Co. 279 Planning

Dear Francis Tannian

302-738-2413 ~~ff.~~

302-731-5850

~~931-4411 air Com.~~

Call him from Phila.

airport, take Limo to

Hotel duPont, Wilmington.

Mr Zill on Wed., Feb. 5, so before or after is good.
Call him from Montreal.

Tennessee

1. Duties of "position"
   (I want to teach, yet have time to write.)

2. Demand for students -- kinds of employers.

3. Is employment a legit. topic to pursue. I want to keep my hand in that.

4. Disciplines now dept:

5. Relations to ecs. Dept.

6. Some of my ideas:
   MC pricing - city as distorted price system
   Relation of city & hinterland
   Intergovtl. relations

7. Fringes.

Call Tannian

Questions to ascertain if trip & 2 days are well spent.

0. Duties of "position" – teaching U grad. students mainly?

1. Is there scope for continuing my current research?
   Unemployment – an urban qu?
   Public finance. Effect of taxes on urban structure; on city as source of jobs. On supply of housing. On marketing costs. Etc.
   Intergovtl. relations.
   I see "urban affairs" ~~as~~ not as an enclave, but a point of entry into the entire human dilemma.

2. Approximate terms available –
   a. Salary
   b. Ac. yr., & availability of summer work (tho from there I ed. consult a lot.)
   c. Trips to profsl. mtgs.
   d. Tenure
   e. Fringes – pension etc.

3. Relation to ecs. dept. & rest of univ. (Eric Brucker)
   On same campus?
   X-listing?

UNIVERSITY OF DELAWARE
NEWARK, DELAWARE
19711

DIVISION OF URBAN AFFAIRS
ANNEX, 5 WEST MAIN STREET
PHONE: 302-738-2413

January 15, 1975

Dr. Mason Gaffney
4065 Lockehaven Drive
Victoria, B.C. V8N4J6
Canada

Dear Professor Gaffney:

But deadline was Feb. 1

Thank you for your letter. It came at a good time because our committee met yesterday to decide on the persons we want to invite for interviews. You were selected as one of five based upon your work in resources and public policy analysis. Both of these areas (obviously inter-related) are basic components of our interdisciplinary doctorate program.

We need to decide on a time when you could come and visit. For our purposes, the sooner the better. Would you look your schedule over in the first two weeks of February or even the last week in January and then give me a collect call (person-to-person) advising me when you can come. The best way to Newark, Delaware is via the Philadelphia airport. We can arrange to pick you up and other particulars but the date setting business is the most important now. If you can arrange to arrive some evening and then stay two full days, we should have adequate time to appraise goodness of fit.

We would like a list of references including persons who have direct knowledge of your graduate level teaching effectiveness. These persons would not be contacted until after your visit. Also, we hope you will be able to present a seminar when you are here for our staff and students indicating what you think are fruitful directions for research on urban-metro policy issues.

When you call I will try to respond to any questions you might have. I look forward to hearing from you.

Sincerely,

Francis Tannian

Francis Tannian
Chairman
Recruitment Committee

FT:sb

Cermicle Chs. 1, 5, 9.

1. Premature subdivn. antedates cities. Misplaced small fms., in Adirondacks & Catskills. (Cf. N. Wisc.) Collapse of '73 in adirons.
(Cf. hi plains)

2. Urban expansion, boom of '30s, bust of '57.
(Note time-honored nature of cycle — not a new thing.)
Calls it ~~the~~ N.Y. State's first boom in city lots, but probly wasn't — cf. 1819.
1836, street assmts. were 80% of all other govt. costs ( )

Ec. 927, 2-21-68

Functions of cities.

1. The Urban Potential. (Use ULI Outline)

2-28-68

2. Functions of Cities. (Use Urban Exp. & notes from E. 520)

a. Urban Exp. - (doesn't add much to urban potential)

b. S. Florence - stresses ecs of scale or Ag returns to cities

c. R. Fuchsman - critical mass. See notes

d. B. Chinitz

e. R.E. Murphy

f. A. Smith

g. H. George

Fed. policy.

Trick is to depre. land. Several times -- each time you buy & sell

If you demolish old bldg. you're admitting it's land, can't depre.; if you don't, can depre.

If you die, no cap. gain tax.

May 22

Inc. tax & urban land ecs.

Theme: inc. tax is a payroll tax; propty. escapes.

1. 0-occ. resid., no tax
2. Inc. propty.
   Fast write-off. Tax shelters.
   Repeated write-off. Denton. Bias vs. renewal -- more than offsets advantage to challenger, at the margin.

3. Land
   A neutral inc. tax is the propty. tax.

Urban Ec. vs. Urban Land Ec.

Land is not ~~&~~ the city. It is not even r.e.

Ratcliff has gone far beyond Land Ecs (& not covered land ecs.)
His book is misnamed, ... it is more like Urban Ec., or housing & planning.

His 1961 book, p. v., says Urban Land Ecs. is not sufficiently pointed to process of invmt. anal. Does he then think it is ok for econ. anal.

Where might overlap, Manny & ? have split field

A. Land ecs. to me is course in ec. thy, first

1. Land in cap. thy.
2. Land in location thy.
3. Land in distn. thy.
4. " " micro " (incl. welfare ecs.)
5. " " macro "
6. " " Pub. Fnce.
7. ~~B Urban Land~~ " " Intl. & interreg. trade. Factn propns.

