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A Serendipitous Career in Public Affairs

Lyle C. Fitch

Cattle Ranch to Ivy League

To begin with, I was born in 1913 on a cattle ranch in western Nebraska. In those pre-Marlboro days, spending long winter days hauling hay to hungry cows held out little glamour, besides which I learned when I was still very young that I had few of the aptitudes required for successful ranching, like fixing machinery and diagnosing bovine ailments. So I fled from one extreme to another, winding up in New York City where, among other things, I served a term as City Administrator, spending cold winter days dealing with hungry bureaucrats and politicians. I once claimed to be the only New York City official who could rope and tie a calf, being confident that no one was going to ask me to demonstrate in Madison Square Garden.

In the City Administrator's post I was the successor, once removed, of the celebrated Luther Gulick, the first City Administrator, and I moved from that job to succeed Gulick as president of the (original) Institute of Public Administration. Gulick had headed the IPA for some 40 years, with a few time-outs along the way to help out in numerous federal agencies during World War II, and to be New York City Administrator. I was IPA president for the next 21 years, with Gulick presiding as Chairman of the Board of Trustees, after which I yielded the Presidency to Annmarie Hauck Walsh and became Board Chairman.

But how did I get from there to here?

Beginning with seven years in a one-room country school, I graduated from the public high school of Gordon Nebraska (a regional metropolis of 2,300 people) at the outset of the Great Depression of the 1930's. Our farm belt region was already depressed--U.S. agriculture did not share in the economic boom of the 1920's--but things could, and did, get much worse. College seemed out of the question, except for the fact that I was awarded a scholarship to the four Nebraska State Colleges (in those days they were teachers' colleges, and Chadron, the one closest to Gordon, had been awarding degrees for only ten years when I

entered in 1931). It was only much later that I met Dwight Waldo, noted authority on American public administration and its literature, and learned that he had graduated from Peru, another of the state colleges, about the same time.

Chadron had a few redeeming features, one being that the roster of four-year students included a disproportionate number of bright people who had been depression-trapped and unable to afford even the State University. Many years later the college alumni secretary would claim (on the basis of a survey which I never dared look into) that my class had a larger proportion of members in *Who's Who in America* than any other U.S. college class of 1935.

Chadron's other redeeming feature was its departments of physics and chemistry, which attracted most of the people who could look forward to graduate school. At that point, when I lacked any guidance for thinking about the future, the notion of getting a Ph.D. was beyond my horizon; I was mainly interested in something that might provide a job, any job, when I graduated and opted for a mundane major in "commerce", where I already had high school courses in typing, and shorthand.* I was crowded into a two-year intensive course in accounting, which turned out to be one of the most valuable single courses I ever took, not that I was any good at the routine tasks of recording and organizing figures, but a grasp of the underlying theory made it possible to understand and interpret business and government balance sheets, income statements, budgets and related tools, and the emerging theory and techniques of national income and product accounting. Otherwise, I took all the courses in writing and literature and in social science (economics, sociology and psychology) that the sparse curriculum afforded (no political science or public administration).

Finances were always critical. For a while I supplemented my scholarship with a series of odd jobs and such subventions as my parents could afford, until I became eligible for one of the eagerly sought part-time maintenance jobs at the college, which were divided between the eggheads and the jocks. Then came the

* The two were valuable tools, of course--everyone should know how to type, and shorthand, in the days before tape recorders, was useful for taking notes in classes.

New Deal with the FERA (Federal Emergency Relief Assistance) program, in which worthy students could be paid for assisting professors. I promptly latched on to a geography professor, and for the first time in my life had a job that I enjoyed, a revelation--I became a convert to academia overnight, and more slowly but surely to the New Deal and the Democratic Party.

So I finished Chadron convinced that graduate school was for me after all. My more foresighted colleagues who had distinguished themselves in science programs accumulated sustaining scholarships and jobs at various graduate schools, but I, starting late, felt the need of a nest egg that I sought to accumulate with a year of high school teaching, about which the less said the better.

I enrolled in the University of Nebraska economics department in the fall of 1936, meanwhile landing a job, on the strength of my literary interests and accounting, as business manager of the University's famed literary publication, *The Prairie Schooner*. After my first semester's grades had impressed the faculty, I began supplementing my income by grading papers of undergraduate students. I finished the year needing only a thesis for an MA degree but before I got around to writing one the Pennsylvania Railroad offered me a job at a wage on which I could not only live but get married, so I decided to give the world of business a whirl.

It didn't take long to learn that this had been a horrible mistake, but jobs were scarce and there was nothing better in sight. So I held on until the recession of 1938, when to my great relief I was "furloughed". I bounced back to the University of Nebraska, and in six weeks wrote an MA thesis on business forecasting indexes (which provided material for an article that I later sold to the *New York Times* for enough to buy my wife a piano). I still lacked a job, but at the last possible moment Kansas State University found it needed someone who could teach undergraduate courses in economics and accounting--my dish, and I was off to a 12-year stint of college teaching.

My favorite Nebraska professor, who had done his graduate work under the great Wesley Mitchell at Columbia University, had persuaded me that Columbia,

which then had the nation's strongest economics faculty, was the only place to go for a Ph.D. Meanwhile my wife, a music major, had set her sights on the Juilliard School of Music. So come spring I took off for New York to look for ways and means of achieving our respective ambitions. What do you do in the big city where you don't know anyone? After fruitlessly exploring the job market, I enrolled in the Columbia University summer school, taking care to include a seminar with the highest ranking professor on the summer roster, Professor Horace Taylor, head of the Columbia College economics department. The star of John Maynard Keynes was coming over the horizon and my term paper on Keynesian economics impressed Professor Taylor, who later used it as a chapter in a book he was putting together for Columbia's famed Contemporary Civilization course. So far so good, but no job. At the last possible moment came another break--Brooklyn College found it needed someone who could teach economics and accounting, and on the strength of my year's college teaching experience and a Columbia recommendation, I was hired. My wife came back, auditioned for Juilliard and was accepted, and we were off to the races. The plan was that we would alternate between supporting the two of us and attending graduate school.

The second year, I started taking graduate courses at Columbia while teaching accounting at night. Things went along all right, and in the middle of my third semester, Professor Robert M. Haig, head of the graduate department of economics, informed me that the faculty had voted to accept me as a Ph.D. candidate without the formality of an examination. Two months later I was hired as economics instructor at Columbia College, an advantage when I took my Ph.D. orals in the spring semester for my graduate school examiners could hardly flunk one of their own colleagues. Meanwhile, on the Columbia faculty I broadened my horizons by interacting with a number of political scientists, including Grayson Kirk, later University President and Lawrence Chamberlain, later University Provost, along with a gaggle of historians, philosophers, sociologists and other disciplinarians.

By this time World War II was underway, and I, having published an article in the *Political Science Quarterly* on how to pay for the war, spent the 1942

summer in the Tax Research Division of the U.S. Treasury Department, evaluating various war-financing schemes. Jobs were plentiful in Washington, but I fortuitously elected to return to the Columbia faculty and await the inevitable military draft. I shortly found myself spending part time teaching cadets in Columbia's naval officer training school (made famous by Herman Wouk in *The Caine Mutiny*), which was apparently a factor in the repeated draft deferments that kept me out of the armed services. My principal other teaching assignment was CCB, the second year of Columbia's famed Contemporary Civilization course, which then focussed on "insistent contemporary issues" in economics and government. Eventually I was put in charge of CCB, including the work in government, for which I assembled readings which drew on the work of such contemporaries as Elmer Schattschneider, Pendleton Herring and Roland Pennock.

About the same time, the Columbia economics faculty was drafted to assist the judges in a contest for postwar employment plans, sponsored by the Pabst Brewing Company. We had to paw through some 40,000 entries, and in the process I became an authority on employment plans of every description. Drawing on this material, Professor Taylor and I put together a book on *Planning for Jobs*.

By then it was late summer 1945, and I still lacked a Ph.D dissertation. Originally I had started one under Arthur F. Burns, who had decamped to Washington and hadn't returned yet; I could have written on employment planning but there was nobody around to supervise. So I asked Professor Haig, whose forte was public finance, to suggest a topic I could surround in a hurry. He opined that someone needed to take a fresh look at tax-exempt bonds, long one of the favorite tax loopholes of the rich. I combed the subject over, devised a formula that would close the loophole while preserving the lower-interest advantage to borrowing states and municipalities, and sailed through my dissertation exam, all in five months while carrying a full-time teaching load. Columbia degree-granting rules required publication, but that problem was solved by the University of California at Berkeley, which offered publication

by the University Press as bait to induce me to join the Berkeley faculty. Before making the move, however, I was seduced by Wesleyan University, so the fall of 1946 found me in Middletown Connecticut, quite unaware that I had taken the first step toward a career in government.

Introduction to Government and Politics

It happened like this: John Bailey, who later would be national chairman of the Democratic Party, had been appointed Connecticut Democratic Party chairman just in time for a Democratic debacle and Republican clean sweep in the 1946 state elections. Looking for ways to pick himself and the party off the floor, he remembered the Roosevelt "Brains Trust" from New Deal days in the 1930's. "That's it," said John, "we'll have a Brains Trust and show them Republicans a thing or two." Bailey, who liked to pose as a deez-and-doze roughneck from the streets of East Hartford but was actually a graduate of Harvard and Harvard Law, had little difficulty recruiting a nucleus from the Wesleyan faculty, which included Stephen Bailey (later dean of the Maxwell School of Syracuse University), John Everett (later president of the New School for Social Research), Victor Jones (later professor of government at Berkeley), Donald Herzberg (later dean of the Graduate School of Georgetown University) and me; the nucleus in turn recruited other members from Yale and the University of Connecticut.

The first job of the Party and its Brains Trust was to find an appealing gubernatorial candidate for the 1948 election (the gubernatorial term was then two years). The Brains Trust lighted on Chester Bowles*, who had recently moved back to his Connecticut home from Washington, where he had been highly successful as head of the federal wartime Office of Price Administration, and was looking for new worlds to conquer. We set about selling the party bosses on Bowles, and persuading Bowles to get into elective politics. We succeeded on

* Bowles and William Benton originally had founded the well-known advertising firm of Benton and Bowles.

both counts, and I spent the 1948 campaign season doing research, helping draft the Party platform, and drafting speeches for the candidate. He won the election by a whisker.

At the outset, the professional pols were dubious about the "Brains Trust" and persisted in addressing all of us as "Perfesser". On one occasion several of us were in a hotel room conferring with the party bosses about tax policy, and I pulled out my slide rule to make a calculation. Meanwhile, John Bailey was over in a corner fielding furious telephone calls from the Hartford Jewish community, with the Zionists demanding that he intercede with President Truman to push for the proposed new State of Israel, and the anti-Zionists demanding that he oppose the whole idea. Bailey was mopping his brow when the sight of me with the slide rule provided the comic relief he needed. When he had finished howling with laughter, he said, "I thought I'd seen everything but this is the first time I ever saw a slide rule in a smoke-filled room."

After Bowles had won the election, the pols became more cordial. One afternoon, the Senate Minority Leader hailed me, and waving a 25-cent slide rule that he had picked up in Woolworths said, "Lyle, when you get a few minutes would you teach me how to use this thing."

Bowles spent the fortnight after the election organizing a loose entourage, and took off for a Caribbean yacht cruise, leaving the entourage, with me more or less in charge, to get going on the legislative program and the State budget. I remember John Bailey calling me in and asking, "How much do you need to get this show on the road?" I hadn't thought about the matter and asked if \$10,000 was too much for a starter, whereupon he pulled out a massive roll, peeled off a hundred \$100 bills and tossed them over, not even requesting a receipt. I faithfully submitted itemized bills, but nobody seemed to pay any attention.

