

Check notes -

Did I ~~see~~ announce a paper in timely
fashion, Adm. 203.

OGLPA on Res.

Adm. 203, Winter, '11

Admin 203

Wed., Jan. 12, 1977

Dumas & translator. Be your own programmer.

Anderson

p. 26

1. Problem formation. "Some are born great, ..."

Motivation.

Is an opp. to improve; or threat to guard vs. ("this terrible menace")

Take charge of priorities. H. Meier.

Achieve greatness.

2. Formulation. Pose alt.

3. Adoption. Beware of dreamers.

4. Implantation.

5. Evaluation, or PM. Testing - how know if you succeeded?

p. 30 The cultural subconscious. Is why retreaded mathematicians are lousy expts, they block this out.

Moralistic

Individualistic

Traditionalistic

p. 31 Forward & backward Time orientation. Youth vs. age.
U.S. becoming more like England.

p. 31 Parochial. subject, & participant cultures.

Add provincial ~~xxx~~ & colonial vs. capital cultures.

p. 38 Legis latuna manipulated by tech experts. True!
Pmty. system run by Cabinet. True!

p. 40 Top exec. becomes Mr. Outside. True.

Wed., Feb. 2, 1911

Admin. 203.

Zeckhauser & Schaefer.

1. Open by emphasizing "Choice".

Tells you they are conservative, & ~~emphasize~~ emphasize scarcity & limits.

Other view is that there are wasted idle resources, & there are i.e. free lunches.

Stereotype: Greenspan vs. Don Michael, R. Theobald, or W.H. Ferry. Polarizers.

Most are more complex. E.g. Gov. Brown, age of limits.

"Disused Axi" came from overstating limits.

War-horse big spender like Calvin Engle gave liberalism a bad name. Knee-jerk spenders do same. Yet there are idle resources.

2. J. L.S. set out to apply ^{norms of phy. to} public policy

3. 3 problems p. 28

a. 2 or more indivs. affected - how reconcile?

Rationale of intx. Accpt dist.

Begin here,
Mon. Feb. 7

b. Outcome uncertain.

c. Outcome takes time.

How discount future?

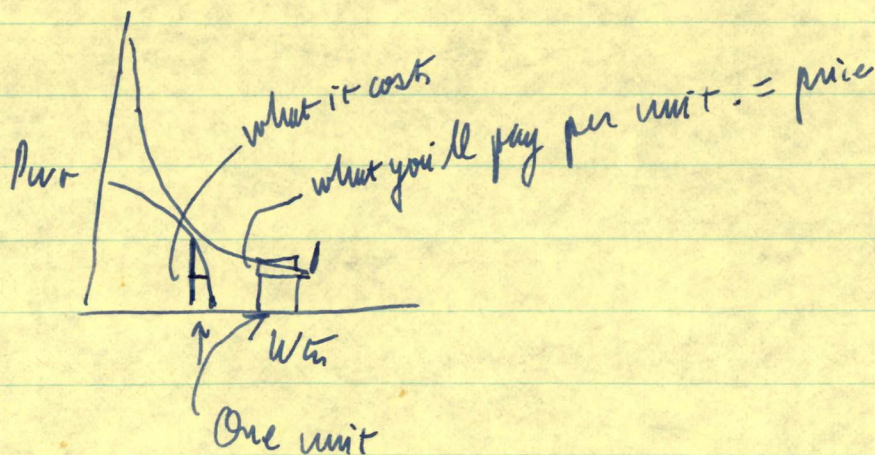
Full vs. partial funding

What is to use?

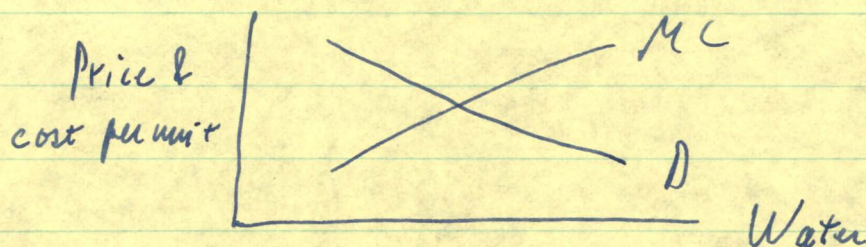
Same for nat. res. as other things?

What if diff. persons use diff. rates?

4



Indiff. curve is demand curve. Slope is ^{demand} price of water



As get more water, you'll pay less for it (in power)

Prodn. possib. curve is cost or supply curve.

So it's just a hard way of drawing S & D curve.
Tangency is intersection.

It does emphasize that cost is more than money; is loss of alt., or a:

5 Trade-offs.

Is hard to get many thinking this way.

