self defeating factiousness, while relying on a thinly veiled pseudonym. Perhaps as an editor of Hawthorne's Blithedale Romance (BR) observed, it is akin to the nature of the suburban condition (BR, 1991, xxi).

"Suburbia is that indeterminate, homogenizing area between the true town and the real country, which seeks to combine the comforts of the one with the beauties and felicities of the other. Arguably, losing contact with the differing, dynamic energies of both, Hawthorne was astute enough to see that it was becoming increasingly difficult to avoid, ontologically, let us say -- some variant of the suburban condition. 'Lodgers -- in a sense -- all, or most, of us'.

This is why Coverdale's tone is so uncertain, veering towards facetiousness.

He says he might join an Exploring Expedition up the Nile or go fight for Kossuth in Hungary, but just to formulate the notional possibilities is to become aware of their absurd unrealizability. "Suburbanized" self consciousness seems to corrode in advance of any possibility of significant action and commitment.

As Henry James said of Him (Hawthorne)

"He is outside of everything, and an alien everywhere."