I was (1) totally green about the ways of politics, government, and public administration in general, and (2) committed to a full time teaching program at the University at least through the first semester. However, in the first ten weeks I greatly increased my knowledge, and managed to hit enough high spots

to get the approbation of Bowles and Bailey. On one occasion, I had worked until 3 AM on the Governor's budget message, and had gone from my cubicle in the State Capitol building into the Gubernatorial Office to stretch out on a couch in preparation for the 9 AM Governor's press conference. When I awoke, the room was full of reporters, and the Governor was eulogizing me as an example of his dedicated staff, for which I got quite a few inches of unsought press coverage. But it was all too much--a few days later I collapsed from nervous exhaustion and was shipped off to Florida to recover. When I returned, things were going along, I disliked the thought of getting into the rat race again, and went back to teaching and viewing from afar. This went on until the beginning of the 1950 spring semester, when the Governor established a State Commission on Economic Development and asked me to be executive secretary at a salary double my Wesleyan stipend; I accepted and left the University.

One of the lessons of my state experience concerned the problems of translating economic wisdom into political action. I and the other Brains Trust economists thought we had a saleable political point when we convinced the Democrats to back the replacement of the existing state sales tax by a state income tax. We were surprised, not by the hot opposition, but by the fact that so much of it came from the State AFL-CIO. It was then that I decided that I should start learning more about practical politics and why people vote the way they do.*

Nutmeg to Big Apple

Down in New York City, my future was taking another turn. Mayor William O'Dwyer, under pressure from the press and the civic groups, had instituted a comprehensive study of City government and administration, the largest and most costly ever mounted of any government. It was to be supervised by a *Mayor's Committee on Management Survey*, composed of thirty leading civic leaders, businessmen, and city officials.

 * It was not until the fall of 1991 that the Connecticut legislature was finally bull-dozed by the Governor into adopting a broad-base state personal income tax,

For project director, the Committee recruited Luther Gulick, who worked with them to produce an agenda of twelve major study areas. One of these was finance; to supervise that study Gulick enlisted Columbia University's two famous public finance economists, Robert M. Haig and Carl S. Shoup. I had studied with both of them and they had jointly supervised my PhD dissertation. Now they asked me to be chief of staff of the finance study, and to make sure I wouldn't refuse doubled the salary I was getting from the State of Connecticut. Next came a letter (drafted by Gulick) from the Mayor of New York to the Governor of Connecticut asking the Governor to lend me for the duration. When I talked to Bowles, he seemed somewhat miffed--the 1950 election was coming up and this was no time to be losing experienced speech writers. But the New York opportunity, including salary, was not to be resisted, so I said goodbye to the Connecticut capitol--fortunately, because Bowles was defeated for reelection. In early April of 1950 I met Luther Gulick for the first time, though I had run across his name often enough to know that he was a person of consequence.

The finance survey took all my time until our final report was delivered early in 1952. As soon as I was free, Gulick asked me to join the headquarters staff of the MCMS. After doing several special studies, including one on city employee compensation, I was put to work helping draft the final report, and wrote the bulk of the chapters on finance, accounting and budgeting, and the section on employee compensation.

The MCMS report was wrapped up by the end of July 1952, and after taking a long-deferred break, I started considering what to do next. Gulick wanted me for the Institute as soon as he could get financing for several studies he had in mind. Meanwhile, an assignment came along to work with celebrity Malcolm Forbes, publisher of *Forbes Magazine*, who wanted to run for Governor of New Jersey on a platform which included reforming the State's antiquated tax system. I worked up a tax modernization program, with the guidance of a committee headed by Douglas Dilworth (later Secretary of the Treasury in the Kennedy

Administration). Malcolm Forbes never realized his gubernatorial ambitions, but while I was working with him, my next project was hatching.

Puerto Rico had recently become a "commonwealth", a status then unique in the United States system, with its own elected governor and legislature. Its Secretary of the Treasury was Sol Descartes, an economist who had taken graduate work at Cornell University, and a man of boundless energy and ideas. A main item on his agenda was modernization of the Commonwealth accounting system, an adjunct of the Treasury Department. On the basis of my background in accounting and economics, I got the job of directing the project, and moved my family to La Isla Encantada for what turned out to be six months. It was before the island was inundated by tourist development, and we were enthralled by its beauty, the climate and the wide beaches only minutes away from our apartment on Calle Estado, where the family could go for a swim every night after work.

After an initial survey of the problems involved, I gave a presentation of findings, proposing three main objectives: (1) tailoring the system to produce a set of summary reports that could be readily understood, (2) harmonizing the accounting and budgeting systems, so that they would both be using the same classifications of revenues and expenditures, and (3) tying the government accounting system directly into a standard system of national income and product accounts. The proposals were accepted and I went to work with a lively group of people in the Accounting Service of the Puerto Rican Treasury.

Deciding that the project needed a professional familiar with the latest wrinkles in governmental accounting, I flew up to Washington and found Clarence Jauchem, who was heading the interagency accounting improvement project sponsored by the federal General Accounting Office, and persuaded him to come to Puerto Rico for a couple of months. Frederick C. (Fritz) Mosher was just finishing an assignment for the Puerto Rican Budget Bureau, and consented to stay over to work on the problem of unifying the accounting and budget systems.*

The donkey work of the accounting-improvement project was rewriting the

* In the course of our association I found that Fritz was one of the brightest people and fastest workers I have ever known. He also had brought his family to Puerto Rico; the Mosher kids were about the same ages as ours, and the two families developed a warm relationship that has lasted over the years.

accounting manual to reflect a reclassification of governmental accounts so that they would fit directly into a system of national accounts. This required examination of each account, and a check on what manner of transactions were going through it. Then the account definition was revised or replaced to fit into a consistent structure of national income-product accounts, enabling us to put together the first government financial reports incorporating the new system.

Back in New York, the MCMS report was producing repercussions in the 1953 mayoral campaign. One of the recommendations of the report called for professionalizing the office of the Mayor, proposing a "Deputy to the Mayor with the title *Director of Administration* to assist the Mayor in the coordination of all departmental activities." Robert F. Wagner Jr., son of the famous New Deal Senator, was running for Mayor; his main platform called for implementing the recommendations of the MCMS, and specifically to create a Division of Administration in the Office of the Mayor, headed by a City Administrator who would be Luther Gulick.

Gulick hesitated to take the post. He had always been a consultant and had previously held only one paid government job--eight months in 1942 as director of the Office of Organization in the War Production Board, in WPB's formative days. Second and more serious, the wording of the MCMS recommendation and the legislation creating the City Administrator were admittedly weak in failing to give the Administrator enough power to be effective. The New York good government groups wanted a city administrative officer who would be more than an administrative assistant to the Mayor--more like a city manager.

But Gulick, relying on his influence with the press and the civic groups to give him the clout he would need, decided to take the City Administrator's post, and was sworn in, along with the Mayor and other top elected officials, on January 1, 1954. The Charter amendment establishing the post provided for a First Deputy and two other Deputies. Gulick (with the Mayor's approval) appointed as First Deputy Charles Preusse, a tough-minded and politically knowledgeable lawyer who had been a member of the MCMS; a second Deputy's post went to Gordon Clapp, a widely-respected administrator who had previously

been chairman of the Tennessee Valley Authority; the third was left temporarily vacant.

Recruiting other top staff ran into the problem of titles--the only conceivable category for the specialists whom Gulick wanted to hire was the administrative class, and in the moribund city civil service system, this class was open only to people who had gone through the lowly clerical class from bottom to top, which effectively insulated the administrative class against any professional training whatsoever. Under the circumstances, Gulick's top staff members were given provisional titles of "senior management consultant"* In the Office of the Mayor.

Before going to Puerto Rico I had agreed to rejoin the Columbia economics department for a year to teach courses in principles, theory and public finance, filling in for a professor on leave. As I was finishing my year, Governor Abraham Ribicoff of Connecticut offered me the post of State Director of Finance, but I had no interest in the kind of bean-counting that goes with such a job, and preferred to join Gulick's group of senior management consultants; my beat was fiscal-economic affairs and city planning.**

In the mid-1950s, the City Government was only beginning to feel the impact of the great population changes of the postwar period--in particular the immigration of blacks from the south and Hispanics from Puerto Rico. The rising tide of protest against racism and deprivation which burgeoned into the tumult of the 1960s and 1970's, and which has dominated the central city scene ever since, was just becoming apparent; it had received little attention from the Mayor's Committee on Management Survey, whose recommendations dominated

* One way of getting around civil service rigidities was the use, both in and out of season, of provisional titles, a device that, though much deplored by governmental reform groups, was the only way to fill many technical posts with qualified people.

** Gulick's stable of specialists included, besides me, Henry Cohen, social planning; Robert Connery, political science; David Delman, law; Stanley Pinel, engineering; and Julius Mahler, community affairs.

the work of the Division of Administration during my tenure there.

Subject to the needs of the City Administrator, the management consultants had considerable latitude to pursue matters that we thought were important. I began by working with the Traffic Commissioner on a study of ways and means of reducing auto congestion and controlling street parking--even in 1954 approximately half a million cars were parked overnight on New York City Streets. Gulick took my plan to the Mayor's cabinet meeting, where it was cold-shouldered by the Mayor's political advisers who argued that New Yorkers could never be induced to pay for overnight parking, regardless of what happened in other cities. I prepared the section of the Mayor's annual report dealing with economic, fiscal and planning matters. I wrote numerous memoranda for Gulick and the deputies to take to cabinet meetings. I wrote memoranda on valuation of property for real estate tax purposes, which irritated the City Tax Department; on long-term fiscal planning which irritated the Budget Bureau; and on the dearth of understandable information on city finances, which irritated the Office of the Comptroller. I wrote speeches for Gulick, including an oft-quoted 1954 speech to the Regional Plan Association, which pointed out that urban population growth had created increasing needs for metropolitan-scale jurisdictions which could handle such functions as water supply, air pollution control, waste disposal, and urban transportation.

Gulick, whose achievements and tribulations in office are related in another paper in this series, resigned after two years in office to go back to the Institute of Public Administration. He was succeeded by his First Deputy, Charles Preusse. Gordon Clapp left soon after, and the First Deputy's post was filled by William Ronan, head of the New York University Graduate School of Public Administration. Another deputy, Maxwell Lehman, was taken on to function as press secretary.

During Gulick's tenure, Division of Administration activities, aside from Gulick's work in organizing the Mayor's executive office and maintaining contracts with civic groups, were concerned largely with policy analysis rather

than management per se. Preusse and Clapp felt that the Division of Administration, with only a handful of professionals, lacked the weight to discharge its responsibility for routine management improvement, and urged Gulick to augment his crew. By comparison, the other top staff agency, the Bureau of the Budget, whose director had opposed the creation of the Division of Administration in the first place, had a staff of more than 400, including the powerful budget examiners who controlled every minute expenditure through the immensely detailed line item budget, thereby exercising, department heads complained, greater control over departmental management than did the commissioners themselves. And the Budget Bureau had a Division of Analysis staffed by some thirty management analysts plus support staff, which Gulick and Preusse argued logically belonged with the Division of Administration. They set about persuading the Mayor to order the transfer; this took some doing, what with the Budget Director fighting tooth and nail, but the Mayor finally succumbed and we woke up one spring morning to find the Division of Analysis on our doorstep, with its director given a Deputy City Administrator slot.

The Analysis Division's professional staff was a mixed bag--there were several lawyers, a CPA or two and a like number of engineers, and a number of others with college degrees. Most came from various backgrounds--I remember one who had been a barber before entering city service--and had drifted into the Division over the years and gotten their training on the job. Several had been exposed to public administration courses, and at least one was an active member of the local chapter of American Society for Public Administration. None was really incompetent, and they knew a great deal about the minutiae of city agencies--departmental regulations, civil service regulations and the like--on which they had worked. A strict sense of hierarchy prevailed--the ranking members of the Division expected that any questions or orders addressed to individual staff members would go through the chain of command.

