Adm. 203, Spring '11. Used notes

Levine's era of plty. was a set of catastrophes.

Δ Crime
Δ welfare
Δ alienation
disastrous war
inflm.
hi unempl.
urban sprawl, set up for energy vulnerability
destroyed mass transit
cities decayed
learning declined
concen. of propty. & indy grew
soc. sec. went bankrupt
medical costs soared

Re Robert Levine, Public Planning, major points

Chap. 1 Intro.

✓ Public programs have not worked well.
(He goes back a ways. NRA, WPB, & only NRA comes from LBJ's New Society. Yet he is in general a captive of his own. of New Society planning. lacks historical perspective.)

✓ (L is wordy. often vague; repetitive. Punch lines buried. As prof, I dig them out.)

✓ Learn from L., but also about him. A product of his times, fairly limited & no creative genius. The Brookings – JEC view, essentially.

Planning in U.S. has greater problems than smaller countries.

(L. never considers that planning may be unnec. or not the only way. It is client. w. doing something — w. policy.

Deals w. U.S. national level only.

Planning ≡ advance laying out of a program of actions.

Planning fails bec. demands might that cannot be derived. to books centers on implementing, this about plug.

~~Levine, resumed.~~

✓ p. 5 says comprehensive conscious public plng. & only became really pervasive 1960 — .

Wrong. Shows his blinders, lack of hist. perspective.

'65, PPB system throughout, proclaimed by LBJ.
To be implemented by ~~BJ~~ BB
Introduced '61 by MacN. & Hitch.

Feds. required it of locals getting money.
War on Poverty
CAP
Required "local anti-poverty plans"

Rose-colored glasses. Power strugglers in large part. SEWRPC

Public Hsg & Urban Renewal — antedate CAP
"workable program"

✓ Hiways — but lacked "comprehensiveness". CAP added this new requirement. On paper, maybe.
Water

Model Cities legislation ffd. CAP, but CAP wasn't getting results.

~~L-8~~

(More old program.

Un american activities
Smith act ; Truman's Loyalty Program
Palmer Raids
FBI
Containment, cold war
CID, etc.
Marshall Plan
AEC
Denazification of Gy.
Japan occn. reforms
Fed. Writers Project.)

LBJ said
Tools of modern mgmt.
Expert staff
Program analysis
✓ Define goals. Identify "national goals"
Find least-cost way to achieve.

~~L-4~~

L-5

'69, Prox. said PPB is to demand no more than that decision be rational. (True, but that's demanding a lot.)

Haveman, JEC, re PPB, lamented:

Agency heads not requiring program analysis.
Congress opposes.
Legislation doesn't stipulate goals
Verteilt fear
Analytical staffs not budgeted
Resistance by ~~th~~ personnel
Profnl. disputes.

'69 Prox. studies began job of reviewing & revitalizing PPB.

✓ Plan better, rather than less, L. agrees.

Avoid highly interdependent plans, one weak link destroys all bcs, they are in series.

Pleads for pluy. that rejects simple classic adm. ideas of how orgns. work -- hierarchy, T.O., etc.
And uses "sophisticated" new ideas, "knowledge of how orgs. work." (He means Downs, Lindblom, James March, & Herb. Simon.) (But weak on specifics)

✓ Planning is normative, ~~etc~~ "To plan is to advocate."
✓ Is typically "non-conservative", reforming. (Wrong. Ts. Rwy. Comm., Ag. Mktg. Bds., Farm Labor Service, Tariff Comm., etc. — They plan to defend & enhance vts. of prop.

L. has very time-bound & provincial concept of what is planning.)

Classic p. a. model:
Vertical lines, few horizontal ones
Boxes in a pyramid
Span of control
Line & staff
Pyramidal hierarchy
Authority Δ responsibility
Avoid overlap, duplicn., confusion.
Info. flows up, orders flow down.

Doesn't describe reality, classic model above.

Goal: to build normative prescription for better planning on the rich body of descriptive theory, w/o accepting Lindblom's "conservatism" — i.e. satisfaction w. present bureaucracies. ("mutual adjustment" among bureaus is Lindblom's keynote. Sounds like B.C. backscratching)

✓ Accept goals of New Society: Vague
"social justice" domestically
"peaceful progress" internationally
preserve "certain widely shared values"

To succeed, planning must be more sophisticated, re problems of implementation.