B. Urban land specifically. Bring several of above to bear on specific & current pns.

External ecs., techn. & pec.

Latter ed. subsume bare studies, social accts.

Renewal

Succession & supersession. Sprawl, social costs.

Xptn & bldg. cycles

Pub. works. Integration & synchronizn.

Assembly & subdivn.

Location, ~~mass~~ in the large & the small

Course Plan, Ec. 927, Spring '68

	Indiv. Parcel	Interactions Among Parcels
Theory	The Urban Land Mkt.	Ec. Base
Institns.	" " "	Mstmt: Internal circ
Policy	Pub. Fnce	E. stability

1. Functions of Cities: urban potential

2. The urban land mkt.

3. Measurement

4. Circulation
   a. External
   b. Internal

5. Ec. Base

6. Public Finance
   a. Taxation
   b. Expenditures: how to direct them

7. E. stability and growth - Urban Expansion

How does this affect location?

Dairy Lowers Milk Price

Milwaukee's milk price war moved on two fronts Thursday:

Two northwest side stores were forced to raise their prices 4c a gallon to meet state minimum markup requirements. One of them had been selling milk, in glass bottles, for 69c a gallon, the other for 73c.

At least one dairy, and possibly others, cut prices of home delivered milk. The reduction of 3c a half gallon followed an earlier reduction of 1c.

The price skirmishes, which dairies blamed on food stores, have tumbled prices as much as 17c a gallon in stores.

Chain supermarkets in general were selling milk for 79c a gallon, or two half gallon cartons for 83c, a 10c a gallon decrease. A few discount stores were lower. One store was giving away a half gallon of milk with a $5 food purchase and a coupon.

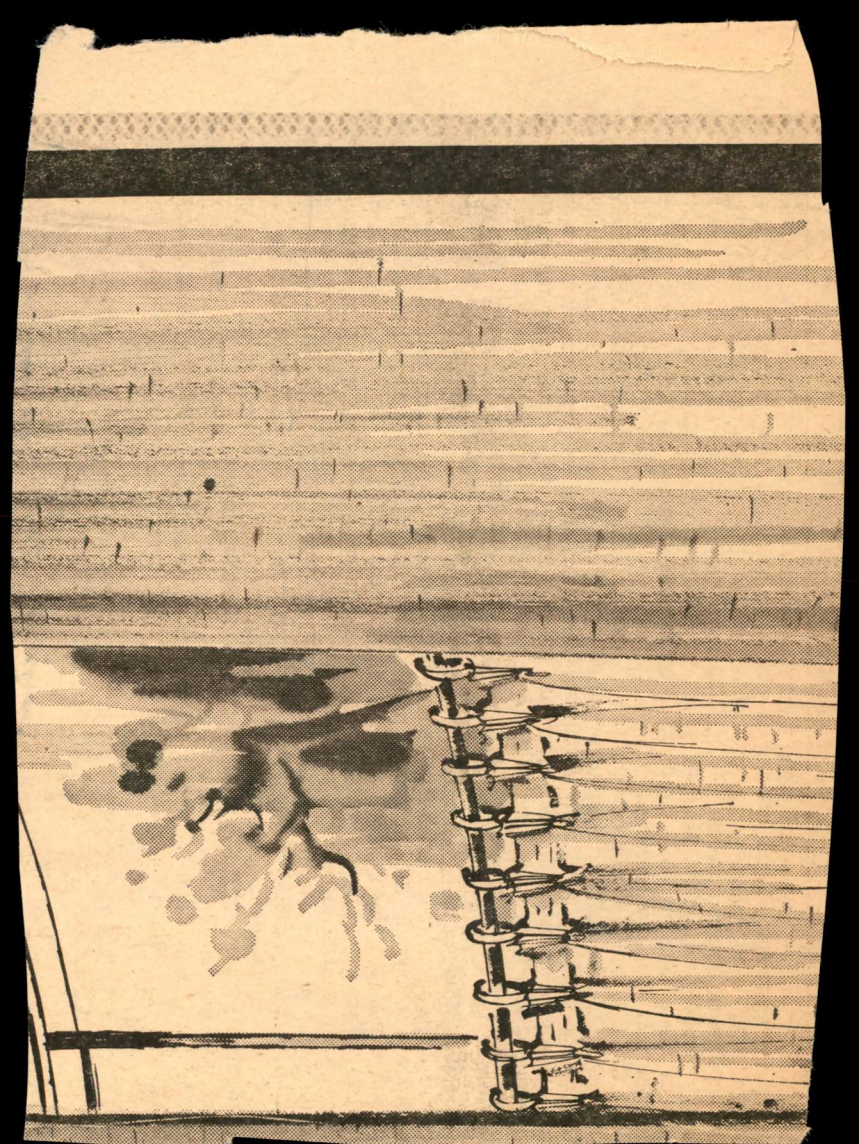
The state agriculture department, which is responsible for maintaining fair dairy prices, said an investigator had found that the two stores in question were selling below the 9.18% markup required by law. They had been lower than the rest of the area all along, according to Claire Jackson, head of the department's dairy food and trades division. Two brands of milk were involved, one in each store.