As things turned out, the Division and the senior management consultants worked on different problems and the two groups interacted only occasionally.

The IPA

In the fall of 1956, a couple of consulting projects came to the Institute of Public Administration, attracted by Gulick's name and reputation. Gulick needed someone to take charge of them--he was busy with an ambitious foundation-financed program of metropolitan area studies and a series of overseas assignments and sent out an SOS for me. I was getting tired of the convoluted City Government anyhow, and ripe for something new, so I moved up to the impressive late nineteenth century Park Avenue mansion that was then the home of the Institute.

My first assignment involved the Pennsylvania State sales tax administration, which had broken down after the Democrats had taken over following the preceding election. Stephen Sweeney* had recommended IPA to Governor George Leader, along with McKinsey & Company, and the desperate Governor had hired both outfits. I tracked down Vernon Ekstrom of the California sales tax division, who had surveyed the New York City sales tax for the MCMS finance project, and went out to Harrisburg to look things over. It didn't take long to discover the reason for the immediate breakdown--Pennsylvania then had no civil service system, and when the Democrats took over they had replaced the staff of the tax division with deserving spoilsmen who knew nothing about the highly-specialized problems of tax administration.

John Corson was the McKinsey man-in-charge; the McKensey staff was a mild-mannered lawyer, a "generalist". I had not previously met Corson though I knew of his reputation as an administrator in the Social Security Agency, and was prepared to learn something from him. What I mainly learned was the high pressure techniques of the commercial consulting firms--we had been underway less than a week when Corson insisted on staging a quasi-formal conference with the Governor and his top staff to hear our tentative findings, which at that stage were gleanings from State officials, most of whom would be at the conference.

* Sweeney was head of the Fels Institute of Local and State Government at the University of Pennsylvania.

Later conferences could only be anticlimatic, but our contribution in any case was chiefly improving procedures, correcting many deficiencies that predated the personnel turnover, rewriting the sales tax administration manual, and helping select and train the nucleus of a permanent staff, for which the Governor and Legislature rushed to provide civil service status.

IPA had also contracted to serve as consultant on organization and finance to a National Capitol Transportation Planning Commission. NCTPC had been formed to prepare an urban transportation development plan for the Washington Metropolitan Area, which included both the District and adjoining areas of Maryland and Virginia. Our contract had been arranged by the NCTPC Chairman Harland Bartholomew, a great name in urban planning and old friend of Gulick.

Working with New York City's perennial urban transportation crises, I had learned about the main issues, and started spending much of my time thereon, assisted by IPA staff member Sumner Myers, with an MIT graduate degree in engineering, Columbia economics professor and transportation specialist William Vickrey, Howard Mantel from the Columbia Law School's Institute for Legislative Drafting, and several other specialists.

We were supposed to consider financial aspects of various transportation alternatives. First we looked into ongoing studies of future travel demand--person trips--between various defined areas of the metropolitan area. These were projected by various computer models, based on projections of the number and location of night-time populations, jobs, various activities such as shopping, education and recreation, travel constraints such as distance and time requirements, and so on. Estimates of the computer models were largely acts of faith, since there was much argument over the inputs and the outputs were proving to be wildly inaccurate.

From the beginning Keneth Hoover, director of the transportation study, made no secret of wanting a final decision to build a metropolitan rail system, which in high density areas would be a \$100 million-per-mile subway. The IPA team, taking account of the wild uncertainties of travel projections and the high cost of

subway rail construction, argued for initial experimentation with a greatly improved surface system relying on modernized buses and bus control systems for transit service, and systematic control of traffic congestion in downtown areas, achieved by relating the number of available parking spaces that would be allowed to the capacity of the streets that would carry the traffic. The IPA became a focal point of like-minded skeptics, and the issue was dubbed "rail-heads versus eggheads." Meanwhile, we were also looking at organizational and financial problems. In the spring of 1957 I made a presentation to the members of the metropolitan planning board and other interested parties, including the Federal Government's two leading experts on government corporations--Alan Dean and Harold Seidman, I made four main points.

First was the reiteration of the uncertainty of planning magnitudes, the arguments against jumping into a massive rail investment, and the need for an overall system of traffic planning that would relate highway-street capacity to the number of vehicles attempting to travel at various hours in various sections. (Nothing of the sort existed in the U.S. at the time, and for the most part still doesn't.)

Second, I reviewed various criteria for financing intraurban transportation improvements, stressing the desirability of achieving a better balance between the cost of accommodating motor vehicles in congestion-prone areas and the charges imposed on motor vehicle users. I argued that there was a justification for public subsidies to mass transit, to offset the large implicit subsidies to motor vehicles, but that operating costs should be paid by the transit users and other direct beneficiaries.* I suggested also that a likely source of financing capital improvements of transit systems would be special assessments on real estate that stood to benefit thereby; special assessments had long been used for financing street construction, water and sewer mains, and like improvements, but in the U.S. had never been used for transit improvements (it still hasn't).

* Here I had in mind the desirability of maintaining a check on the inevitably extravagant demands of transport workers' unions.

Third, transit improvement in the national capitol area would require public acquisition of the numerous and largely uncoordinated private lines that served the region, including the Washington transit system whose bankruptcy had precipitated the regional transit study. They would be consolidated into a regional transportation agency.

Fourth, the regional agency might be either a federal government corporation or an interstate compact agency. A public corporation could be formed and move more quickly, but an interstate compact agency would in principle be more responsive to regional governments and their constituencies. So I suggested that the initial administrative body should be a public corporation, to be superseded by an interstate compact agency as soon as one could be put together.

The presentation, my first formal appearance on the Washington scene aside from appearances before Congressional Committees, went over well. IPA went to work preparing draft legislation for each of the two proposed bodies--our proposal of a public corporation followed by an interstate compact agency was ultimately adopted.

The egghead versus railhead controversy was finally won by the railheads, in a series of developments culminating in a proposal to build a regional rail transit system of some 50 miles, at a projected cost of some \$3 billion dollars. In the closing years of the Eisenhower Administration the transit project languished, and the mass transportation study went out of business. It was revived in the early 1960's however, and energetic pushing by a fresh crowd of true believers not only revived the rail-building project but doubled its size to 100 miles, at a cost that eventually turned out to be around \$10 billion, equivalent to \$30-40 billion today. This is the system that now exists. Obviously, it has been a large influence in shaping regional development, and for many people, particularly those working downtown, has greatly facilitated getting around.

But over time, will the Metro have been worth the \$10 billion?* Several years after the system started operating, I estimated the total cost per ride on the Metro, including interest and amortization, to be about \$8, while average fares were less than \$1. Obviously, with an \$8 fare, or even a \$4 fare, Metro would have had few riders. So did the community overall benefit \$7 worth for every ride on the subway? I still don't know. But compared to some things the Federal Government has blown its money on, such as Stealth Bombers at nearly a billion dollars a copy, Metro obviously was and is well worth its cost.

Administering New York City Government

Anyway I wasn't around for the second stage for I had gone back to work for New York City. The sequence of events began in the summer of 1957, when I was attending a seminar at the Merrill Foundation Center in Southampton Long Island. Charles Preusse telephoned requesting a meeting, so I broke off and flew to New York, where I was surprised to be asked if I would take the job of First Deputy City Administrator (Ronan having left to join the Rockefeller organization). I wasn't sure that I would, but after talking things over with Gulick at the Institute, I said yes, and in early September was ceremoniously sworn in.

As First Deputy, I was a semi-big shot, attended the Mayor's weekly cabinet meetings, handled outside matters and relationships that Preusse didn't want to bother with, including frequent contacts with civic group officials, rode herd on the Analysis staff, and handled the budget and negotiations with the Bureau of the Budget. Nearly all city officials were Irish, Italian or Jewish, with a smattering of blacks and Hispanics--as a WASP, particularly one from west of the Hudson River, I was a rare specimen.

* Much the same argument was, and still is, going on over proposals for new rail transit lines in other urban areas, such as Atlanta, Miami, and San Francisco, where the railheads won out. In San Francisco, the opposition included Melvin Webber and other urban planners of the University of California Institute of Urban and regional planning.

I began with a series of meetings with senior staff members to discuss office potentialities and problems, and followed up by instituting regular weekly meetings of the professional staff and deputies, usually on Friday afternoons following the Mayor's Cabinet meetings, at which we would discuss what interested the Cabinet. Project assignments were approved by the Mayor in principle if not always in practice--they might come from the Mayor's Office or be undertaken at the request of Department Commissioners, or originate in the City Administrator's Office.

As an administrator, Pruesse had many strong points, and a couple of major weak ones--he believed that managers are born, not made, and scorned the idea of public administration training or building up public administration competence in the City agencies. He made no bones about using his City position to attract a partnership in a prestigious law firm (he finally succeeded)--to this end all reports emanating from the City Administrator's office were signed exclusively by Pruesse, with no credit to people who had done the legwork and writing. City Administrator investigations were geared to produce written reports, ostensibly to the Mayor, which with the Mayor's (usually passive) approval would be distributed with press releases and other fanfare. The report was usually the end of the City Administrator's work; as an office we had inadequate staff for followups.

Few of the city government agencies could have claimed good management as one of their virtues, for all the familiar reasons--bureaucratic rigidities, obsolete civil service structure, inter-agency conflicts and absence of cooperation, an abiding disinterest in or active opposition to management in general on the part of top executives, civil service organizations and employee unions, and the long arm of antimanagement political influence that obtruded at every level.¹ The attitude of agency commissioners could make a considerable though ordinarily not decisive difference; the group that Luther Gulick had recruited for Mayor Wagner was notable in this respect; but by the time I had attained a top-level perspective (in Wagner's second term), several had already left or had grown tired of beating their heads against the formidable obstacles to

improvement. To be sure there were a number of shining holdovers, including Commissioners Leona Baumgartner, Health; James Dumpson, Welfare; Stephen Kennedy, Police; Anna Kross, Corrections; and Robert Weaver of the Housing and Redevelopment Board--who were concerned with improving administration and worked closely with the City Administrator. But some of the worst managed departments remained stuck in their arrogant ruts.

I learned a lot about the workings of bureaucracies and the various forms of resistance to proposals for administrative changes that could be used by recalcitrant department chiefs and their satrapies to block the reform efforts of well-intentioned officials. A favorite beginning ploy was to trot out various laws and regulations--beginning with the State Constitution and City Charter, and continuing with state laws and city ordinances, and state and city administrative regulations--that froze existing organizational structures and intramural relationships. A leading contributor to rigidity was civil service laws and regulations that made nearly impossible the reorganization of personnel structures, disciplining of uncooperative personnel, changing of job descriptions, or creation of new titles to meet changing needs. Another regulation prevented moving any employee from one department to another without his consent. I ran afoul of this one when the City Administrator, needing a heating engineer for a study of the heating problems of City buildings, "borrowed" an engineer from another city agency. When the study was completed the engineer, contented with a situation in which he had no work to do, refused to return to his former job, and I discovered we were stuck with him. But I finally won the round by dropping him from the personnel list of the City Administrator's next budget request--the Budget Bureau was glad to cut our staff whenever possible. Under the rules, the engineer was entitled to return to his original job, bumping whomever had replaced him, but the idea of going back to work distressed him so much that he came to me to protest and actually wept at being subjected to such indignity.

We arranged with George Graham of the Brookings Institution to lend David Stanley to do a survey and make recommendations for overhauling the civil

service but Stanley's report came in about the same time that the Mayor was arranging to grant bargaining rights to city employee unions, and was lost in process of adjusting to the new situation.