Need more participatory democracy - get input from people who now feel used & helpless.
∴ decentralize plng. Reduce ~~orders~~ commands from central authority.

We have goals
" " analyses of how bureaucs. work
✓ Needed: synthesis.
A la modern Machiavelli - L's self-image.
How to get from here to there.

Chap. 2 What Works & What Doesn't (forerunner of Zukunft)

Builds theory inductively. F. Bacon again.

✓ "Highly administered system" will usually fail: officials make policy & "levy it" on clientele.

✓ Some argue that some have worked
NASA, man-in-moon
Mil. deterrence.

But they cd. work better.
(Survival is a pretty minimal expectation from deterrence. There have been failures.)

✓ Excess cost is a problem. When does a multiplication of backup systems become redundancy & waste? (The old story of excess capacity for emergency use, found in water supply, flood control, peaking of all kinds, fire & police depts. etc. etc. etc. This cries out for more & better ec. analysis)

✓ Overdesign is a strong hedge vs. failure. (All who deal w. contingencies in govt. have this bias — partly bec. public perception & ability to analyze is biased, & partly from self-serving. ✓ Pvt. parties dealing w. contingencies are

less biassed. E.g.

Bank reserves
Retail capacity
Insurance
Car safety)

✓ Decentralized mkt. works better than a Command Society. ~~But~~ Decentralize. sld. seek to use & emulate ~~it~~ mkt.
But it fails to solve:

- pollution
- distrib. justice
- stability, full-empl.

(Cliché-ridden, he rediscovers the wheel)

✓ Fisc.-mon. pol. works by "gross" rather than "detailed case-by-case applin." (Rule of law vs. rule of men. Playing by the rules, win or lose.)

F/P leads to infln.-un-empl. trade-off.
To solve, wage-price guidelines & controls have been tried, } They don't work.
case-by-case

Fine-tuning doesn't work.

✓ A disillusioned planner asking "What went wrong?" JFK's "Camelot" was another word for Utopia, Shangri-la; Everwhere.

✓ Inc. tax is 2 taxes: a simple wage tax that "works smoothly & well". (He just doesn't see the non-working of it: bias vs. labor, labor's bias vs. work, vs. work for cash. Crime, welfare, unempl., do it yourself bias, political-privilege-seeking bias, pension fund bias, Hutterite effect bias, farmer bias, etc. ✓ His adm. blinders — if it's administrable, it's working. If no one protests much, it's working.

✓ 2d part, on prop. inc., § is ~~more~~ less automatic, full of "exceptions" (loopholes to you.)

✓ p. 21, having just recognized that prop. inc. goes to higher inc. people, he condemns prop. tax!

Prop. tax not self-adm.d.
Ineff.
Inequitable. (B.S.!)

Decentralize. w/o incentives works badly:
Mil. draft (1972), local boards
Welfare
Educn. & manpower trng.

Central admin. & comprehensive plng., 3 bad e.g.
NRA
WPB
URA

✓ L's goal: legislated countervailing power & bargaining
E.g.
1. Labor relations under Wagner Act of '35

2. Comm. Action under Ec. Opp. Act, 1964

✓ Both have worked well as bargaining-political systems.

Appropriately Machiavellian

L-12

Notes for Tu., Apr. 19, 1977

Chap. 3 Cases in Point: Domestic

A, Non-adm. system B, Admd. system C, Comprch.-Plng. D. Bargaining Systems.

A. Non-administered systems

The Mkt. system

Compn. drives away excess profits, wages

Engine is self-interest

Low profits, & wages drive resources out

Even imperfect compn. & temporary excess profits provide a dynamic. Perfection is not necy; decentralized motivation is.

(L. is glib – transforms his own narrow view of A. Smith into "the key point", etc.)

Virtues of system:

"It works" (all systems do)

"Smoothly"

Grows (they need to assume this is good)

Gy. & Japan are the other free mkt. growing countries.

Faults: c) Externalities — He doesn't get to this one.

a) Instability (& breakdowns!)

b) Unequal distribn.

anticipated. v. p. L-17

b) Re inc. distr.

✓ Glibly brushes off productivity thy of distribn. as "pure tautology".

(Ask students to explain what he means & then, what is wrong w. it.) (Shd. the workers carry the loafers, as L. implies?)

✓ Rightly criticizes Pareto approach (Δ inc. of A is good if doesn't reduce inc. of B) bes. it accepts orig. distn. as the base. (So we shd. not use Pareto, but stick w. productivity. Pareto is, ✓ indeed, a way of accepting the past base, validating propty. rts. and vested interests.