Any multi-purpose p.w. has them: water, power, navigation, moving water by gravity, flood control. — and money. E.g.

Caribou lobby & energy lobby agree on having both, at State's expense.

"Standards" vs. charges.

6 Corner solution - p. 36. All power, no water.
Too strong, to call this "pathological".

7 p. 37 Indivisibilities. They can have it
mixed with discontinuities.

8 6/10 rule. (ask engineer for). This is indivisibility

$$A = a\pi r^2 \quad ; \quad r = \left[\frac{A}{a\pi} \right]^{\frac{1}{2}}$$

$$C = B 2\pi r$$

$$C = B 2\pi \left(\frac{A}{a\pi} \right)^{\frac{1}{2}} = 2 \frac{B}{\sqrt{a}} \pi^{\frac{1}{2}} A^{\frac{1}{2}} = k A^{\frac{1}{2}}$$

Fudge it up, so $C = k A^{.6}$

$$\text{Ave. Cost} = \left\{ \frac{C}{A} = \frac{k A^{.6}}{A} = k A^{-.4} \right.$$

$$MC = \frac{dC}{dA} = k \cdot .6 A^{-.4}$$

$$\frac{MC}{AC} = \frac{k \cdot .6 A^{-.4}}{k A^{-.4}} = .6$$

9 Are there absolutes? No trade-offs.

"Human life"

Good forestry

Conservation

Food supply

Water supply

Nat. defense

Honesty

10 Lexicographic ordering. One-track goals (like min. physical waste.)
Rank by one attribute. A list of ~~set~~ priorities.

#1 gets all.

(Note resemblance to water seniority system)

Ecsts. oppose. (Maybe they'd get more done by setting priorities, finish one job at a time.)

11 Legislation & adminis. are always arbitrating among competing claims by zealots.

Soft Scientist, man who makes hard choices among hard scientific w. soft programs.

12 pp. 40-42, Individ. Welfare. Empty.

Some ideas he might have discussed.

0. Public goods. (Davidson's recreationists)
1. Merit goods (& demerit goods)
2. Option demand
3. Measurement bias - bias for measurable outputs?
4. Learned demand - acquired tastes.

~~13~~ Pareto criterion. Is it practical?

14 Problem of 2d best (uniformity & the practical outcome)

In an imperfect world, why be perfect.

E.g., Tax on bldgs. is stopping bldg.

15 Public goods.

Is Nat. Def. one?

16. Finding constrained maxima.
"Constrained" means "subject to".

E.g. max. DCF subject to costs.
Means finally, max. DCF - cost.

One-track specialists remember the "maximize", but forget the constraint.

Max. M a i. Beautiful, if cost is no object.
Ult. recovery

"Best standards" - of engg, medicine,
agricultural pest control, etc.

17. p. 68. Benefit-cost.
p. 69, 4 Conditions. p. 68. They want to use ea. project to "improve" distribn.

1. No external effects of consuming goods. (how about property acqy. for same?)

2. $P = MC$ throughout. - Discuss. 2d best.

Price controls - the Mund Bay decisions.

3. Small scale. E.g. of water supply project. They omit land charges, rely on distribn. market. One wearing blinders again.

4. all B & C have intet. prices.

Re 3, show how to extract CS from water supply.
Can't more CS?

a. VMP of water

b. Δ l.v. in & out of I.D.

w/o & w. sewer & water of City of Riverside.

w/o & w. U.S. military umbrellas.

p. 73 Max. B-C or B/C?

Good discussion

p. 73 Suboptimization

Z & S. Change the meaning a little, by shifting emphasis.
They have it like a profit-center system,
decentralizing control.

To me it means a constrained opt. where
the constraint is wrong.

E.g. growing sugar beets brilliantly behind a
dumb tariff.

Or developing land to highest & best use
when this is determined by wrong layout & pricing of
highways, rail, utilities.

Or fighting brilliantly in the wrong war.
Damaging the wrong enemy, or no enemy.

Risk

Games

Discount etc.

Internal rate of return.
Show how to find

$$P = a \frac{1 - e^{-in}}{i}$$

Use iteration

$$PV \text{ of Bond} = a \frac{1 - e^{-in}}{i} + \frac{100}{e^{in}}$$

Use HP-80

$$P = F e^{-in}$$

$$F = P e^{in}$$

$$e^{in} = \frac{F}{P}$$

$$i = \frac{\ln F - \ln P}{n}$$

Cedroni. # 203

Mon., Jan. 24, 1977

1 Need for generalists.

Specialists become interested parties.

Evident in y. papers

also DNR, standard of physical waste.