Still another obstacle was the old-fashioned line-item budget, zealously controlled by the Budget Bureau, with a million-plus lines, each a separate appropriation for every detail of the City's operation. And once made, the appropriation could be spent by a department head only with the approval of the departmental budget examiner.* This arrangement naturally produced great frustration of department heads, and endless conflicts with the Bureau Bureau. Any personnel changes recommended by the City Administrator could be negated by BOB refusal to okay the necessary changes in budget lines.

A long-continuing dilemma concerned management reporting--the MCMS had made the conventional recommendation that administrative agencies submit quarterly reports on their activities, progress and problems so that top management could be apprised of needs and upcoming problems before they became crises. The function was inaugurated and guided by the City Administrator, who assigned a staff member to monitor and summarize the reports. But, as usually happens, the reports quickly became repetitious--tending to concentrate on needs and problems that were insoluble or at least very difficult, and progressively less useful as a source of current information to top management.

Though my own interests were primarily in policy analysis, the bulk of my own relationships when I became First Deputy was with the Analysis Staff, which did the work on O&M problems that came to our attention. I gradually pried open the system of hierarchical relationships to the point where I could work directly with individual specialists on particular problems, though the top echelon never got over being irked by such transgressions.

* Over the budget year many modifications of the line item budget would be required, each requiring approval of the Board of Estimate, the City's senior legislative body. In the vast majority of cases, the Board acted on the recommendation of the Budget Bureau, in its de facto capacity as staff arm of the Board.

One of the problems on which I, several senior management consultants, and the Analysis Staff worked intensively for several months in the late 1950s, concerned school building construction, where incapacities had been attracting such a rash of outraged complaints and press stories that the Mayor directed the City Administrator to survey and report on the whole process. Among the major areas we covered were--

Planning and the location of new schools. School sites were selected primarily by local politicians working with the politically-oriented Bureau of the Budget, often without adequate studies or projections of population movements, population composition and the numbers by age groups of pupils in selected areas. In some areas, newly built schools were grossly underutilized, while in others, particularly low-income areas, obsolescent buildings were bursting at the seams.

Supervision of construction. In addition to the politically suspect method of selecting architects in the first place, their relationships to projects ceased when their designs had been approved, so that they had no responsibility for seeing that their plans were carried out, or evaluating the quality of the actual work.

Contracts for construction. Under State law, construction contracts were with four different contractors, instead of a principal contractor responsible for choosing and overseeing the work of subcontractors. With four separate contractors, there was no way of systematically scheduling and coordinating the work done by each, for instance, installing the plumbing before enclosing the walls.

Oversight and payments for construction work. The City Comptroller employed a preaudit system--each payment from the City's Treasury was made only after the work had been inspected and approved, a practice that led to endless delays in making payments, in many cases forcing impatient contractors to pay off inspectors and auditors in order to get their money promptly. Bids for construction work not unnaturally included overhead allowances for such slippage.

In the course of the analysis, our study charted the nature and chronology of the steps taken in planning, financing and construction--the chart ran most of the way around a sizeable room.

When the report, with recommendations, was released and circulated it received more than the usual amount of publicity. There it stopped--reform would have meant taking on, in addition to Board of Education construction officials, the Bureau of the Budget and the Office of the Comptroller--an independently elected official--so the problems persisted.*

As of the end of 1959, Preusse resigned as City Administrator, moving to his long-sought law firm partnership. After a period as Acting City Administrator, I was sworn in and became a full-fledged big shot, with the various perks that go with high positions.

The Office of New York City Mayor, out of which the City Administrator operated, was one of the most powerful in the country, at least on paper. First, the NYC government is metropolitan-scale; its creation in 1898 was the first, and is still the largest, of the nation's metropolitan consolidations. Second, the NYC government administers most local government functions that in other governments are divided between cities, counties, school and other special districts. Third, the heads of departments and agencies, including the budget and the city planning commission, serve "at the pleasure of the Mayor", who has sole power to appoint and dismiss them.

Now I had the chance to look a bit further into the psyche and modus operandi of Mayor Robert Wagner, generally rated, at least during his first two terms, as the City's most effective Mayor since Fiorella LaGuardia. Wagner's father, the great Senator, had handed his son two guiding lights: firm roots in the concept of the "general welfare", and a broad knowledge of political forces and how they work, combined with a political caution that made him instinctively reactive,

* A decade later the Lindsay Administration mounted another study of school building construction that paralleled ours, down to papering the walls of a room with charts of the myriad steps involved; this time the Administration, with the active support of the Mayor and more and better integrated administrative resources, could claim to have achieved substantial results.

work, combined with a political caution that made him instinctively reactive, rather than dynamic.² Unlike Fiorella, the fiery Little Flower, Wagner was not a leader, not usually. In all the years I worked with him, I never knew him to initiate a policy, and in evaluating the proposals of others his first question was never, "Is this good for the City of New York?" but always, "Who's against it?"

One of his rules-of-thumb was said to be, "Don't speak out unless you're absolutely sure; if in doubt, mumble." But though he did a lot of mumbling, he usually came out on the right side. An example was when he worked behind the scenes, with technocrats City Administrator Luther Gulick and Health Commissioner Leona Baumgartner carrying the ball in public, to institute the fluoridation of the City's water supply, against the passionate opposition of the antifuoridation forces led by Brooklyn Borough President Abe Stark.

The Press

In my day (and this is still largely true) TV was not a considerable force in City politics, and City Hall attention was mostly on the "press". As a civic force, the lordly *New York Times* got most attention from the top-level elected and appointed officials--the Mayor, at cabinet meetings and wherever else you ran into him would always expect you to have read that day's *Times*, to have caught every last item pertaining to New York City Government, and if you or your department had been mentioned unfavorably, what you were doing about it.

Withal the *Times*, primarily concerned with the national and international scenes, gave relatively little attention to State and City governments. Of the newspapers that had survived until the 1960's, the *World-Telegram and Sun* had the liveliest City coverage, and carried the three validictory articles that I wrote when I resigned in the spring of 1961. The raffish *Daily News*, as befitted its mission and clientele, was mainly concerned with juicy tidbits, rather than informative reporting.

Still it was the *Times* that had been one of the principal advocates of estab-

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lishing the office of City Administrator and that we all tried to cultivate. Luther Gulick set the pattern for himself and his successors by keeping the *Times* City Editor informed about the work and accomplishments of the Division of Administration. Whenever an important City Administrator's report was to be released, the City Editor would be briefed, in the hope of getting a *Times* editorial thereon. The office also maintained a press secretary to maintain rapport with the city reporters in Room 9 at City Hall.

We were not above making sure to include something sufficiently striking to be considered for a contemporary *Times* feature--the "quote of the day". I remember ringing the bell on one occasion, in a talk to the New York City League of Women Voters, with the following (still relevant) comment on revising the City Charter.

Charter revision should be concerned, not with propping up mediocrities nor with protecting ourselves from the consequences of electing fools to high office, but with enabling competent men to govern well.

Being City Administrator

What did the City Administrator do in those days? Here I have space for only a sample day's appointment schedule, and several more memorable anecdotes.

My schedule for November 7, 1960, may have been somewhat crowded, but it gives some notion of the range of my activities.

Typical Schedule

9:AM . Mansion (for weekly conference with Mayor)
11:AM . Mayor's Office - Meeting of Heyman Commission on Medical Services
1:PM . Lunch, Dr. Leona Baumgartner [Commissioner of Health]
2:PM . Room 1 [City Hall]. Meeting re open fire burning: Commissioners Cavanaugh, Benline, Screvane; Mr. Davis [representing Department of Housing & Buildings]; Councilmen Kranis, Curtis
6:PM. Reception, Music Room, Biltmore Hotel.
Princesses Birgitta and Desiree of Sweden

Low level, and occasionally high-level, corruption was ubiquitous, and we devoted considerable effort to devising ways of rooting it out. Any activity involving inspections, or issuing licenses and permits, or payments for contractual services was susceptible to exploitation by employees looking for extra-

expired at 12 o'clock on New Year's eve, when a strike would inflict maximum inconvenience. On every other New Year's Eve, an emergency committee of City Officials would be on duty at City Hall, ready to act in case a strike did actually occur. None had occurred for decades, for after much huffing and puffing Mike Quill, the quintessential Irishman who was long-term head of the TWU, always settled at the last possible moment for a raise which, given the dynamics of the transit industry, was not unreasonable. The Mayor instructed me to get in touch with Quill to see if we couldn't work out a less nerve-jangling scenario. Lunching with Quill in the Oak Room of the Plaza Hotel, I broached the Mayor's request, to which Mike responded in his thickest County Cork brogue, of which I can convey only a faint impression. "Weel, Oi sympathize wit t' Mayor, and Oi wish Oi cu'd help, but the thrubble is, yuh don't know me bys. Whoi, if on Christmas Eve Oi put a pot of gold in ivery one of their socks, they'd look at me and say, 'Moik, go back and git some more.'"

The best I could get was an agreement to appoint a "fact finder" who would keep the public better informed as to the issues.*

By the time I became City Administrator, I had concluded that the most effective way to push public administration improvement was by appointing competent aggressive executives--my model being the afore-mentioned Health Commissioner. As complaints piled up on my desk, I began encouraging the Mayor to replace the more conspicuously deficient top executives, particularly commissioners and board chairmen. This is difficult in any Administration and especially difficult with the patient and tolerant Robert Wagner. The only way to get him to move was to present overwhelming evidence of deficiencies, from

* Epilogue: When Wagner's successor, John Lindsay, became Mayor, he declined to follow the time-honored bargaining charade and dared the TWU leaders to call a strike, which they promptly did. Public employee strikes being illegal under State law, a New York State Supreme Court justice ordered Quill to call off the strike, and when Quill refused sent him to jail. While incarcerated, Quill suffered a severe (ultimately fatal) heart attack and the fat was in the fire--Mayor Lindsay finally had to settle for a rise much larger than what Quill had originally demanded.

plaintiffs he could not ignore. Most troublesome was one of the City's biggest departments--Hospitals, responsible for some twenty institutions and a vast complex of services. Here the volume of complaints was rising to a crescendo, which the Mayor deflected by saying that he had ordered the City Administrator to look into it.

We began by dividing the problem into two parts--logistical and medical. For logistical management, particularly admission procedures, I organized a team from my Analysis Unit to inspect complaint-ridden hospitals, usually at night, to see how applicants for admission were being handled. We might observe, for instance, that reception rooms and halls were so crowded because admission procedures were poorly organized and overly time-consuming.

To review medical procedures and records, I called on Dr. Ray Trussell, head of the Department of Administrative Medicine at the Columbia University College of Physicians and Surgeons.

Everywhere we looked, we saw gross inefficiencies and opportunities for improvement. Not infrequently, we would run into crisis situations, often at night and I would call the Commissioner at his home in Staten Island to urge that he do something. His usual response was that he was doing as well as anyone possibly could with his miserably inadequate budget.

I paraded medical authorities past the Mayor until we finally got him to agree that a new Commissioner of Hospitals was needed, and I was assigned to recruit same. The choice quickly narrowed down to Dr. Trussell, but here there was a problem--he was already making at least 60 percent more than the Hospitals Commissioner's salary of \$25,000 a year, and under the law could not be paid more from any source. We euchred this obstacle by getting a local foundation to establish a nominal job for Dr. Trussell's wife, with a salary that would make up the difference. The same foundation agreed also to supply funds for a terminal payment to the outgoing Commissioner, plus a 10-year annual increment to his retirement pension. Another task, which I thankfully left to my M.D.

collaborators, was to persuade the County Medical Associations to agree to the change.