✓ This underscores the importce. of showing students how ✓ we can reduce inequality w/o abandoning productivity basis of distribn. -- by enhancing it. Is a matter of picking your loafers w. care. (And hating the loafing, not the loafer, for we all work & loaf alternately)

✓ Inc. distribn. is too unequal.

This leads to unequal pol. power.

✓ (He never mentions unequal propty. distn.; nor conc. of control of indy. & banking, levers of control that go far beyond income & propty. concn. Thus, fails to get to heart of matters, tho he pushes us suggestively part way.)

End of distribn.

a) Re Instability — remedies for

Amateurish description of bus. cycle, accepting all the myths of early Keynes. Causation lies w. spending & spending lies w. Inv. -- he's even more specific, "in business plant & equipment", mark of a cliché-ridden mind, or camp-follower.

Mighty multiplier, thru chain of spending.

Then per accelerator we have feedback of induced inv., altho he thinks this can "open up." ~~(I don't understand this)~~

(The original acceleration effect was different, had to do w. durability — review that.) Orig. if 2% replacement ea. yr., growth was metabolizing; perverted to induced inv.

✓ Bus. spending is primary, govt. can intercede & regulate, or "compensate". (has failed, bec. it is not primary)

Kennedy was first to 'admit' he was doing this. (I doubt this. FDR was pump priming; HST signed FEA of '46, & had CEA under underconsumptionist Leon Keyserling.

L. lacks history. Comp. proc. was ~~ancient~~ standard Mercantilist doctrine, has deep roots in subculture — is why it was so easy to sell. Rationality is what is hard to sell, except in Utopian forms, which also go way back, — and which are pseudo-rationed.

Beware people who claim novelty for ancient doctrines & policies.

But you who are looking for ~~how to~~ are easy

sell. study history.)

✓ Landmark event: Kennedy, '63, proposed tax cut to Δ deficit, already large. (The tax cut part was novel, but that's not what L. means.)

✓ (It is a conceit of school-of-thought camp-followers, ideological hangers-on & dependents, that their "new school" is truly new, their doxy is novel & ∴ more puissant than what went before. Older advisers were informal & lacked latest rationale & modeling. They cannot see that their own leaders ~~took~~ & appanage & apparati are rationalizers to same ends.) Halberstam saw it.

✓ But ΔM → ΔP, a problem (just as critics always said.)

i.e. Cong. insisted on the deficit. But it's not the deficit, it is how it's fixed, that's inflty. Cong. doesn't control that.

Inflty. in late '60s was due to Pres. & Cong. lagging in tax Δ. They didn't follow advice on which "economists gnrly. agreed". ("What ents? L's friends.)

(Ackley was weak, LBJ overrode, '67.)

(∴ Nixon elected to stop inflty., w. Mr Cracken.)

1969-71.

✓ L., as aside, laments that U.S. Cong. has real control over taxes & spending. Other countries are wiser (so?)

✓ Suggests where he's at.

L-16



Effect of wage rate Δ on diff. firms.

"Guidelines" policy of mid-60s (LBJ). Mild price control effort. Hold wage Δ to "productivity" Δ of 3-5%. Thus, bus. cost wd. not Δ. In addition, selective controls on certain things: ~~tobe~~ steel was singled out.

(If payroll is 10% of costs, and output per man rises 5%, and wage rises 5%, that allows a 5% Δ in all other returns. But if the Δ is due to adding K & land, the return per unit wd. fall. -- ?)

✓ L. imputes morality to obeying the govt. rules. Arrogantly imputes rule-breaking to self-pity. (Psych. thine adversary!)

Prior price control episodes:

1942-46. OPA worked for a while. Uncle Bernie.

1950-53

1971- a Nixonian "Phase": selective & tempo.

WW II, heavy taxes politically impossible bcs. to be incentive preserving they wd. have to be inequitable.

✓ (Locked into his assms., & the dilemmas they produce.)

(Abandons rationale for inc.-tax here, alleged neutrality.)

✓ Concln: "no answer has been found". (i.e. by his narrow circle. The ~~Washington~~ "Du Pont Circle syndrome." If it's not here, it doesn't exist.) (Potomac provincialism.)

b) Re Fed. Inc. Tax – remedy for inequality.