Jackson and his co-worker, Donald Soberg, said dairies still were being checked on whether there was any discrimination in pricing to outlets. Other stores also were under study.

Golden Guernsey Dairy Co-operative, noting the lead of another dairy, Thursday "temporarily" cut its home delivered milk 3c a half gallon, to 47c, on homogenized, 2% butterfat and skim. Officials of the other dairy could not be reached. Other bottlers said they might have to change to meet competition.

The struggle involved dairies attempting to hold their home route sales against food store competition. The dairies earlier cut milk one-half cent a quart, reflecting a 20c a hundredweight drop in the farm price, to $4.90 a hundredweight, effective Feb. 1.

Madison milk prices also have been dropped one-half cent a quart. In Chicago, the Pure Milk association, major farm bargaining group, was measuring what effect the Milwaukee price reduction would have on its new price, to be determined by Monday. The Chicago market normally has a 12c spread over Milwaukee, and now stands at $5.22 a hundredweight.



Alonso, Ch. 6

Haig said ideal land allocn. wd. result in min. friction, & ∴ min. l.v. for city. (Seems to contain implicit assm. that $R from ea. land use is fixed, & only min. costs is possible. Or, that min. xpt. cost wd. extend far outward ... but that wd. only spread value thinner, lower unit values & rents, not aggreg. and if area of low friction is limited, then its value shd. Δ bcs. of hi $R.)

Alonso says Haig assumed const. ters.; & max. profits is criterion which Alonso prefers. [Seems too obvious to mention, but shows how we get tangled in web of formalized clumsy ancient doctrines.]

Al. shows weakness of excessive formalism — he can handle only few variables (rent & xpt. costs) & gets carried away by excessive formalism — e.g. calling rent a cost of friction; or msrg. xpt. costs purely in simplistic way. And esply., interpreting rent in a purely geometric or von Thünen way, based on d from site to margin, w/o regard to 2dry benefits.

If the simple linear idea were right, rent gradients wd. be linear instead of gravity model, or exponential. Sharp rise in center indicates effects of 2d dimension, & externalities. Al. overlooks.

Thus Al. concludes, p. 104, that small lots, hi density, result in lower l.v. bcs. all are nearer to mgnl. land.

An interesting idea, of wide implications *if true.* City wd. lose centrality, critical points wd. not be critical bcs. so easily ~~dup~~ duplicated. But I say their advantage wd. be great as ever, relatively — i.e., the absolute cost of reaching the mgn. is less, but so is the cost of reaching the center, ~~as~~ from any point, so its relative advantage is undiminished.

It is based on an unrealistic supposition of rigid max. lot size zoning. If it came about any other way, wd. require hi l.v. to cause it & maintain it. No one wd. use the small lots if land was cheap at mgn. nearby.

[But wd. svt lower rent by bringing free land closer? Or wd. it steepen gradient to a central level as hi or higher than ever? The latter, bcs. the hi rent level is necy. to maintain higher density.]

[I.e., if rent fell back to present levels, so wd. density, & margin wd. be as far away as now. So svt wd. have had no effect. This is ∴ a damping factor only. And maybe not even that.

Will we then end up w. less tax base per cap? Tax base relative to costs is more relevant concern. L.v. will come cheaper — more due to pvt. spillovers, less due to public investment. Higher graduation of xpt. & util. rates ed. also Δ relative value of center — impose more frictions of space on pvt. people.

Remember the anarmoly approach — new Xway strengthens center by widening mkt. areas by bringing in substitutes. Does complementarity of Δ supply always prevail?

smaller lots let you bring more people into city — using less land. That Δ s scale ecs., forces more demand on c'bd, etc.. So Δ land must be interpd. carefully — depends on causative policy. Svt tends to Δ supply, regardless of whether people use less land.

Outer land ÷ inner land gradient is based on relative supplies

p.105, Al. concludes Hcij is wrong that min. costs of friction (rent + xptn.) result from perfect mbst. But his reasons are indirect, obscure. Read Ratcliffe etc. to review argument.

pp. 108-09. Gives a limited monistic explanation of tendency of rich to locate peripherally, & posits monistic stream mem as the alternative. His elaborate apparatus is not needed to prove the point, & preoccupies him so he misses many others.

1. The fact is not demonstrated — sector hypoth. alternative not considered.
2. Low suburban taxes
3. Relative age factors — his only alternative
4. Quest for l.v. Δs
5. Effects of Fed.-inc. tax
6. Inc. distribn.
7. Zoning, codes, etc.
8. Rich have more alternatives to foot & public xptn.
9. Rich live far out only along superior xptn, or scenery, etc.

after laboring thru Aborns, conclude he suffers same faults as Wings, tho less extreme. Obscure, heavy, circumlocutions. In all modesty, ~~many~~ my stuff is better.

Tues., Dec. 9

Alonso & Haig.

1. Rent shd. not be called cost of friction. It is price for obviating such costs.

2. Al. right, Haig wrong, (but because, Al. may have built straw man.) min. cost of friction is inadequate criterion for ideal locn., for indiv. and also for society. Max. (+ev. - cost) is object. So who locates centrally? Those w. hi gross/land; hi turnover, w. max. of outside relations -- much coming & going. Pecuniary externalities.