Now everything was in order for the Mayor's signature on the official documents certifying the appointment. After several days of pursuing the reluctant Mayor, I shoehorned myself into a group accompanying him on a train trip to Albany where he would testify before a State legislative committee, in the course of which I obtained the signatures.

I and Deputy Mayor Paul O'Keefe were delegated to break the news to the unsuspecting Commissioner. Though we did it as gently as possible--offering a dignified letter of resignation (already drafted for him to sign), along with the juicy financial incentives provided by our foundation friend--he signed the resignation letter only after long argument had persuaded him that there was no alternative.

I got back to my office about 4:00 o'clock on a Friday afternoon, to find awaiting me the *New York Post* reporter-specialist on health and hospitals, who had picked up a hint of what was happening and wanted to confirm it for a weekend exclusive story. Fearing that any such newsbreak would jeopardize the whole arrangement, I managed to detain her past her 4:30 PM deadline, though when she tumbled to what I was up to, there was much wailing and gnashing of teeth.

The next morning, the ex-commissioner telephoned the Mayor to ask for an appointment, which the Mayor granted. Obviously there were bitter complaints for when I next saw the Mayor, his only comment was: "You guys really roughed him up, didn't you!" and turned away before I could protest. That was my thanks for a lot of maneuvering and hard work over a period of some six months.

Obviously the Mayor, who never made a decision he could escape, and never until the last possible moment, thought I had been rocking the boat. It was time to move on. Awaiting my return from the vicissitudes of public service, Luther Gulick had been holding open the presidency of the Institute of Public Administration. So on April 1 of 1961 I moved into the president's office on the second floor of the IPA Park Avenue mansion.

The only thing I missed was the official car, replete with two drivers and red-

light-and-siren (which I never used)--a perk that cost the City taxpayers considerably more than my city administrator's salary.

Back to the IPA

The IPA had become mainly a projection of Gulick, whose personal talents were still in demand. The consulting projects of the late 1950's having been completed, IPA's chief income source was the remnants of several foundation-sponsored projects. Gulick's consulting, mainly on international projects, contributed little to IPA's overhead costs. For fiscal 1961, expenditures were projected at \$125,000 and revenues (from consulting, foundation grants and the low yield on the remaining endowment) at \$85,000. Discussions with Gulick and the Board pointed to two major alternatives: (1) use up the remaining endowment and let the organization fade away, its mission completed; (2) concentrate on raising funds from foundation grants and government contracts. Actually, we didn't have to choose because opportunities for useful remunerative work appeared that would condition the IPA program over the next two decades.

I began with three basic premises:

First, the IPA would have to be rebuilt as an organization, rather than an extension of a prestigious individual for whom there was no replacement.

Second the organization should broaden its agenda to comprehend all issues in the public arena, not excluding technological problems, that we might be able to handle, rather than concentrating on the more traditional issues of public administration having to do with organization, personnel management, and budgeting.

Third, potential projects should be evaluated by three traditional criteria: projects should be --

1. Pro bono publico in that outcomes should contribute to the public welfare.

2. Intellectually challenging--capable of contributing to the intellectual growth of staff members working thereon.

3. IPA should be able to handle projects primarily with existing

staff and associates, supplemented where necessary by outside expertise.

The following summarizes the main programs in which IPA and I were involved during my presidency, and concludes with a review of some of my main activities and lasting impressions.

International Work

Until 1961, international work had been spasmodic and incidental. Charles Beard had been invited to Japan in the early 1920's to advise the Japanese Government on policies concerned with recovering from the great earthquake of 1923. In World War II years, Luther Gulick had headed the Secretariat to the American members of the Inter-Allied Reparations Committee, had been a key member of the American technical team at the 1945 Potsdam Conference of the "Big Three" (US, UK and USSR); and in the late 1950s-early 1960s had been consultant to the governments of Iran and Egypt and a member of World Bank team concerned with plans for improving the water supply of metropolitan Calcutta.

In 1958, when I was First Deputy City Administrator, I had spent my summer vacation in Venezuela, as a member of a team headed by my old professor Carl Shoup, who had been engaged to review the Venezuelan government financial system.¹ (The study was part of the reform process set in motion when the dictatorial machines that had ruled the country for most of its existence were overthrown, and a democratic government, Latin America's most progressive, was installed.) This was the most productive period of my career--in a hyperactive five weeks I talked with government officials in five Venezuelan states, and wrote the chapter on state-local government finance, much of the chapters on government accounting and budgeting, and did special studies of health and education needs. For the latter study, I did the first published benefit-cost analysis of expenditures in education, demonstrating that the social rate of return on investments in education substantially exceeded the going rates on

other types of investments.*

Early in my presidency IPA began taking on foreign projects, first in India, Peru, Nigeria and Venezuela.

When, in the early 1950s, the U.S. stepped up its assistance to the less developed world, the main emphasis was on capital needs and related economic magnitudes--savings, investment, income distribution, and so on. Only gradually did development specialists wake up to the fact that merely supplying funds or physical capital provided no assurance that anything constructive would happen. By the end of the 1950s, there was increasing interest in public administration as a necessary foundation of development, and the U.S., along with several American foundations, had begun funding improvement programs.

The USAID Mission to Peru first enlisted IPA in this effort, and in 1961 we began a program of technical assistance that was to continue twelve years. This was the first of a series of AID grants and contracts which by 1980 had taken IPA to some 10 countries in Latin America, Asia and Africa. Most were concerned with creating or strengthening local institutes of public administration and other programs for training personnel, reorganization of government agencies, improving budgeting, accounting and other managerial procedures, and providing technical assistance with policy problems.

In the 1960s the Ford Foundation made a number of grants to IPA for--

Working with the Calcutta Metropolitan Planning Organization in setting up and directing special studies in urban government and metropolitan economic development;

Surveys of Egyptian national government, designed to improve communications and cooperation between national development planners and the functional ministries and staging seminars for high Egyptian officials;

Technical assistance to Venezuela for increasing the capacities of municipal governments.

Establishing and staffing an Institute of Administration in Western Nigeria;

A comparative study of administration, in conjunction with the United Nations, in a number of the world's rapidly growing urban areas in both both socialist and nonsocialist countries.

* The idea of treating education costs as an investment in human capital later was taken over and expanded by several economists, notably Professor Theodore Schultz of the University of Chicago.

IPA participated in several World Bank-sponsored projects, including--

Istanbul Metropolitan Area--in cooperation with Buchanan and Associates of London, reviewing and helping revise the Istanbul metropolitan development plan, to lay the groundwork for a trial World Bank loan for urban development;

Bangladesh and Indonesia--technical assistance for improving public administration training.

Finally, IPA undertook several projects financed by host countries, including--

Ecuador--technical assistance for government reorganization and administrative improvement.

Netherlands Ministry of Transport--joint project with the Netherlands Economics Institute to formulate a plan for financing urban mass transportation. (See p. 41.)

Venezuela--Logistical services and technical assistance for a Presidential Commission Fiscal Reform--drawing on my earlier work with the Shoup Mission. I recruited and supervised the work of other foreign consultants, and served as general advisor.

The increasing number of projects soon dictated the creation of an international division to supervise on-going projects and work at securing new ones. The first director, and my second in command, was Dr. Mark Cannon, who later was administrative assistant to Supreme Court Chief Justice Warren Burger, and staff director of the Constitution Bicentennial Commission.³ Though I personally participated in the on-going work of foreign projects in only a few instances (notably in Venezuela, Istanbul and Holland) I followed their progress, visited each one at various stages, and was always available to deal with crises, as in two instances when people engaged to direct programs didn't work out and had to be replaced.

The 1960s-early 70s was the era of peak assistance for public administration and planning in the less developed countries, along with the spawning of a body of comparative public administration theory that, whatever its other merits, provided little assistance for technical assistance teams in the field. All this was underlined, at a 1964 Ditchley Park (England) conference, in a statement of USAID thinking by John Hilliard, who made three points:

1. More attention must be given to public administration improvement and to building institutions that can administer overseas public administration development programs over long periods.

2. Such development takes much more time than technical assistance programs, impatient for quick payoffs, have been willing to recognize.

3. The values of technical assistance include the opportunity of broadening cultural perspectives--of getting to know and appreciate other cultures and viewpoints.

At the same conference, however, Donald Kingsley of the Ford Foundation said that after a lifetime in public administration, he favored discarding the term, and concentrating on ways and means of getting specific development projects accomplished.

I had already come down in the middle of these two positions and had made a list of simple maxims for IPA consulting teams, including the following.

Keep it simple. Look first at where gradual improvements can be made and don't try for immediate dramatic improvements by substituting elaborate budget, personnel, reorganization or other systems for existing ones.

A common mistake of U.S. and other "experts" was to attempt to install, in host country governments, complex systems that they had not been able to sell at home. Thus early on we found the Peruvian budget process in a state of collapse from struggling with a blue-sky PPBS system that had been foisted on them by a previous team of consultants.

Look for things that have a reasonable possibility of being accomplished in a reasonable time period, and draw up a set of priorities. In Peru, after the team had gotten its feet on the ground, we held skull sessions to decide on priorities; an obvious one being the lack of trained accountants in the government service, our first major effort was a crash program to enlist the competent Spanish-speaking Puerto Rican Accounting Service to stage an intensive three-month training program for a selected group of Peruvian government accountants. Aside from noisy discontent over the amount of hard work required, the Peruvian group responded well and after their return fanned out to leadership positions in the Treasury (*Tesoría*), Budget (*Presupuesto*), and Office of the Comptroller (*Controleria*).

The training program was one of two factors that made it possible to build up a *Controleria* which gained recognition in international circles as being the best in Latin America. The other factor was that the *Controler-General* was an able hard-driving full general in the Army (this being a period when the military had taken control of the government). When civilian control was restored and the general had retired, the *Controleria* lapsed into its old lackadaisical habits.

Learn from the locals, who frequently have shrewd ideas about where improvements should be made, and what should be done, but need support for, and refinement of, their ideas. On the other hand, it is often important to rein in local administrators eager to enlist support for grandiose but impracticable notions.

In summary, between 1961 and 1982 IPA worked in 18 countries, not counting those involved in the above-mentioned comparative urban studies. One important contribution was institution-building--IPA helped establish institutes for governmental training and research in four countries and provided technical assistance to already established institutes in three others. Three projects (Calcutta, Istanbul and the comparative urban studies) continued IPA's long-standing interest in urban planning and administration; three others (Dominican Republic, Venezuela, and Bolivia) involved technical assistance to increase the capacities of municipal government; a survey of property tax administration in Colombia also falls in this category.

In retrospect, to quote from an old poem, "What good came of it at last?"

Since much of our work was in institution building for the long run, we could only hope that the seeds that had been planted by training and advisory programs would eventually bear fruit, but the immediate results, in the form of economic development or noticeable improvements in administrative competence, were seldom achieved. And initial apparent successes often would be wiped out by later backsliding.

Aside from the studies of urban government, our most conspicuously successful project was in Calcutta, where a team headed by Dr. Leslie Green in a five-year period trained a generation of Indian urban specialists who later became the backbone of the national government urban affairs Ministry, and produced some 20 books and numerous shorter monographs on urban government and planning. And some quick improvement clearly resulted from the projects to raise the capacities of Venezuelan municipal governments, and to train Peruvian government accountants and build up the Peruvian *Controlería* (though the latter achievement was short-lived).

On the downside, three AID-sponsored projects--in Uganda, Liberia, and Vietnam--were abruptly terminated by violent takeovers staged by revolutionary forces--in Uganda led by Idi Amin, in Liberia, by Samuel Doe, and in South Vietnam by the North Vietnamese Communist regime.