All specialists develop intimidating techniques.

a) Standards (profus.).

Doctors: engineers; barbers (they lost);
foresters: ecologists.

Cariboo lobby & oil lobby get together,
~~again~~ find common ground - & cost

b) Inside trips

c) Panic. Russians are coming

We're running short

Ecsts. can forecast a bit, get headlines.

d) Technicalities, enough to bury you.

e) Moral fervor; fundamentalism. "I'm
unreasonable, you've got to give." Farm groups.

Generalists need to reconcile.

The best generalist is a rehabilitated
specialist.

2. Papers, & comments. Criticize ea. other severely

3. Zeckler & Schneider.

— (Better get Havemann & Hennrich)

Go thru, ask students to interpret.

Admin 203. Planning & Policy.

Winter, 1977. Jan 4 - Mar. 16 10 weeks.

Jan. 5. Outline of Stage I

Object of course. To help you think as a general mgr.
You're in charge of something, doing yr. own thing.
You have some latitude, running room.

You're used to theorizing. Here the idea is
to "plan" — to put theory to work. To get ready
to meet a payroll (i.e. handle money)

You're used to being hemmed in in real life.
Lead Walter Mitty life, theorizing about shaking the
world but restrained from handling yr. own life.
(Like sex course, all about plumbing, not how to make
a date)

Idea here is to ^(including yourself) devise strategies to satisfy
various clients; and plan how to implement
them. And survive.

Policy is what you're going to do.
Planning " how " " " " " it.

Stage I of Course

A. Anderson. Chaps. 1-4

B. Submit report, by Wed., Jan. 19.

Case approach. Take a topic -- e.g. The Energy Crisis.

1 identify alt. ~~plans~~ policies

Select one.

Implement it.

Submit report by deadline or miss the boat.

~~Anderson, Chaps 1 & 2~~

Stage I of course

A. Anderson, Chaps. 1-4

B. Submit Rpt. by Wed. Jan. 19.

On time or miss the boat. No grade.

Plan course from there.

Amberson, Chap. 1

Mon., Jan. 10, '77.

Policy is a course of action

(Hypocrisy is diff. between policy statement & policy)

Toward a Goal

Policy is a big pattern or course of action, pursued consistently
Involves not just enactment, but implementation.

(E.g., B.C. Land Policy. Hypocrisy can be elaborate & devious, deceiving not only victims but perpetrators)

Mon. Jan. 17, 1977

Admin. 203

1 Distrib. Klemperer paper

2 Ec. waste.

a) Bureaucrat bias. Slow use of good; overpenetration of margins. ~~Under~~^{Under} value of time - capt. cost not in budget.

Overvalue physical res.

b) Ind. bias. Grab position early.

Get big track, long time, no pressure

c) Union bias. Jobs now, regardless.

d) Env. bias. Stasis. Zero-sum games, so away.
(e.g. zoning & schools)

Admin 203

Wed. Jan. 19, 1977

Before completing my Rpt, chart out what lies ahead.

Impressed by hi quality of students & work.

Zeckhauser chp. — copies for all.

Role of lease discussion in overall course plan.

Tuning Lease Sales

Admin. Load, various plans.

Weight attached to this factor.

Admin. 203

Mon., Jan. 24

~~Over~~ Comments (my copy) on student papers.

1. Owen

Rambling, no punch line. Wordy

Loaded concepts

Rhetorical gem. Polemic, hortatory.

Gives away feelings too soon

Audience or client ~~not~~ defined too late

How about non-citizens?

In what areas shall law apply? } specifics wd.
Evidence marshalled too vaguely. } raise quality.

Try to attack the strongest statements of the rejected case. You can always pick on weak ones, and prove nothing

Try to me some disciplinary background, draw on whatever you've learned in college.

2 Chori.

Nothing.

3 Perez.

Essay-like, ^{wordy} use more headings, short & sharp.
Long tech. build-up; too little policy, criteria, goals,
etc.

4 Hebron. Essay form, wordy

Choice of subject allows a superficial treatment, only nominally
No client, except Pres. Carter } meeting objectives of report.

Long paras; no headings

Objections not laid out, ~~except stay in office.~~

and writes more as an outside
critical columnist.

etc.

p. 5 done, but they are clichés.

Political strategy is not policy. Policy is bigger.
General criteria for whole classes of decisions.

Alt. limited: dump or keep.

Kierman

Highly organized

But no criteria for decision given. No "objective fn." is defined; no standard for measuring performance.

Carried away by Technicalities

Wed., Jan. 26

Hebron

More comfortable w. personal matters
Reading every word?
No changes in response to comments
Defended self vs. comments. Attached academics

Perez

Too much technological, ran out of time.