E.g. hotels; doctors & other client-serving profls.; factories w. hi labor input; producers of perishable things that require frequent replacement.

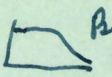
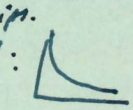
Min. cost for any given output, yes. But emphasis on min cost is embalmed, & misleading. ~~Almost any use~~ Many firms achieve lower cost by taking better land, but they may not need it as much as others, w. higher volume.

3. Haig wrong, min. friction means min. l.v. Again, Haig held vol. constant. And he neglected positive complementarity, or external pec. ecs.

Haig a good e.g. of a neg. thinker — an abominable no-man.

Get Ratcliffe citations.

4. Al. too simple, w. one-factor xpt. cost model of l.v.

If it were right, wd. have linear gradient of l.v. from center, or even paraboloid:  Res. of fixed cost of starting & stopping trips. Instead of gravity model: 

(showing exponential decay)

5. Al. concludes smaller lots, enforced by max. lot zoning (analogy - 160 acre limitation) wd. lower l.v.

Makes some sense .. artificially restrict demand for land, lower aggreg. values. Same reasoning wd. show large. lot zoning ↓ l.v. ... [a form of "involuntary consumption" not mentioned by Schechter.] This follows Haig's idea that min. xptn. cost min.s. l.v. — based on distance to margin.

But overlooks positive comply. [Or does it? Mkt. already recognizes + comply. in one way. If ↓s l.v., forces intensive use. One user gets no direct compensation for ↓g neighbor's l.v. ~~But~~ He forces neighbor to use land intenser. But that isn't enough. There is inadequate incentive to use land intensely bcs. no one is paid for spillovers.] The smaller lots wd. reduce frictions of space, bring everyone more to focus, thus ↑ e.g. comml. l.v.

If mkt. needs amending by zon'g, it may need max. lot more than min. — an interesting corollary. People may pay less for land than its social value, use center too extensively. Land price need only be hi enough to exceed xptn. costs of one party - the urgnl. resident; but if one "B" is pushed out, central merchant also suffers.

6. Max. lot zoning wd. be inherently unstable, bcs. land price wd. < MR of land, wd. cause land users to push outside zoned area. Unless zoning resulted in higher rents due to external ecs., & smaller opt. lots. A possible developmental tool — imposing the policy might be enforceable long enough to cause

mkt. to take over & reinforce it!

7. What wd. max. lot zoning do to tax base? Does involuntary lend cons. now Δ tax base?

French &c. kings required subjects to consume salt &c. to pay more tax. We require house of certain cost on lot of certain size. (Effect vitiated by people moving into old houses.)

A bad way to Δ tax base bcs: a) Δs public costs
b) -Δs unit l.v. by lower density
c) -Δs " " " loss of complty.
d) Avoidable by aging
e) Tax fights to zoning, tends make house cheaper.

8. Wendt v. Ratcliffe. (Will travel improve yp. son's behavior? No, but)

Upshot: better xptn. spreads l.v. over wider area. Lowers unit values in part at least of old area, but raises them in new area.

Probly Δs aggregate. Makes each lot more accessible to all others — Δs value of all. After all, entire impact of better xptn. is not to spread out more, but at any given size, qual. access is better — which strengthens intra mural specialzn.; & hence esply. center. And, to extent city spreads, better xpt. is dissipated in expansion, so mgn. is as far as ever from center, in xpt. cost units. (T.U.)

9. Al.'s thesis why rich locate peripherally is that as income rises, ~~desire~~ preference for more space rises faster than desire for convenient location. So rich are price-oriented more than poor. (Is something to it – rich have less need of public xpt., foot-access.)

He never proves it, just formalizes it, thenceforward speaks as tho he has proven something. a theorist who doesn't know nuts & bolts. Overlooks:

a. The basic fact is not demonstrated
Sector hypoth. — lakefront is in many real ways more central than nearer areas of poor xpt.

b. Low suburban taxes: better schools.

c. Relative age

d. Quest for l.v. ds.

e. FHA bias

f. Inc. tax bias

~~g~~.

Then he goes on to policy conclusions rejecting the relative age thesis (c), & denying power of new bldgs. to revive center — basically, simply bcs. he has stated another thesis! Wants, p. 125, large lot zoning in center, & v.v. outside!

Jan. 12

1. Clawson's SDD

New Towns idea. "East Oakland". Etc. etc.

Wrong track. New s.o.c. — need to use what we have.

Analogy - oil indy. w. prorate

ag. " " "

a modern variant of the Utopian colony. Pull loose from the jerks & start w. a clean slate.

2. Propty. value & race

Acad. consensus is, is highly overstated.

3. Instl. problems

a. Land not origly. an articled commerce. Usufruct. Still seen in wtr. law. Inalienable laws — Hittel

Mortmain problem. Rule vs. perps. Exempt clymosynary. Other loopholes

Heirloom attitude. Ok, if will pay for it. Best dominates public policy.

Closing costs - traditional WPA for lawyers.

b. Locked in effect

c. Dead land. Extended rts. of redemption.

Munic. Bankruptcy Act — tax-collector's lien may be the one sheet is wiped out.

d. Watson.