In the much maligned Vietnam case, where an ossified elite could not be roused

to defend itself, let alone the nation, USAID threw huge sums into futile efforts to improve public administration. The IPA project involved assisting the National Institute of Administration (originally designed as a counterpart of the famous French *Ecole Nacional d'Administration*). Possibly because of the general climate of futility, our project exhibited the worst aspects of public administration systems when carried to meaningless extremes. Washington AID administrators required from the frustrated local office detailed plans for the forthcoming quarter, half-year and year, along with progress reports at the end of each period. Such demands were passed along to project directors, who with their staffs spent much of their time writing programs and reports, nine-tenths moonbeams, which were solemnly okayed by the AID PA director and forwarded to Washington. Along with the logistics of everyday living in the uncooperative environment, program-and-report-writing took up about three-quarters of what would ordinarily be considered working time.

Otherwise the main contribution of team members, besides occasional lectures in poorly-understood English, was holding the hands of the vice-chancellor and the small cadre of U.S. trained English-speaking faculty members. They were highly competent, but the majority of the Vietnam Institute staff were French-speaking--they gave canned lectures in Vietnamese with no participation by students, and had no interest in or communication with the IPA team.

In Turkey, where the joint IPA-Buchanan⁴ team had some success in establishing rapport with their counterpart Turkish planners, we were torpedoed in the report-writing stage by a national election that resulted in the appointment of a Minister of the Interior, a member of the Turkish Salvation Party, who on ideological grounds forbade any cooperation on the Istanbul project of Turkish planners with foreign planners. Since none of our team members were literate in Turkish, this restriction resulted in a somewhat truncated report; it would have been superfluous anyhow, given the predilections of the Turkish Salvation Party.

But even given all this, I would argue that the American attempts to help the less developed countries to improve their administrative systems were worth

while, first for what we learned about the techniques and difficulties of exporting administrative expertise, and second, by providing further evidence that a sound government infrastructure and competent public administration is a prime requirement of economic development.

Unfortunately, the fumbling attempts to provide technical assistance to eastern European countries attempting to switch from centralized control and totalitarian economic planning to an economy based on private property and the market system have amply demonstrated that this lesson also must be relearned by U.S. business firms and governments.

On-the-Job Travels

Visiting foreign projects and showing the IPA flag, attending a variety of international conferences, recruiting and other business, kept me on the road much of the time. My record was in 1964, when I was out of the U.S. six different times. There were two visits each to IPA projects in Peru and Nigeria. In early June, I was in Paris for a World Bank conference; flew back for my daughter's wedding; then back to England for a session at the Anglo-American conference center in Ditchley Park; then to Greece for one of the famous Doxiades conference cruises on the Aegean, where a group of urbanologists spent two happy weeks in a program which involved morning shipboard seminars on urban growth and problems; afternoon visits to ancient cities in Greece, the Aegean Islands, and the Turkish coast; and evening festivities--dining, drinking, dancing and singing--in whatever town we happened to be near; after which I visited Zagreb, Warsaw, and Stockholm to arrange for studies of their respective urban governments; followed by three weeks in the USSR with a United Nations team to observe Soviet new towns; and finally to Spain to confer with the director of IPA's Nigerian project, who was spending his vacation on the Costa del Sol.

This was my first trip to the USSR. It began with several days in Moscow, discussing new town planning and reviewing Soviet plans, seeing the principal sights and inspecting a housing project under construction. Then we visited, in succession, Leningrad; Baku, in Azerbaijan; and Yerevan in Armenia, doing the

tourist routine, supplemented by the best entertainment the region could offer, ballet, theatre, opera, lush banquets. But no new towns until the penultimate day in Armenia, when we finally were taken to one, chosen, we decided, because of its charismatic young mayor. The layout was Moscow cookie-cutter, with a center square large enough to contain all the residents in communal gatherings, the town hall on one side and the obligatory statue of Lenin on the other, rows of apartment houses, notable for their sameness and shoddy workmanship, with the standard allotment of 9 square meters person, and an industrial section with local factories. Other memories: the colorful store windows in the large cities (but nowhere could I find anything I wanted to take home, so that I was forced to spend my left-over rubles on amberwork); the roles of women--doing heavy labor along with men in pouring concrete and picking up refuse, near-monopoly of the medical services, but rarely to be found in the higher levels of the civil service and the Communist party; the technique of constructing apartment houses by producing rooms, concrete cubes, in a central factory, after which they were hauled to the building site and stacked up with cranes; Tania, the gentle high school teacher who doubled as our Intourist guide, whose impression of the United States was that of a poverty-stricken war-mongering country that viciously abused its black population; Vladimer, the college student assigned to guide me around Moscow, who rose at 2 AM on the morning of my departure and came downtown to escort me from my hotel to the airport, saw me through customs and made sure that I got on the right plane.

U.S. Projects

In the Bureau of Municipal Research era, our organization had concentrated on establishing principles of public administration, on the basis of actual experience in the field. In phase two, which began when the organization went national in 1921, the basic concepts were further defined and applied to functional areas such as health and police administration. Some aspects of the first two phases extended into the 1950s, examples being Luther Gulick's *Notes*

on the *Theory of Organization*, and his work on President Roosevelt's Committee on Administrative Management (1936-7) and the New York City Mayor's Committee on Management Survey (1950-2).

In the third phase, IPA branched out into the emerging areas of public policy analysis and finding solutions to problems confronting government agencies; this phase predominated in the work of the Mayor's Committee, in the latter 1950s and throughout the two-plus decades of my presidency. In that time, IPA handled dozens of domestic grants and contracts. Here I can mention only major areas and a few of the projects that, because of their social importance, the IPA approach and conclusions or the peculiar circumstances of the project appear in retrospect to have been most significant.

Urban Transportation Projects

The leading question in the early 1960s was whether the federal government should provide assistance for urban mass transit and what form the assistance should take. The Kennedy Administration in 1961 commissioned IPA to do a background study of urban transit, with particular attention to possible forms of transit subsidies and the organizational location of any new federal transit agency. The main recommendations of the report were embodied in the urban mass transportation bill of that year.*⁴

Most of IPA's other urban transportation work was financed by contracts with the Urban Mass Transportation Administration (UMTA) and the Administration on

*One of the IPA recommendations called for locating the administration of the transit program in the House and Home Finance Agency, which ultimately would be the nucleus of the Department of Housing and Urban Development. The recommendation so annoyed the Bureau of Public Roads (then in the Department of Commerce), that the Bureau blocked government publication of the report. At the instigation of Victor Jones (professor of political science at the University of California (Berkeley) and political science editor for the Chandler Publishing Company, it was ultimately published in 1964 by Chandler under the title *Urban Transportation and Public Policy* (by Lyle C. Fitch & Associates).

Aging. Increasing concern with mobility problems of the elderly and handicapped led to a number of projects concerning ways of providing transportation for the elderly, with substantial research, participation in two White House Conferences on the Aging, preparation of handbooks, and staging of numerous conferences and workshops throughout the country for local and regional administrators. Projects included provision of technical assistance for transportation needs to Model Cities programs; exploration of the problems of controlling auto use in selected urban areas in order to reduce air pollution; analysis of new bus technologies; formulation of criteria for transit capital grants; evaluation of proposals for subsidizing transit operating expenses; studies of techniques for improving transit productivity; formulation and evaluation of UMTA demonstration programs; a study of the technology and potential application of automatic vehicle monitoring (AVM); and numerous other special projects undertaken for UMTA on a continuing contract-for-research-as-required.

The most exotic concept we looked at was that of personal rapid transit or the horizontal elevator, when I chaired a panel appointed by the U. S. Office of Technology Assessment to evaluate its feasibility.* After a number of meetings and much hot argument between the proponents (mainly the inventor-designers) of the proposed system and panel members (most of whom were engineers), we

*The concept--brainchild of a group of engineers centering at the University of Minnesota--envisioned small cars running on a guideway, with a control system whereby a wouldbe passenger could hail a car at any station on a system, and designate and be deposited at the station where passenger wanted to go. It required a continuous flow of cars, operating independently, any one of which could be diverted from the main guideway to any specified station stop and rejoin the stream without slowing down other cars in the traffic stream. All this required designing and testing an elaborate technology, most of which had never been applied to transit. In the late 1960's, when it was still sponsoring demonstration projects, UMTA had funded a project to design and test one element of the concept--whereby cars would leave the main line to stop at requested stations and get back on the line.

The experimental system, intended to link the city of Morgantown West Virginia with the State University campus, was just beginning operations when we were doing the evaluation. Panel members visited the project on a dark January day, only to find that a heavy snowfall had forced suspension of operations, so we never got to ride on it. But we learned that project costs of some \$60 million were 10 times the original estimate.

concluded that the technology involved was so far out, and its potential usefulness so questionable, that we could not recommend spending any more to develop it. The final decision was taken about 11 o'clock one night in a second floor meeting room of a Washington office building, and seemed to be abundantly justified when, by way of vindicating our skepticism about the potential of modern technology, the down elevator jammed and left us stranded for half an hour before we could be rescued. "Dammit Fitch," growled one of the proponents, "you arranged this."

I note two other transit projects in which I was actively involved. One was an UMTA assignment to prepare a handbook--for transit and government officials, legislators, and the interested public--on transit finance, including appropriate transit fare levels, justifications for transit subsidies, and an evaluation of local government revenue sources that might be used to finance them. I wrote the handbook, *Financing Transit*, published by UMTA in 1980.

The second project involved working with the Netherlands National Ministry of Transport and Public Works and the Netherlands Institute of Economics (NEI) to devise techniques for ascertaining the levels of transit service appropriate to the needs of individual Dutch cities, and formulas for allocating to cities the subsidies (100 percent of capital costs and some 75 percent operating costs) that the National Government was providing for transit.*

.....

*Unable to agree on a single approach, the NEI and IPA devised different formulas, which can be only roughly described here. Under the NEI proposal, transit subsidies would be distributed among the 60-odd cities involved in proportion to the estimated value of the transit service provided in the respective cities, as computed by a formula that IPA considered to be overly esoteric, and hard to understand and measure, formula. IPA proposed simply sharing the total subsidy in proportion to the number of transit passenger kilometers traveled, e.g., if Rotterdam accounted for 40 percent of total passenger kilometers, it would receive 40 percent of the total subsidy. But even the IPA proposal would have involved techniques for counting passenger mileage more sophisticated than anywhere existed except on a few rail transit systems. As it turned out, after spending several hundred thousand dollars on research the Dutch Government, forced by budget deficits to drastically slash transit subsidies generally, never made use of the results.

Manpower Development

In this area, which continues to pose some of the most troublesome problems of American society, IPA handled a number of projects. On the more conceptual side, I was a consultant to the Committee for Economic Development on manpower studies (along with numerous other projects), and prepared the CED policy statement *Training and Jobs for the Urban Poor*, issued in 1970. One proposal called for the creation of "Jobs Corporations" which would mobilize all sources having to do with manpower to provide training-cum-support programs tailored to individuals. The concept was later taken up by the Ford Foundation, which funded prototype corporations in a number of U.S. cities, with substantial success.

In the early 1970s IPA, for perhaps the first time in its history, became involved in actual program administration. This came about because uninhibited "maximum feasible participants" charged with administering New York City manpower training were embezzling and otherwise losing funds at a rate that led the Federal and City governments to propose, and IPA to accept, an arrangement whereby IPA would monitor policy decisions and directly administer payments to contractors and trainees. The main objective was the simple matter of keeping the multi-million dollar program reasonably honest, which we did.