Equity & circumstances. Circumstances = income

(however acquired: Crime, gambling, propty., land, cap. gains, etc.)

3 canons of taxn:

1. Rev.
2. Ec. effects (later repeat, as "neutrality".)
3. Equity (This is his main Topic)

He adds later #4 Acceptability & compliance (by the powerful)

~~(Cf. 6 of A. Smith et al. who added~~

He adds later #5 Cheapness of collection, ease of adm.

~~Certainty~~

~~Steadiness~~

He shld. add: ~~Etc.~~

#6. Shifting, incidence, excess burden. ~~Uniformity~~

#7. Unavoidability ~~Unavoidability~~

#8. Stability

#9. Uniformity

Inc. tax, taxpayers accept, understand, & comply.

(What an insulated cocoon he lives in.)

✓ With holding "aids" them (paternalistic assumption they can't keep their own books.)

✓ Non-compliance is "cheating". Overlooks avoidance vs. evasion.

#6 Flexible by varying rates

Inc. tax is neutral, except work v. leisure.‡ (no)

✓ Sales tax is not. (Shifts from ~~so~~ assumed partial to assumed general eq. anal. -- silently assumes inc. tax is general, & sales tax is partial) "Fallacy of concealed double standard".

✓ ✓ General sales tax is biased, pro saving. (he may be right!

✓ Land tax is ideal

✓ Bldg. taxes are like a sales tax on bldgs. (partial eq. again, but maybe fair bcs. of open ec., & partial nature of tax on K.)

Ideal is equal incomes. (!)

✓ (Reading L., a love/hate relationship. He makes good pts., then preposterous & sloppy statements.)

✓ Inc. tax is self-assd. (Not so: W-2 forms & w/holding are done by others.)

‡ This choice "not gravely considered crucial to the economy." — a hateful sentence.

1966, 59% of tax rets. took standard deduc.

52%, or 7/8 of these report no prop. inc.

∴ 41% itemized.

27%, or 2/3 of these report no propty. inc.

✓ (52% + 27% = 79% w. no prop. inc. !!)

✓ The largest deduction on most returns is homeowners' int. & taxes. Adm. simple. (& note the clout behind keeping these. Rather than elim. them, put on upper limit.)

✓ ~~Com~~ Double depreciation of old bldgs, plus prop. tax on new, creates slums faster than Urban Renewal can "destroy" them (boy, are his attitudes obsolete!)

✓ Most important to L.: "it works smoothly" (un-defined)

(c) Externalities – never discusses here, altho. his standard brand approach is predictable.)

~~Cap. 26, Just this page~~

Administered Systems

a) Local prop. tax

✓ Inflexible? No, grows OK.

✓ Regressive - yes.

Regressive assmt? No. Arbitrary? Yes. Jumpy? Yes.

Demand for housing not elastic to income. Yes.

He's wrong, of course.

Cites Shannon re unpopularity surveys, w/o naming source.

✓ Tenants don't pay (i.e. not regressive.) But he hedges.

✓ Bus. prop. underassd? Yes, he thinks.

✓✓ Says prop. tax "has failed". Not at all clear why he says inc. tax "works" & prop. tax "fails".

✓ Says prop. tax is "decentralized" -- (but it is local, that's diff.)

(He relies on other sources & standard brand ideas, not an orig. creative thinker, a Camp-follower.)

b) Mil. Draft

(He may miss real point, that those who go are underpaid, & subsidizing propty.)

Draft bias vs. blacks, etc.
Lottery & mkt. alts. preferred.
Draft worked in WW2 when all went; but not when it was selective.

c) Public Assistance. (He doesn't say much here re admin.)

Welfare dependency spiraling out of control.

Perverse incentives vs. earning money
Punitive & paternalistic attitudes of welfare workers. NIG & SOB.
City. Welfare Depts. actually administer.
As w. prop. tax & draft boards, discretion is w. local officials.

(But so is inc. tax, really.)

d.) Educ. & Manpower

i) Educ., Fed. aid

Restraints: Church v. State; local control

Title I, "Elem. & Sdry Ed. Act", 1965

Aid is to Sch. Dists.

Formula: % or conc. of low-inc. disadv. student.

But aid is to SD, not student. No control over ~~spend~~ objectives of spending really.

(He's in era of solving problems by throwing $ at em.)

Altho aid is to dists, "it is defined in terms of aid to the students". (Vague) This "device" broke thru church-state & local indep. issues

Formula stresses AFDC, i.e. no. of families on it.