Pol. motive for delaying renewal

Ec. mapete. motive. [All based on great fallacy that we cannot influence others. Which leads to delusions of inelasticity. Cf. BOMA now. & Katz, & their vacancy studies, assume inelastic demand

for v.e. in just part of one city!

4. Bennes & Raymond

5. C. Bull

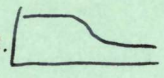
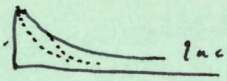
6. C. W. Mills

Area of needed research

Wisc. a good state for it.

7. Stern

a. Acc. depn.

Cf. actual depn: Val.  Inc.  Inc

Is good - encourages bldg, compensates for bias of bldg. tax.

[But dangerous — who can compete vs. those in hi brackets?)

b. Repeated depn.

Sell or trade. Understate land.

Is bad — bias vs. demolition

c. Death ..

avoid cap. gains.

d. Trade for like propty — avoid cap. gains

e. Borrow to hilt — get depn. on everything.

Thin ice — requires continued infln.

Encourage concn. — hi brackets borrow from poor.

f. If sell for < book, get ordinary offset

g. ~~Etc~~ Bld. on leased land, lease for 60% (no less) of normal life, depree. over pd. of lease

h. Leave out land, capture improvement at end, no tax.
i. as ~~[illegible]~~ let low rent contract, sell for cap. gain.
j. as landlord, get hi rent contract, sell for gain.
k. '60, r.e. inst. trusts, no corp. tax.

Most gimmicks premised on inflm. Encourage thin equities.

8. Denton

Vs. favorable treatment of cap. gains.

(I once saw a subdivn. in Calif – where else – named "Cap. Gains Highlands"!)

Deduct carrying costs as you go; he wants to caplze them. Thus tax reduction is a) Deferred b) Applied only to cap. gain, if any.

9. Browning

10. Pigou. 'Public Value'. Announcement effect – like poll tax.

Distributional reservations – based on implicit presumption that income is proper tax base. [illegible]

4

11. Turvey

Lacking in Commerce approach.

a) survey approach, try to do 2 things, do neither well.

a.) Unity, integration w. mainstream of ecs. Babylonian captivity.

Founders of A.E.A., Ely & Clark, had land ecs. interests. & F. Walker.

Was central. 1st article, by K. Connan, on land.

Now segregated: ag. & commerce. Want to offset, have written that way.

b) Parasitic – has borrowed from ec. thy., given nothing back.

c) Econ. shd be taught in econ. dept.

Specific lacks. Either complete, or from sketchy once-over-lightly treatment.

0. Def. of topic. Land not differentiated. ... so why land ecs? p. 365. Ratcliff.

1. Welfare Ecs.

2. Social accts ... ec. base

3. Social costs of sprawl ... xptn & urban land. Left for Wingo, R planners.

4. Capital thy., replacement policy.

5. Location thy. Exciting new developments haven't come from Commerce.

Esply. inside cities ~~because that for~~ our urban xptn & land use integration hits that.

Social costs of xptn.

6. Micro theory.

Mgnl. rent

allocation & diff. capn.

Bilateral mnopy.

City as mnopy

Land & ecs. of scale

7. Pub. Fnce.

Prop tax & land use.

8. Macro.

Replacement, factor propns., & empltnt.

Hsg. as balance wheel.

Excesses of expansion.

9. ~~Ecs~~. Distribn. Imputation.

Mainly, deny it can be done.

Missing from Ratcliff, 1949 1st ed.

Generally, very wide coverage, but very sketchy. Inadequately integrated with main body of econ. Isolated, walled-off. Responsible for attitude one meets, ~~you~~ pigeon-holing land ecs.

XReplacement policy

XTax pol.

Capital theory

Factor propns.

Urban Expansion

X Urban ec. history

Ec. base, regional accounts. missing

Macro-ec.

Urban Expansion

Renewal

Housing as balance-wheel

Differentiation of land - p. 365 denies any. So, why any land ecs?

Makes it impossible to analyze macro, bcs cap. func. is part of macro & turnover

Xptn & l.v.

Employment, factor propns.

Bilateral mopy.

Differential capitalizn, allocation

Welfare ecs -- external ecs

Etc. -- pull out the ecs. labels, stress lack of integration

Sprawl, the fringe -- one P only

Urban Land Seminar.

TOPICS

1. Taxes — J. H. Benton; Phil Stern; J. K. Lasser; Prentice-Hall.
   Fed., State, local.

(3) 2. Pricing & prodn. ecs., or micro.
   Determination & ec. fn. of rent. Working of urban land mkt.
   Combo. of inputs; timing renewal.
   Turvey, II-8 — Rent: the sorter & arranger
   Alonso — Ricardo, v. Thünen.
   Wingo — Haig, Wendt
   Power of area specialign — the urban premise.
   Mkt. imperfns: Mapp ... Chamberlin, Hotelling; (Schmoller)
   assembly problems
   Preemptive buying — theorists delicately ignore

(4) 3. Capn., valuation. Appraisal, assmt.
   Credit rationing.
   Diffl. capn.