Reorganization Studies

A 1964 project for New York City concerned establishing more coherent organizational structures for administering the numerous manpower development and youth-oriented programs that began to appear in the 1950s and 1960s. Impressed by the IPA report, the Philadelphia Planning Commission, asked me to participate in a study of the new field of social planning, and where in the Philadelphia City Government it should be located. It was a time when many in the city planning profession still took the expansive line that "planning is the fourth branch of

government"; but guided by the conventional wisdom which holds that decision on plans is conventionally a political decision, we disappointed the Planning Commission by recommending that social planning be placed with the locus of political power, the Mayor's Office, rather than in the Planning Commission, in addition to which we feared that social planning might be crowded out in the more physical planning oriented Planning Commission. However it was a close call, because the Planning Commission staff, had it been persuaded to recognize the inherent importance of and need for social planning, was obviously in a better position to integrate it with other planning (assuming it chose to do so).

How organizational logic can break down when confronted by the inertia of established institutions was illustrated when, in 1966, at the request of the incoming Lindsay Administration, Henry Cohen and I prepared a plan for consolidation of 50-odd New York City administrative agencies into twelve "administrations", including one that brought together all the welfare and manpower development programs in a Human Resources Administration (HRA). The consolidation was ultimately implemented with ten "administrations", though without several elements, having to do with partial decentralization of budget, manpower, and other elements of administration, which continued to be controlled from the center. Such omissions, we always believed, were responsible for the fact that many of the consolidations failed to work as well as had been hoped. Other problems arose--in particular the HRA was overwhelmed by its preponderant activity--the welfare function--and the increased workloads imposed by proliferating "Great Society" programs. The difficulties, which would have been monstrous at best, were compounded when the Federal Government, following the dubious strategy of "maximum feasible participation", kept by-passing city officials and bureaucracies to deal directly with neighborhood community action and community development programs.

* A dictum attributed to ex-New Dealer Rexford Guy Tugwell when he was appointed the first chairman of the innovational New York City Planning Commission in the late 1930's. Political scientists generally pooh-poohed the idea, and their skepticism was amply corroborated by case studies of one-time IPA associate Francine Rabinowitz and others, showing that planners and planning studies were only one of many, and not among the most important, influences bearing on basic urban development decisions.

IPA also evaluated alternative measures and degrees of metropolitan consolidation in several areas, including Atlanta, Jacksonville, and Greenville, South Carolina. The Washington DC Government engaged us to design a planning organization, stemming from the fact that when the City acquired its own government in the late 1960s, no provision was made for planning and policy analysis machinery--we proposed establishing a planning unit in the Mayor's office.. And we worked with a Governor's Committee on reorganization of transportation agencies of the State of Pennsylvania, recommending the creation of a state Department of Transportation (Penn-DOT), with a special division for urban transit, to replace the old Department of Highways.

R&D and Innovation

In analyzing how scientific research discoveries are transformed into new or improved products and production techniques, IPA hypothesized that a principal impediment has been in the troubled relationships of the public and private sectors, particularly differences in viewpoints and institutional objectives--with the exception of the relatively few individuals who have served in both public and private sectors, there is little understanding on either side of the other side's perspectives and problems.

In the mid-1970s, while evaluating the Department of Energy's research program, we found that much of the commissioned research on product development took no account of the problems of producing and marketing new products or technologies that might emerge.⁵ Knowing that many innovations that are well rated as to production feasibility and potential marketability are rejected for reasons having little to do with their intrinsic merit, we persuaded DOE to undertake a project designed to improve chances that developed prototypes would generate marketable products. IPA's approach, based in part on Kurt Lewin's work on the dynamics of small groups in creative problem-solving, attempted to overcome this problem by careful attention to the structure of industrial teams associated with DOE projects and the conduct of small group meetings. The IPA role

was to promote a framework for discussion and to capture the insights and contributions of team members. We found that the small size of teams contributed considerably to the level at which agreement could be reached--a small group can resolve differences where a larger group is reduced to finding the lowest common denominator to achieve consensus--and that the opinions and recommendations of small groups tended to be better informed and focussed, and therefore more useful for policy decisions, than the views of larger groups.

Problems

Consulting work does not always flow smoothly. IPA had a firm rule against distorting findings or conclusions to meet the wishes of clients, who occasionally were dissatisfied by our reports. One instance was the so-called "instant rehab" project, where IPA undertook to serve as the parent contractor for, and evaluator of, a demonstration for quick rehabilitation of New York City old law tenements.* The IPA evaluation found that the process was inherently costly, that the results were grossly inferior, and that the technique in general had little to recommend it. The Federal Department of Housing and Urban development, which had instigated the project, was unhappy with the IPA report, but it was fully vindicated when a follow-up analysis a year later revealed that the pilot project was a shambles.

Another such project concerned the desirability of setting up a regional organization to have responsibility for water supply in the northeast United States, and creating a regional network to promote a large expansion of dams and reservoirs and a grid of water supply lines. The project was commissioned by the Army Corps of Engineers, which we suspected of hoping that we would recommend a Federal agency, perhaps the Corps itself. IPA's study went a bit beyond the terms of reference, pointing out (1) that the cost of the projected dams and reservoirs would make water from marginal (seldom used) dams about as expensive as wine

 * In the mid-1960s there were about 600 thousand "old law" tenements left over from the 19th century, with railroad flats in walk-up buildings 25 feet wide and six stories high. The hope was that they could be quickly and cheaply rehabilitated to substitute for much needed new low-income housing construction.

and that alternative methods of meeting water shortages would be far more cost effective; (2) that cost-benefit analysis should be expanded to take into account nonmonetary costs and benefits; and (3) that a federal regional agency would be neither necessary nor appropriate. The Corps of Engineers was displeased with the results and moved to have the study redone by a more compliant contractor. By and large, however, the IPA conclusions prevailed.

In the early 1960s, IPA's long-standing reputation gave it an advantage over most institutions seeking grants and contracts, and a number of both came our way with little promotional effort. But this situation gradually changed, as foundations grew more chary about overhead cost allowances, and government contracting rules were tightened. By the end of the decade, we were having to compete hard for nearly every project. To illustrate, an AID project for public administration assistance to the Liberian National Government, which we eventually won, drew 30-plus bidders; there were five names on the short list--two universities, two high-tech corporations, and IPA. For a Netherlands Ministry of Transport study of mass transit financing, we had to beat out half a dozen British and American groups, including several top universities.

Increasingly, we had to worry about deliberate underbidding. On one occasion, we had done a considerable amount of work developing a new type of training program and had gained a preferred position with the AID program people, only to lose out when the contracts people awarded the project to a newly-hatched outfit that underbid us by 50 percent. In vain we protested that the job could not possibly be done for the bid price, but when, as we predicted, the bidder ran out of money, AID to save face had to renegotiate. Adding to the general embarrassment, the head of the low-bid firm was later caught diverting funds from various contracts to provide himself with such niceties as a Mercedes, a mansion and a mistress, and was sent to the pokey to meditate upon his mistakes.

Domestic jobs were equally difficult, especially state-local government ones. We handled a number of state-local projects, but increasingly these went to local firms. Hometown New York City was good for assorted assignments until the election to the Mayoralty, in 1971, of Abraham Beame, my old nemesis when he

was Budget Director and I was City Administrator--during his tenure as Mayor, IPA's name was mud.

Research, Publications, Other Activities

Despite having to concentrate heavily on projects financed by grants and contracts, IPA devoted resources to sponsoring or subsidizing other research, and IPA members and associates turned out an impressive collection of publications. Pointing to two leading examples, Dr. Annmarie Walsh's *The Public's Business: The Politics and Practices of Government Corporations*⁷ was a pioneering exploration of the politics of financing and administering public authorities and other state-local government enterprises, which are anomalies in democratic societies in being powerful agents of government which in many instances are not subject or even responsive controls by elected officials or legislators. Dr. Ruth Mack's *Planning on Uncertainty*⁸ was described in a review by the head of Harvard's Planning Department as the most important contribution to planning literature in 15 years.

As for me, work pressures kept getting in the way of much professional writing, though I managed to respond to invitations with a number of journal articles, speeches and conference presentations. I belonged to a considerable number of professional organizations, including the American Economics Association, the American Political Science Association, and the American Society of Public Administration, scanned their journals, and occasionally, when time permitted, attended their meetings.

Being personally interested in policy analysis, I moved in a number of circles concerned with urban planning and related analysis, as well as more conventional public administration. I was a member of the Ford-financed Committee on Urban Economics throughout its lifetime. In 1969, I was elected to the newly formed National Academy of Public Administration, later chartered by Congress as the counterpart of the National Academy of Science--being the only two organizations so designated.

In 1971, I was appointed Regents' Professor at the University of California at Los Angeles, a post for old warhorses like me, who in addition to being around to shed wisdom are expected to give a University lecture. I could spend only the month of February, but it was spring time in Los Angeles, and I had a marvelous time, associating with my old friends Dean Harvey Perloff of the Department of Architecture and Planning, Werner Hirsch, chairman of the Institute of Urban Economics, and their colleagues, attending and presiding at seminars, and composing my lecture on *The Political Economy of Urban Systems* (later published by the Urban Economics Institute).

Much of my writing was in response to requests of editors of journals and books on special topics, usually on urban-metropolitan government, planning and finance.⁸ My evolving viewpoint reflected the merging of my original background in economics with accumulating insights, derived from experience backed by extensive reading, into political science and public administration.

I early lost patience with the insistence of the hardshell economists on individual choice, exercised through the market-price system, as the only righteous arbiter of social welfare.* The position was only marginally improved when some writers, recognizing the existence if not the legitimacy of a public sector, introduced the concept of the "median taxpayer" and "median consumer" with relatively stable preference patterns.

In an article on *Scale and Effectiveness of Urban Government*,⁹ I discussed the difference between economists and political scientists in how they viewed the role of government in the economy. "Whereas the economics approach tends to regard government as a machine whose main function is to produce services (outputs) which are not feasibly supplied, for whatever reason, by private entrepreneurs, the political science approach regards the process of government as a game, played under more or less generally accepted rules, in which various players compete for different prizes. Outputs are only one of the prizes, and usually not the one most highly regarded--that distinction, particularly in jurisdictions with

* Of course, private activities rest on a public infrastructure foundation--the first ingredient being a system of laws; the second, maintenance of order; and the third, education.

heterogeneous populations, belongs to jobs and contracts. This of course is contrary to the main thrust of public administration (at least as narrowly defined), which focuses on outputs and the most efficient and effective ways of producing them."¹⁰

"In looking at the government financing process as one of satisfying the demand of consumers for outputs, economists, in analyzing the determinants of expenditures, consider such external factors as demographic makeup, income, and similar socio-economic characteristics. Political scientists seek to identify community power groups, the prizes they seek from the governmental game, and the rules under which they play, and then to describe various episodes of the game, the tactics of the power groups, the forming and reforming of coalitions, and the outcomes.

"Starting from predilections for individual choice and markets in which consumers can purchase exactly as much as they want of different goods and services, many economic writers gravitate to the notion that the smaller the group involved in making a social choice, the better its decisions are likely to be....The Tiebout thesis¹¹ supports the existence of numerous municipal jurisdictions in a metropolitan area [so that] individual households and firms would thereby have a range of choices as to quantity and quality of public services provided, and taxes imposed, by local governments [but] the argument ignores the often-noted political disabilities of small jurisdictions, and in any case applies mainly to households with incomes high enough to afford some choice as to how those incomes should be allocated. Low-income groups have no such latitude, being heavily dependent on government income-redistribution grants. In short, foot-voting is mainly the prerogative of the higher income groups, who play exclusionary politics to deny the foot vote to lower-income groups."

Analysts have differed on whether political dynamics tend to reduce public expenditure levels below economic 'optima' (Anthony Downes)¹² or result in 'above-optimal' expenditures, (James Buchanan and Gordon Tullock).¹³ In recent years, the Buchanan-Tullock position seems have been gaining ground, as evidenced

by the increasing prominence of the 'public choice' school of public policy.¹⁴

Again I come down somewhere in the middle. I concur that greater reliance on the price system to determine what and how much the public wants to purchase would obviate much of the egregious waste that results when decisions focus on inputs (jobs and contracts) rather than on outputs (public services), and that the price system can be applied to government as well as to private firm decisions--a critical point. There is, after all, a set of rules (fairly simple but seldom followed) for ascertaining when a price system, even with all its susceptibility to political manipulation, is the most efficient mechanism for determining how much of various publicly-financed outputs to produce.