Funds flow thru state to SD. HEW administers.

In practice, no control. (Just cancels more under rent for prop. tax relief.) So, money not nearly spent for disadvd. children. Is no knowledge of how to help them anyway. No one has tried enough.

✓ Can summarize much of '60s, Burt & Rightest preferred inc. tax to prop. tax, arranged prop. tax relief

ii) Manpower & training.

Began in New Deal. Became empl. agency, oriented to serve employers, on whose good will they depended. Reward system based on no. of placements. (Power goes to propty.)

'62, new Manpower Ad. in D. of Labor. On a Hobby Roman Empire of established agencies, became their creature.

'64, War on Poverty, turned to help minorities. This gave M.A. more clout. They tried to use anti-poverty funds to gain control over 50 state empl. agencies, and family of older agencies under them.

Imposed a canned trng. program from top down. It was rigid, & didn't work.

Employers still called the tune.

(L. imputes too much to adm. aspect. He says it was decentralized, & rules, w/o incentives to get results. Sounds a lot vaguer than that — ignorant armies clashing by night.)

C. Systems involving Comprehensive Planning

NRA

NRA - Moley & Johnson try to plan whole ec. (Overstates novelty of New Deal. Ignores Hoovers support of trade assocns.

Fixing price & output. Relied much on public support of blue-eagle. Support wavered.

Basically, tried to do for all indy. what AAA did for agric.

Was partial price-fixing partially enforced.

He dumbly attributes failure to self-interest. A low-point in the book. Shd. always assume self-interest, like law of gravity. Fault is not self-int., but not planning for it.

Doesn't define failure. To the extent it held, the greater the failure, bcs. badly conceived.

More macro dogma. ~~The~~ Lower prices wdn't help anyway, bcs. lowers incomes.

Keynes discovered this. No, was ancient dogma of all unions & all price-fixers.

WPB

Why not use market. His answer is weak, & probly the reason is really other: the NRA crowd saw another chance to seize control.

He earlier said inc. tax was neutral; now says it hurt incentives

OPA, WLB, & WPB (earlier OPM).

WPB was tops. Goals:

& prodn.

allocate prodn.

~~Horiz~~ Horizontal vs. vertical alloca. of mtls., he stresses. (a distinction w/o a difference.)

Vertical means that you begin w. importance of the end-use, and work back from there. (How else wd. you do it?)

Controlled Materials Plan (CMP) was vertical, sent priorities down the system. Prodn. of mtls. was planned on basis of these demands — at fixed price. Figuring demands at schedule of prices was beyond capacity of system. (Large scale planning probly has this propensity, allergy to using demand schedules.)

CMP only used for 3 mtls: steel, al., cu. (a good thing?)

Did policy succeed? "There is no yardstick of demonstrable proof." — (a good thing for the planners. But violates #5, evaluation.)

Waste was accepted.

→ Apr. 26, '11

URA

He never explains guts of it -- the removal gap.

(Wh. Bay — no need for fed. money.)

"Slum Clearance" a goal --- note negative emphasis. Rehousing came second. No attack on poverty (low wages of poor.) (Not a systems approach, a big fault.)

L. denies that "removal" was real goal — cites some empty rhetoric. He shd. listen to H. Maier's rhetoric -- & see what he has done.

Required localities "to prepare a plan" for feder. -- (but not to implement it! Phony!)

URC & Levine fail to apply simple idea of S&D. If plan for better housing, plan to ↓ supply.

L. & Gronbeg scoe Martin Anderson for not seeing the programs had local pavtion.
So what? Feds subsidized, let locals max. local property equity by removing deficit users -- which have been uprooted seeking homes ever since, leading to exclusionary policies, w. further fed. subsidies.
If we want fed. aid to solve problem, give to people, not govts.
Feds. also gave so as to strengthen political machines.

Bargaining Systems - Countervailing Power.

Wagner Act

Likes unions b/cuz to "bargain".
Fits into a macro philosophy — encourages substn. of K for labor, this makes more invt., hence more jobs.
The fallacies we live by, in a nutshell p. 92.
(Small is Beautiful, Appr. Tech. Age of Limits, Wage Tax Credit, one reactions vs. this.)

L-28

CAP

OEO, etc.

Utter chaos -- but created, or encouraged, organization to rep. the poor.

(He has a pt. This is what the poor needed about this time. They were talking of looting, rioting, rebelling — not realizing that they had a way into the political system, & that system cd. serve them.