4. Zoning, Planning (Rawson)

5. Macro

(5) 6. Urban circulation

7. Expansion

8. History — Hoyt; Schmoller; E. R. Taylor
   Why is it valuable? Fns. of cities.
(1) —. What is urban land? & urban land value, by which it is msrd.
(2) 9. Quantitative imptnce. of urban land in ec.
   Area & yrly Δ
   Value & yrly Δ. (now, propty tax = $226, ℓ ≤ 2% mkt. value) (Mortgage basis)
   Value ÷ r.e.
   Various meanings of value. Problem of "Hamiltonian Value". Problem of tax capn.
   % of expenditures on hsg. — how to msre. fiscter propns.

(3) 10. Inst'l. factors in urban land mkt.
Leases
Custom in rents

11. Urban Land & rent of ecs.
a. Cycles, macro
b. M & B
c. Pub. Fnce
d. Intl. Trade
e. Ec. Hist.
f. Xpt. & Util.
(3) g. Price mechanism
h. Instns. & law
i. Cftv. urban land systems
(3) - j. Welfare Ecs -- External ecs. explg.
k. Distribn. -- how much to land?; how concd. is land?

(4) 12. Cities & resource devmt. or ec. devmt. Relations to hinter land.
Need for new mtls — wtr, air
a. Smith's view; BR view. Ghost town's view, & a RA.
Land Revnt.

13. Race

(5) 14. Ecs. of location

15. Regional balance of payments

Use some "programmed learning" questions like these for my big classes.

L E S S O N III
Pp. 24 - 55

1. By what methods do the Fabians propose to transfer the land and capital to the State? (24)

2. By what method does Gronlund propose to transfer the land and capital to the State? (25-6)

3. What would be the inevitable effect on capitalists and landowners of either of these methods? (27-8)

4. Would private exchange be possible under Socialism? Why? (25)

5. How would Socialists divide authority between local and central government? (29-30)

6. What, however, would be the inevitable result in government of socialized production and distribution? (30)

7. What must the position of labor be in a socialized economy? (30)

8. What would still remain private property in a Socialist society? (30-31)

9. In order to remain consistent, what must Socialists do with economic rent? (31)

10. Give the essential elements that Hirsch finds in his tentative definition of Socialism as implied in its industrial proposals. (31-32)

11. What conceptions has Socialism formed pertaining to the relations existing between individuals and the social entity to which they belong? (33-36)

12. How do Socialists conceive of the State? (34-36)

13. How do Socialists regard the ownership of the product of the individual's labor? (38-39)

14. By what line of argument do Socialists arrive at their conclusions about property of the individual's labor?(36-39)

15. What is the original object of Socialism? (40)

16. What is the fundamental concept of distributive justice that flows from the doctrine of natural rights? (40)

17. What four standards of distribution are conceivable as being possible under Socialism? (40-41)

18. Which of these standards is most nearly in accordance with the generally accepted conception of justice? (41)

19. What would be the difficulties in applying this standard under Socialism? (43)

20. What standard did the Gotha Program propose? (41)

21. What are the difficulties inherent in applying this standard? (42-43)

22. What do the Fabians advocate as a standard for distribution? (43-44)

23. What difficulty would such a standard encounter under Socialism? (44-45)

24. What objective measurement of value do Socialists propose in order to eliminate this difficulty? (44)

25. What are the objections to using this objective means of measurement? (44-45)

26. What consequences must inevitably arise from the application of the ethical and distributive concepts of Socialism? (45-46)

27. What effects upon family relations will occur under socialism? (47-48)

28. What are the political conceptions and aims of Socialism? (49-51)

29. Why is Socialism unscientific? (52-53)

30. Give the essential elements in a comprehensive definition of Socialism. (54-55)

L E S S O N II
Pp. 3 - 23

1. From whose theories do the fundamental economic conceptions of Socialism arise? (3)

2. What are these economic conceptions called? (3)

3. What is the conclusion to which these theories lead? (3)

4. According to Marx, what determines the value of any article? (3)

5. What does Marx mean by labor-power? (4)

6. What determines the value of labor-power? (3-4)

7. Distinguish between the value of labor-power and the value which the labor-power creates. (4)

8. What does the capitalist purchase when he hires a laborer and why does he do so? (4)

9. Does the value of the means of production (raw materials, etc.) contained in the finished commodity undergo any quantitative change in the process of production? (4-5)

10. What does undergo an alteration of value in the process of production? (5)

11. What do we call the "excess" which results from this alteration of value? (5)

12. Under what conditions must surplus-labor always exist? (5)

13. Is Marx's concept of surplus-value entertained by non-Marxian Socialists? (5-6)

14. According to Socialists, what evil, in addition to the extraction of surplus-value, springs from and is inseparable from private ownership of land and capital? (6)

15. What two (2) lines of reasoning are put forward in attack of competition? (6-8)

16. How do Socialists describe the effects of the limitation of competition upon wage-workers and small producers? (6-8)

17. How do Socialists describe the effects of what they call "unlimited Competition?" (8-10)

18. Which of these two (2) lines of argument do Socialists rely on principally in advocating their doctrines? (10)

19. How do Socialists reconcile these apparently conflicting criticisms of competition? (10)

20. In their treatment of competition, how do Socialists differ from non-Socialist reformers? (10)

21. In brief, what would you say are the two (2) basic reforms upon which Socialists rely to achieve a just economic order? (10-11)