Kuntz

Loaded phrases
Reading from text. 19 pp. in 10 min.
Couldn't compress it.

Owen

Skilfully spoken, organized
after 70 minutes began to wander

Kiernan

More comfortable with technological, materialistic
gms. Like Perez.
Abstract ideas & principles are the hardest thing for
students, all of them (except Owen)
Read too much.
all have problems in ~~sifting~~ sifting out incidentals

Fortayon

Problem - higher imports

Unemployment, multiplier

Partial analysis; fallacy of composition.

"Leader" firms (suggests mpy.)

Client is U.S. Govt -- but objectives of firms gets big play.

Wrong use of abstractions -- "stimulate the economy"

Choi

- H.H.
1. Job creation force
 2. 3% unempl. by 1980
 - 3.

Missing link. -- will it work?

Well orgd. - but "empty boxes" ~~in~~

Serbest

He, like Choi, is interested in unemployment

It doesn't hang together too well? It does our paper.

A empl. "by Ag inv." in indy & agr.
How about Ag jobs?

Everyone.

Subst. Well ord.



Admin. 203

EPA fines. Adopt unreachible policy. Then drop it.
Result: same as doing nothing.

Cidm. 203

Wed., March 2, 1977

-1 How many heard me say a paper is due?

0 Ak. Rpt. now on reserve.

1 Qm raised re forest mgmt & S.P.

Their income scheduled to fall, bcs. they are going to S.Y.

Is a bad sign. Shows their mgt. are indulging in the luxury of not being profit-oriented.

Why can't they pay taxes? Not bcs. Cal. taxes timber

Must be the land has other, higher uses:

grazing

recre.

hi-speed forestry

They sound like F.S. When a priv. bus. sounds like stodgy bureaucracy, sign of decay.

When they begin by blaming their problems on ecologists, & end up arguing for their programs as being more ecologically sensitive, they are double talking.

New Wilson Act, Cal. leg. passed for S.P. ¹⁹⁷⁶ ~~this~~ for forest land. Now both land & timber exempt.

2

F.S.

Am going to battle the bureaucratic monster.
Rep's WTA. Am called lackey of indy.
Name-calling is funny. In Ak. called Communists,
tried to zap the indy.

Both cases, I bear same messages. Ecs. calls for
using an interest rate.

The 6/10 rule w/o calculus.

$$C = 2\pi r$$

$$K = \pi r^2$$

$$\frac{C}{K} = \frac{2}{r}$$

$$\frac{dC}{dr} = 2\pi$$

View $dC = dr \cdot 2\pi$, ^{bes. $C = 2\pi r$} and this is self-evident.

$$\frac{dK}{dr} = 2\pi r$$

This is self-evident - you add a ring.

$$\frac{dC}{dK} = \frac{\frac{dC}{dr}}{\frac{dK}{dr}} = \frac{2\pi}{2\pi r} = \frac{1}{r}$$

$$\frac{\frac{dC}{dK}}{\frac{C}{K}} = \frac{\frac{1}{r}}{\frac{2}{r}} = \frac{1}{2}$$

Next: The 6/10 rule w. logs

$$C = \beta K^{\frac{1}{2}}$$

$$\ln C = \cancel{\beta^{\frac{1}{2}}} \ln \beta + \frac{1}{2} \ln K$$

Change of log is % change of value.

$$\text{So, } \frac{\frac{\Delta C}{C}}{\frac{\Delta K}{K}} = \frac{1}{2} \frac{\frac{\Delta K}{K}}{K} = \frac{1}{2} \frac{1}{K}$$

$$\frac{\Delta C}{C} = \frac{\frac{1}{2} K}{\beta K^{\frac{1}{2}}} \text{ etc.}$$

$$f = p(1+i)^n$$

$$\ln f = \ln p + n \ln(1+i)$$

$$MC = .6 \Delta C$$

$$\frac{\Delta C}{C} = .6 \frac{\Delta K}{K}$$

Admin. 203

Notes on exams.

1 #5. If Budget constraint is tighter, say $\$45$,
max B/C .

If not, max. $B-C$.

Is a soph. fallacy.

If budget is constrained, sell fixed asset.

Fallacy of hidden constraint. $\$45$ are
implicitly assuming you own a valuable fixed asset you
can't (or won't) sell. They are overlooking o.c.

2 #4 "Interest Factor" is not a good answer.

Is formula-feeding, or "plugging in", w/o
understanding. Is route to catastrophe.

3 #2, c.

Avoid getting locked into the ~~one~~ one-choice tradeoff.
This is one step beyond the fixed-coeff. fall.