Chap. 4. Levine re Military

Redundancy pervades mil. plng.
Nice way of describing waste, weapons constituencies, gold plating, work-relief programs, maintenance of prop. values, etc.

Goals: a) To win w.w. II
b) To deter Soviets

✓ He omits c) To acquire i.e., & protect property interests abroad of U.S. nationals & allies.

a) Strategic war & plng.
Can't get military subculture to think of cost-effectiveness. (same as other profns.)

b) NATO
He recommended "military rationale" to hold alliance together, even tho there was no real threat.
Sounds like lying to me. The "Best & the Brightest" syndrome, Pentagon papers all over again.

The goal is holding NATO together. Never says why.

c. Vietnam

In retrospect, shd. have gotten out in '63. But that seemed unrealistic at the time. (To whom? Kenn. & J. had to sneak in, so many were against it.)

Am. mil. planners ignored "U.S. politics" — i.e., the will of the people. Ce strange way to put it.

Mil. machine is highly inbred, goes its own way regardless of civilian control. (same as other bureaucracies & professions.)

But intellectuals validated mil. action in Vietnam.

✓ Vietnam problem is one of x. subsidy. Domino theory exemplifies.

Moral of Levine here is his emptiness — need for new ideas in Wash.

J. Stockfisch, Incentives & Info.

1 pp. 29-36 missing (My copy only.

2 Supply & control of info. Incentives to supply info.

Same as Alk. oil problem -- give it away to learn about it.

3 Vagueness suffuses all, re meres. of output.
What are mily. trying to accomplish? How measure value?
✓ He never gets beyond combat-effectiveness & readiness.

4 We have one of most capt.- int. & energy int. mil. setups in the world -- & evidently not the most effective.
H: ratio of support to combat
" " " materiel to men.

Same eqp.- intensive bias we find everywhere.

(JS, p. 45, overlooks interest!) (Anyway, treats it vaguely)

5 Mgmt deteriorates into guerilla war
re planning, budgeting, programming.
a political process, but actors adhere to a rational model.
Subordinates are the source of info.
Quantitative methodologies are esply. vulnerable to this.

6 Solutions:
Decentralize
Fixed budget, allocated less centrally.
Healthy incentives, better info.

To p. 43

7. Stockfisch. Bureaucratic bargaining model

To oppose budget cuts, keep the less productive fns. & people; drop the things that will really hurt.

8. Notable for what he leaves out:

1. Drop people, hold r.e. Invisible cost. Yet armed forces payroll is not major input. ≅ int. on nat. debt.

2. Clientele. Weapons constituencies & base constituencies.

---

9. Discuss. of scale

✓ a. Centralize, & get misinfo. flowing upwards, etc. This is essentially an attack on

✓ - centralizn. the "illusion of McNamara" & o.t. that they can handle massive details adequately

✓ - scale. This is implicit, bcs. he goes to decentralizn. But decentralizn. is next to dissolution. He doesn't discuss problems of decentralizn, viz.:

✓ a. Lose central control - yet money comes from center.

✓ Pvt. bus. ~~has~~ ~~to~~ is able to solve by profit center system. Govt. agency can't do that.

10 Small armies in action get fast feedback.
or field commanders

11 Modeling large part of mil mgmt.'s effort. Modeling combat games.
Spurred by success of British O.R. in W.W. II.
(which led to mil. cost-effectiveness anal. & systems analysis (≡ looking beyond yr. nose)

But based on misinfo.
Analogy - my propty. tax study. Others use assd. values; needed to correct them.
Incentive structure was vs. it.
People wanted numbers, true or not. Mania of the times.

✓ 12 Misinfo. flows upward. Massive info. failure.
Combat not necy. Field trials wd. do.
The difference is in incentives to ~~apply~~ supply
✓ true info. Combat sharpens those incentives.

O.R. etc. got off the track bec. became tools of advocacy.

13 Cost of mily. studies — peanuts, $176 m, FY '74.

(Elson Flora)

14 Like Frenchman learning English, J.S. is saying not what he wants to, but what he can.

p. 12. Cost-effectiveness is bankrupt.

15 Output is "military merit:" targets destroyed, allies surviving, land captured.

Relevance of ~~increases~~ gains in weapon technical performance to combat utility requires field testing — not done. Weak link.