22. In terms of what is Socialism usually defined? (12)

23. Are Socialists all agreed on a definition of Socialism? (12)

24. How does the Erfurt Program of 1891 analyze the economic, political and social realities of the modern world? (12-15)

25. Who alone can bring about the Socialist organization of society as proposed by the Erfurt Program? Why? (14)

26. How would this solution affect humanity as a whole? (14)

27. How does the earlier Gotha Program differ from the later Erfurt Program? (15)

28. What do all Socialists programs agree upon? (18)

29. What limitations would the Fabians (Wallas, the Webbs) place on collective ownership and management? (19-21)

0. From the arguments of the Socialists themselves is it possible to conceive of a Socialist society which permits private industrial activity in any field? Why? (22-23)

Thurs., 12-17

L.v. as guide

1. Some say land price is no incentive. But it is — to develop land.
Pvt. incentive & public — depending on who collects rent.
We have dual system.
Dual? Multiple, rather. Chaos.
Who has interests in new land?
a) Nation — to preempt. ∴ will take a loss
b) Utilities
c) Rails — they used to develop land, still do some
Interest in sprawl, to max. base.
d) Cities — to revive tax base
e) Pvt. owners

2. Hist. of boom & bust
Connick
Hoyt
G.R. Taylor
a. Sakolski
c. Juglar
Moral: serious element of instability
Linked w. banking, but not cured by banking reform.

Cycles - H & H, p. 104
Gates, p. 71

Wingo, Chap. I, ~~III~~ ~~IV~~ VI.

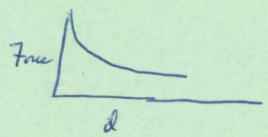
Disappointing.
Recognize modern bull-slinging — bring in modern engineering techniques.

Study in sterility, model-bldg. Serves to persuade us of low value of the model-bldg. approach.
Long way between drinks. Tedious, laborious, labored — I concludes in safe commonplaces. But students need to learn them anyway.
Engineers can't communicate.

p. 3 Highway engrs. taking over city plng.

p. 8 B/C anal. not enough.
What is B/C?
What wrong? Lacks Ricardian element, i.e. grading of land, rent gradient anal. Wingo touches on that

p. 10 What is a model? Land & People (!)

p. 14 Gravity model. He shd. say, rent = $\frac{k}{d^2}$. Highly accurate. 

p. 20 Euclidean space not enough.
He shd. tell us what to do. Use cost-distance.
E.g. time-distance. Adjust unit, still use gravity model.
Trouble is, individ. doesn't bear social costs of travel. E.g. his contribn. to "congestion". Etc. — cite ~~distrib.~~ "Land & Rent."

Give many e.g.

Wings, Comments.

Chap. II

p. 23 Movement of persons, not freight, is his concern.

p. 25 Chap. II concerns cost of the persons' time.

p. 26 Site v. situation

p. 31 "Load factor" $\equiv \frac{\text{ave. load}}{\text{peak load}}$. Hi l.f. is best, & offsetting demand patterns Δ l.f. shown in diagram, p. 31. [Cite my Kaweah study on pooling & unpooling]

p. 47 Math. may finally justify itself here w. important conclusion: ingression loss α demand^2.

p. 30 Trips per household decline w. size of city. (Why? You do more per trip — & travel further. So what?)

p. 32 Of 5 kinds of demand, "flow demand" is most relevant. I.e. demand to get thru choke at rush hour.

Inelasticity of some demands shown by trip purpose data, p. 33 56% all trips are ~~commuting~~ to or from work. (School not included in study — no, I suspect, local marketing -- a "necessity" study?)

p. 35, School movements <5% all trips -- impossible!

p. 36, Decides to ignore all trips but journey to work. ∧ Seriously misleading. If that were so, everyone would live next to his work. Undervalues shopping, schools, etc. Indeed, one reason why commuting is so big is that it is more imptnt. to minimize other trips, bcs. adult males travel better.

p. 36 Overemphasizes Δg cost aspects of peaking. W. public transit, one reason for peaking is to get -Δg cost: hi freq., big crowds at each stop, express service to outer stations, etc.

p. 36 "saturation", when add Δl carriers only by delaying others.

p. 38 as Δ traffic velocity, also Δ distance between cars, which limits how much you can thus Δ flow.

(When you widen road to 4 lanes, cars can get very close again, so thus you Δ flow, are in -Δg costs. Otherwise, must either lengthen road, or have a choke at the entrance — hes. you can't speed up until car ahead has gotten further away.

p. 38 There is an opt. velo. to max. capacity, & that is what he means by capacity.

[Indiv. vehicles are esply. bad in requiring wide interval for any velo.

pp. 44-47.

2 losses from congestion

a. slower velocity — due to dominance of slowest vehicles.

b. Queueing before choke, or "ingression". This varies with square of demand; and the marginal loss is double the average.

p. 47 c^{-1}, or minutes per vehicle, is a "price" for using congested area.