One of the advantages claimed for multifunctional governments is that they relieve constituents of the necessity of making many decisions, some highly technical, which they would have to make if public services were supplied through a market process, or by special districts with separately-elected officials. But in the process, economists argue, voters become far removed from their economic function as rational consumers, and settle for other rationalities. 'Some voters derive gratification from knowing that a certain type of individual is in office, some are more concerned with the policy choices that an officeholder is likely to make, while others find fulfillment in making choices that they feel are congruent with the choices of others whom they admire or respect.'¹⁵ But while these are legitimate rationalizations for social decision-making respecting the use of resources, they seem to me to be insufficient. I would argue that public or collective demand tends to be developed by a process of social interaction in which political leaders, bureaucrats, pressure groups, expressions of public opinion, and ultimately the voting booth, all play a role. In the process, many people come to accept the public decision as something that they would not change in retrospect. What happens is that in the process of social interaction, preferences change.

But this still leaves out a basic point--that "there is an essential discontinuity and incompatibility between most public and private goods and services, and that the demands for each are predicated on quite different principles...even ordinarily rational people do not say to themselves, 'I think I will take a bit more

defense this year instead of painting the house,' or, 'my transportation would be improved if I voted to spend money on a new road rather than buying a new car.'

"The logical link between the private sector, governed by household budgets representing individual choices, and the public sector, governed by public budgets representing collective choices, is that they call on the same pool of resources--manpower, material and financial."¹⁶

Twenty years ago it was still possible to think that where resources are unemployed, government fiscal policy has the alternative of borrowing funds to increase employment by stimulating either private or public demand, or both. In the early 1990s, in the face of continuing recession, the huge and growing debt of the national government inhibits both Congress and the Administration from proposing to borrow still more funds to stimulate either public or private spending to put unemployed resources to work. And public antipathy to taxes and government in general, fanned by President Reagan's anti-government ideological convictions, greatly complicates the task for both economists and political scientists of defining appropriate spheres of public and private decision-making.

However we resolve the above theoretical points, we are still left with a large and growing area of choices that cannot be effectively managed through a privately-administered price system. However, there are numerous techniques for evaluating alternatives, not with one system (PPBS and benefit/cost analysis, ZBB, MBO, or whatever) but with combinations of concepts from these and other sources.

Applied with liberal supplements of horse sense, careful analysis can avoid such egregious examples of fallacious rationalizations as that of a project examined by IPA back in the 1960's. A billion-dollar boondoggle, being pushed by the Corps of Engineers and an Ohio Congressman, involved building a canal to transport iron ore from Lake Erie to Youngstown Ohio steel mills. The Corps analysts were hard put to muster enough "benefits" to offset projected costs, but by including such trivia as "duck hunter days" and "goose hunter days", they managed. The fallacy was that their analysis ignored the existence of the existing quite adequate railroad that was already hauling the ore, and the fact

that even a 100 percent subsidy of rail transport would cost less than the proposed canal.

As I went along I had to change my mind about many things, notably the notion, first proposed by Walter Heller in the Kennedy Administration, that the federal government should dispose of surplus revenues through block grants to state and local governments. Drawing on my own experience, bolstered by numerous critiques of state-local government capacities, I proposed several alternatives, including but not limited to making grants conditional upon passing tests of administrative improvement, a concept then being advocated by Congressman Henry Reuss and Senator Hubert Humphrey, as a condition of receiving grants.¹⁷ The block grants were introduced by the Nixon Administration, in large part to replace former detailed program grants, only to be eliminated in the 1980s as the Reagan Administration moved to reduce its own domestic expenditures regardless of consequences for the states and locals. Concomitantly, many state and some local governments did substantially improve their administrative competence, while the opposite was going on at the federal level. Everything considered, I have long since conceded that I was wrong in opposing the principle of unrestricted block grants. The need for them is particularly great in the current "recession", which has created havoc for all state and most local governments, has forced cutbacks in essential government services, led by education and maintenance of fast deteriorating capital equipment (infra-structure).*

My final main project with the Institute was the previously mentioned consultancy to the Venezuelan President's *Comision de Reforma Fiscal*. So after twenty-one years as IPA president, I found myself where I had started, up to my ears in finance.

Retiring from the IPA presidency in 1982, I moved to the chairmanship of the IPA board, again succeeding Luther Gulick who had just turned ninety. After a period of making up deferred intellectual maintenance, I gathered material and

* Hardest hit have been many of the larger cities, what with simultaneous increases in the numbers of people needing assistance and decline of the tax base needed to finance assistance.

wrote a chapter on Gulick for *Giants in Management*, a collection of pieces on eight "giants", published by the National Academy of Public Administration.¹⁸ This turned into my major post retirement project, a biography of Luther Gulick, a pioneer and one of the all-time great names in American public administration, who has been my friend and patron for forty years. Along the way I published two short versions of the biography in addition to the chapter in *Giants*.¹⁹

After forty years I finally made it to the University of California at Berkeley in the 1984 spring semester, as a Regents Professor. I reveled in the academic atmosphere, and the stimulus of the people and groups concerned with my special interests--to mention only a few, George Break and Earl Rolfe in the Economics Department, transportation specialists William Garrison and Wolfgang Homberger in Civil Engineering, Melvin Webber and colleagues in Urban and Regional Planning, and Victor Jones, Martin Landau, Todd LaPort, Eugene Lee, and Nelson Polsby, in the Institute of Governmental Studies. My lecture, drawing on my Netherlands experience, was entitled *A Case Study of Dutch Government*, and was published by the Institute of Urban and Regional Planning.

I returned to Berkeley in the spring semesters of 1985 and 1986, and for shorter periods in later years as a visiting scholar in the Institute of Governmental Studies, where I always profited by the association with IGS resident and foreign scholars. In 1986, irked by the Reagan Administration's proclivity for "privatizing" public services in and out of season, I gave a lecture in which I drew on my experience--in top government posts and as head of an organization which lived mainly on government contracts--to analyze economic and political aspects of "contracting out" and circumstances in which "privatization" is appropriate, and describe ways in which private contractors connive with government operants to bilk the public, published by IGS under the title *The Rocky Road to Privatization*.

In Conclusion

I reflect that my professional life has been mainly a long series of serendipitous sequences in which things seldom turned out as planned, but usually turned out better. I suppose that my role was essentially passive, in that I seldom went looking for opportunities, though I had sense enough not to refuse the better ones when they came along. Most of the jobs that I applied for I didn't get, but I somehow usually emerged with better ones. I began by eschewing graduate work, then went on to college teaching, and then, to my astonishment, found myself in government administration.

Meanwhile, public administration has seen great advances of thinking and sophistication in its various branches--including organization theory, decision-making, and even in the craft of getting things done. Some of the fresh thinking has been popping up in state and local governments, prodded by the increase in their fiscal and administrative responsibilities as federal government has been pulling back.

Nonetheless some critics still wail that public administration has still to define itself as a discipline. But as an interdisciplinary analyst, I submit that this is a good thing, in that practitioners in the admittedly amorphous field can feel free to call on the all the established "social sciences"--economics, political science and politics, anthropology, psychology and history--for insights and tools in attacking issues facing the polity.

I still hold to something I wrote 25 years ago.

Future rates of progress will depend in part on the ability to identify and discard what is irrelevant and mistaken in our conventional wisdom and social morality respecting such matters as causes of poverty, work and the distribution of income, population control, and the role of the family. For instance, when the economy was at the bottom of the Great Depression [in the 1930s] very few people had any notion of what to do to get out of it short of overthrowing the existing political and economic system. But as John Maynard Keynes observed, "Our predicament...comes, not from the lack of material things and resources to produce them, but rather from some failure in the immaterial devices of the mind..."²⁰

Footnotes

1. Other members included Harvard Professor Stanley Surrey, later Undersecretary of the U.S. Treasury, Harvard Professor Oliver Oldman; University of Illinois Professor John Due; and Oxford Professor Donald MacDougall, who had been economic adviser to Prime Minister Winston Churchill.

2. Warren Moscow, a professional journalist who held several high posts in the City Government, including that of assistant to the Mayor, has described New York City politics in *What Have You Done for Me Lately*, Prentice-Hall, 1967.

3. Cannon's successors as head of the international division were Randolph Marshall and then Dr. Leslie Green.

4. Cf. George W. Hilton, *Federal Transit Subsidies*, American Enterprise Institute, 1974.

5. These and other impediments to innovation were explored in several IPA papers, including two prepared for the National Science Foundation: (1) Eldon Sweezey and Sumner Myers, *Why innovations falter and fail, a study of 200 cases*; (2) Eldon Sweezey and Janice Hopper, *Obstacles to innovation in the scientific and technical information services industry*.

6. MIT Press, 1974.

7. Wiley, 1972

8. Journal outlets included, among others: *Public Administration Review*, *Political Science Quarterly*, *Daedalus*, *Annals of the American Academy of Political and Social Science*, *American Economic Review*, *American Political Science Review*, *National Tax Journal*. Among the books to which I contributed were Henry Fagin and Leo Schnore, eds., *Urban Research and Policy Planning*, Sage Publications, 1967; David Popenoe, ed., *The Urban Industrial Frontier*, Rutgers University Press, 1969; John P. Cre-cine, ed., *Financing the Metropolis*, Sage Publications, 1967; Ronald E. Grieson, ed., *Urban Economics*, 1973; Richard M. Bird and John G. Head, eds., *Modern Fiscal Issues*, University of Toronto Press, 1972; Willis D. Hawley and David Rogers, eds., *Improving the Quality of Urban Management*, Sage Publications, 1974; Amos H. Hawley and Vincent P. Rock, eds., *Metropolitan America in Contemporary Perspective*, Sage Publications, 1975.

9. In *Bird/Head, Modern Fiscal Issues*.
10. The games analogy was suggested by Norton Long's article, *The Local Community as an Ecology of Games*, *American Journal of Sociology*, Nov. 1958.
11. Charles M. Tiebout, *A Pure Theory of Local Expenditures*, *Journal of Political Economy*, October 1956.
12. *An Economic Theory of Democracy*, Harper & Row, 1957.
13. *The Calculus of Consent*, University of Michigan Press, 1962.
14. It is interesting that two teams, Charles Tiebout-Vincent Ostrom and James Buchanan-Gordon Tullock, each linking an economist and a political scientist, have been among the chief architects of the public choice school.
15. Michael J. Shapiro, *Rational Political Man; a Synthesis of Economic and Social-Psychological Perspectives*, *American Political Science Review*, Dec. 1969.
16. Fagin/Schnore, *Urban Research and Social Planning*.
17. Cf. my article, "Alternatives to General Revenue Sharing," in *Problems and Response in the Federalism Crisis*, John C. Lincoln Institute/National Academy of Public Administration, 1971.
18. The eight included, besides Gulick, Alfred P. Sloan, James E. Webb, Robert E. Wood, David E. Lilienthal, Robert S. McNamera, Elmer Staats, L. P. Cookingham.
19. "Luther Gulick," *Public Administration Review*, 50/6, Nov.-Dec. 1990; "Making Democracy Work: Luther Gulick," prepared for a volume on American public administration notables projected by the Berkeley Institute of Governmental Studies, initially published as IGS Working Paper 91-25.
20. "National Development and National Policy", in *Environment and Policy*, William R. Ewald, Jr., Ed., Indiana University Press, 1968.

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