16 Input is heterogeneous. ~~It~~ They use index nos. — but these aren't well worked out. (Conversion factors not good enough, bec. of distn. rels. as you change proportions. Same problem as with assessing housing by computer? But computer assmt. validated annually, using Sales/assmt. ratios)

17 Prior Tool was "mily. hist."

Biased by desire to preserve regms. (I can vouch for this!)

18 Burden of proof is on the deviant — conservative bias. p. 34

Levine, Random notes

~~Chap. 1 Intro~~

Most "public programs" have not worked well.

- What collection of 'programs' has he in mind? LBJ New society stuff. They were ill conceived.
The whole idea of a ~~organizing~~ compartmentalizing the country into "problems", & targeted "programs" is a weakness of the approach.

We want to learn from Levine; & simul. learn about him, evaluate his biases, psych him out. He & his ways of thinking are a phenomenon, too, & an important one.
(Self-testing for students. Pass out a few problems each time, for home study. Give answers next time.)

2 places for blame:
1. "planning process"
2. Implm. -- failure of opns. to follow plans.

(3. The thinking process. #1 on Anderson's list -- perceiving the problem, identifying the crux, the essence.
A planner is a person who tells you best way of doing something that shdn't be done at all.) (Or shd. be done by the voters: or by impersonal objective programs like taxes.)

(Planning means forecasting demand, & input costs.
E.g. utilities. Demand vs. requirements. Obsolescence.
System approach – how it all ties together. Ec. Base. I/O. Use & abuse of computers.

(L. treats "planning" almost as an end in itself. Something whose desirability is self-evident.)

(Part of planning is defining a goal. That is good, & jibes w. "mgmt. by objectives"; q.v.
¶ 2 of report format: "formulation" shd. be "Goals"; in part. Goals plus "context" of givens.¶
Report shd. distinguish givens from variables.)

(L. treats plng. as tho invented by MacN. & LBJ. Badly overstated, no doubt.)

Plng in part:
Gallatin re nat. xptn.
Marshall Plan for Cal. wtr.
City plng. -- ancient art, v. Ch. 1 of Clawson
Ord. of 1781
Homestead Acts, RR grants, etc -- land disposal policy.
NRA
Oil prodn. controls
TVA
Farm controls
Tariff
A. Hamilton
FRB (nat. plng. succeeding pvt. plng)

FHa

WW2 Priorities & rationing

R.r. coordn. in war

Reclm.

A. Eng. Corps, rivers & harbors

Urban services from 1900 -- schools, libs., health.

Morrill Act

Forest conservation

Utility franchise & regn.

(Progressives of 1900-14 liked admn. commissions, w. quasi-legislative powers, to skirt legislatures & Congress.

(There were big govt. actions before, but not planned. Jerky, & in fits of absent-mindedness: public land laws; Reconstruction; confiscating Tory land; tariff protn; etc.

Pure Food & Drug, 1904-08

Workmen's Comp.

Loose constrn. of Constn. (Maysville Veto, etc.)

WPA, PWA, aaa, NRA, ccc, relief, WPB,

In W.W.I, Wilson delegated dictatorial controls to War Industries Bd. (under Baruch)

Lavish aid to agric. in W.W.I, per Farm Bureaus.

They pushed McNary-Haugen Bill, (failed) postwar, for dumping, using Fm. Bur. as trade assoc.

Hoover pushed trade assocns. w. codes, coop. action. (There was a merger movement then, helped lead to depression.)

Hoover spawned 2,000 trade assocns, ignoring anti-trust laws. From individualism to Hoover's "associational activities." (Kartels)

New Deal: SEC, FDIC, credit to farmers, homebuyers, reorgd. r.r.s., CCC, - ~~Fed~~ unempl. relief via. Harry Hopkins, a socialworker.

1933, the Brain Trust of Raymond Moley, Hugh Johnson, and Rex Tugwell through out the nostalgic Wilson-Brandeis idea of comps., and evolved Hoover's Associational activities into national economic planning

Step 1 was Domestic Allotment Plan of Prof. Milburn Wilson of Mont. ~~St~~ State College. Pay owners rent to retire land. AAA came of this.

Step 2 was N.R.A. "If some groups are dominant in the country, they will be dominant in any plan the govt. undertakes." - George Peek, head of AAA.

George Peek & Hugh Johnson were both protejes of Baruch.