(Wrong, if implies it acts like a price. Open access resource, SMC ≥ Pvt. MC; or, SMR < Pvt. MR. No tenure protection) (But he doesn't imply that — sees that P < MSC)

In his eqn., pvt. MC is time loss to nth unit in queue: $y_n = \frac{n-1}{c}$. Assuming nth unit is at end of queue, he bears entire social cost. But ~~But nth unit also adds to length of queue for others, so~~ total is

$y_n + \frac{1}{2}n$ or $\frac{n-1}{c} \cdot \frac{1}{2}n = \frac{n(n-1)}{2c} \cong \frac{n^2}{2c}$. ~~One of the ns is the addition to social cost.~~ A nice, simple example, from linear queueing — [really real congestion is more complex. E.g. cross-traffic effects.]

p. 47 is profound — [& is the only part that is] [he should have

made it an article, not a book]

Ends up with MIC = ½ MSC. Bcs. mgnl. units entry is randomized.

$$\begin{cases} MC, \text{ or } y_n, = \frac{n}{c} \\ AC, \text{ or } \frac{Y}{n} = \frac{n}{2c} \end{cases}$$

Individ. bears ave. cost, if entry into queue is randomized.

(Those who habitually get there early bear less than ave. cost, & impose more, so they are constrained even less.) (But to get there first, they must start earlier, & arrive too early — that is "pure imposition cost")

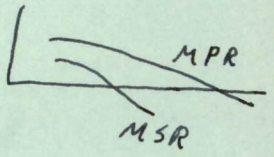
Calls MC - AC a "scale" disec. but wrong is proportion — vehicles & road. SR Sg cost, maybe LR - Sg.

Thus, limits set by slowest vehicles, & slowest bottlenecks.

1. Ingression -

MSC > MPC. Overuse results. Open access principle. Range analogy.

or MSR < MPR



$MSC = \frac{n}{c}$

$MPC = \frac{1}{2}\frac{n}{c}$

2. LRMC vs SRMC. This is an "open range" that is expansible.

SR may be hi when LR is low.

SR congestion is soluble; LR congestion limits size of city.

3. Typical urban problems related to above.

a) Underpricing -

streets. Use congestion itself as the rationing device.

Overuse. Premature expansion.

Water supply? So say H M & de H., but some change too much, e.g. San Fran. ~~And~~

~~And~~ Where there is underpricing, of wh. problem is variety, congestion appears as low pressure, or rotation or rationing. Object is a little different — prescriptive rt.

b) Overpricing

Power, phone, etc. Throw taxes on. Go up s.r. curve, avoid expanding, etc. Replace too slow.

c) Excessive reaction to overpricing, abuse of M.C. principle by over extension. Extensions are subsidized, not by l.v. they generate, but by central surpluses.

Tues, Oct. 27

Reprise.

1. Max right, & Earl right, Wings understated, by assuming one deadline. Really, you have a flow of traffic over 2 hrs. A queue forming at the beginning & lasting 2 hrs. imposes social costs on many more than the nth entrant. He slows down not just everyone left in queue when he is no. 1, but everyone who enters the queue until it finally breaks up. [So the later he enters, the better! Early birds impose hi costs!]

So social costs are much higher than indiv'd. Esply. for early birds -- who probly also cop off best free parking space. (People who get in line early are villains — unless the line is moving, but even then, unless they beat the start of the queue)

2. Would hi charges for use of CBD streets drive out traffic? Lead to decentralizn?

Wd. drive out submgnl. traffic: joy-riding kids, old bums, non-spenders, low-spenders, low-earners. But their absence wd. attract more of their opposite numbers. Speed turnover. Force hi use of space.

Hi charges wd. help expand & double deck streets, add to capacity.

Hi gnl. gas tax wd. Δ centralizn. by making far transport more costly. But ec. rent approach wd. graduate charges, make them hi in CBD. Is that good?

Leave moot.

Alonso, notes, comments.

1. "Minimizing transport costs" is only half the picture. Max. (R-C) is the object. Only min. C for any given R.

2. Rent should determine not just where you buy land, but how much. Alonso's contribution – & mine.

3. Social rationale for rent requires assn. pvt. opt. costs = social. most locn. theorists assume they do. They don't – is why? emphasize it. Bias location.
accentuate intergovtl. conflict. Mao prefers Africa to S.E. Asia, e.g.

4. Theory of urban values in primitive state.

5. Hawley better than p.10 suggests. Map.

6. p.12.
? important to shorten lives of bldgs., speed replacement.
How?
p.12 Misreads Turvey.

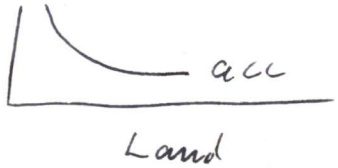
7. p.13 Wendt, pretentious emptiness

~~Thurs.~~ Tues, Nov. 24

1. Size of site.
   Rent as a constraint on size; ~~Con Time~~
   Find MNR of land.

2. 3 mgnl. fns. of rent
   a) Constrain use of pure space
   b) .. .. .. time
   c) .. .. .. central space — given rational xpt. rating

3. Ruptures of size gr.
   Usual approach, rent sorts & arranges. But doesn't tell how much. Not quantitative, or cardinal. So size could double.
   Tradition of "Urban" location theory. Weber. A limit never breached. Remarkable holding power of tradition.
   Like dfn. adv. in I.T., beginning w. equal ~~labor~~ labor-time value, as mere. Makes dummy.

4. 

Tues., Dec. 1
2, c.

A	B	C	D	E	N

Elaborate at length — many implications.