By 1938, FDR had drifted over to a Wilsonian position - PUHC Act, ~~SEC~~ etc. Ickes, Corcoran & Cohen. Frankfurter, Robert Jackson, Leon Henderson, Isador Lubin. Jeffersonians.

Fair Labor Standards Act, min. wage & max. hours.

Wagner Act.

1937 Trust-busting phase, led by Corc., who forced it on FDR

Soc. Sec. Act. '35
HOLC, '33
Farm Sec. Ad, '37.

Tommy Corcoran was a great president, 1937-42.

Then came WW II, & it destroyed the free ent. coalition just as ~~it~~ WW I destroyed The New Freedom.

WPB became another business-in-govt. monster. Dollar-a-year men. (they kept their corp. salaries)

Donald Nelson (Sears Roebuck) headed WPB.

John Lord O'Brian, general counsel to successive War prodn. agencies, stopped the delegation of sweeping powers to industrialists, & preserved anti-trust laws. But Roosevelt gradually lost interest, & ec. controls reverted to 1917 pattern.

Manny Maverick, tried to keep wartime patents from going to big indies — failed

As chief of Smaller War Plants Corps, tried to spread war contracts around. Failed.

Govt. spent $16. on indl. res.: 67% went to 68 firms. Patents went to contractor, not govt.

1942 election went right wing.
1946, Republicans won both houses.
(In Eng., they threw out the Conservatives after the war.
In U.S., v.v.)

Wartime rent control program
Prohibition -- there was a program.

Elements of Planning

Planning means looking ahead
Coordinating -- make sure the parts fit together
Synchronizing -- -- -- -- come -- same time.
Financing -- -- : you meet the next payroll; pay debts.
Conserving K: Deliver what you promise. ~~Start to~~ finish what you start, on time.
Replacing
Forecasting -- demand & supply prices.
Securing options.
Contingency plans Reilly's Law
(Soc. sec. ... a masterpiece of bad planning)
(Pvt. pension funds, same.)
Building a staff; maintaining the going concern

Adm. 203
Tu, Apr. 26, '77

Agenda

Daicoff
Levine
Stockfisch
BMS
Green Book

Adm. 203
Tu., Apr. 26, 1977

Points from BMS

1. Defense not a public good. Discretionary $.
2. Client groups get right in middle of govt. policy.
3. Buy cheap, when tenure precarious.
   Then get govt. to serve land.
   Analogy of extending ~~police~~ city services & U.S. force.
4. Hi conc. of ownership of land w. hi potential Δ Value from public spending.
5. Control by caciques. Tax-relief. Hi concn. of power.
   Same in Montana.
6. Resource-int. nature of U.S. overseas. – not cheap labor.
7. Use of U.S. funds for internal security.
8. Awful need to win everywhere, to maintain credibility.
9. International comity of property. Use of U.S. taxpayer & soldier. Multi-nationals, owned everywhere.
10. Cartels, needing world control.
11. Source of value – plowback, approp. & appreen.
12. Frontiers for capl. rather than labor.
    Capl. shortage at home, ~~the~~
    Fn. investors invade U.S. to do fn. lobbyists.
13. Applying pressures to fn. govt., to favor U.S. concessionaires.
14. Tenure: Protecting it
    Creating it, from existing caciques
    Capturing it.
    The common seas – no prior cacique.

Overexploration during open time phase.

Discovery, priority & power.
Princ. of eff. disadvantage

Preferred entry to U.S. mkt.
Oil quotas. Military sales.

Maintaining cartel discipline

Program ~~Work~~ Plan, from Anderson

Formation. Perception. Goals
Formulation. Alts., pro & con
Adoption. Who adopts, Constraints. (goals somehow, too.) Distr. of B & C
Implementation. How staffed? How affect policy content.
Evaluation. Self-correction, control.

Report Format

1. Problem formation or perception, seeing a chance to act. Or oppy. -- politicians often see things as problems bec. they respond to pressures, spend their lives so. So do others.

Calling it an oppy. is more positive, shows you are taking charge of your own priorities.

In general, #1 is perceiving an oppy. to act effectively to a good & desired end. So here, must define goals.

Goals

2. Formulation

Alternatives

What are they?
How developed?
Who participates?
Pros and Cons

3 Adoption - the client

Who adopts? How? Under what constraints?

4 Implementation

How carried out?
How affect policy content?

5 Evaluation. Post-mortem. Self-correction. How measure success?
(Beware cumulative self-defeating policies, failure makes you prescribe more.)