Introduction to the American Edition

This American edition of *Great Planning Disasters* appears over two years after the book's original London publication, and rather more than that since it was written. If two weeks are a long time in politics (as a former British Prime Minister had it), two years are certainly an epoch in the mixture of politics and planning that forms the subject matter of this book. Therefore I am glad of the opportunity to write this Introduction to the American edition.

In it, I try to do three things. First, to provide a brief update of the case studies that form Part One of the book. Second, to engage in the luxury of some second thoughts on the conclusions of Part Two. And, third, somewhat in the nature of a coda, to muse on the differences between British politico-planning processes and American ones, and on the consequences of these differences for the kind of theory that needs to be constructed to explain them.

The Stories till Now

In some ways, the continuing sagas of the case studies—for they seem to share a reluctance to die—reflect the aphorism *plus ça change, plus c'est le même chose.* Plenty has happened, but it seems always to get us back to where we were.

With London's third airport, we have returned, to be exact, to where we were between 1963 and 1967. The British Airports Authority has formally proposed the development of the existing airport at Stansted to carry 15,000,000 passengers per year. It does not call it London's Third Airport, though the opponents are saying that this is exactly what it will be. The local public inquiry, as called for under British law, opened in the neighboring village of Quendon at the end of September 1981; it was generally expected to go on for a very long time. Opposed to the expansion were the local County Councils of Essex (in whose territory the airport lies) and

Hertfordshire (the county whose boundary lies only some two miles to the west) and the local district councils, as well as numerous local groups. Their evidence for the inquiry, partly published at the time of the writing of this Introduction, reveals their very pessimistic conclusions on basic matters, such as the amount of noise generated, the number of jobs to be created by the airport and related activities, the amount of consequent urban development, and the effect of the airport on agricultural land, the environment, and the landscape.

Meanwhile, in the game of space chess that has characterized the saga since its earliest years, other actors have made their tactical moves. The Town and Country Planning Association—a public-minded pressure group that the planning pioneer Ebenezer Howard created to campaign for new towns—filed a planning application to develop an airport at Maplin on the North Sea coast, the site rejected in 1974 by those then in government. Under British planning law, anyone—not just a directly interested party—can do this. The TCPA was supported in the move by the Greater London Council, which had long held the view that Maplin was the right site for environmental reasons. (Later, after a change in control from Conservative to Labour, the GLC announced that it was no longer in favor of Maplin, but preferred Stansted.) Not to be outdone, the local district council at Stansted, Uttlesford District, filed an application to develop a fifth terminal at Heathrow—one of the alternatives considered in the official review of 1977–9 but rejected in favor of Stansted because of the high cost of the operation. The hapless Secretary of State for the Environment in the British government, Michael Heseltine, thus found himself in the position of having to arrange three almost simultaneous public inquiries in three different places, with three sets of expert witnesses (invariably, in practice, the same, thus forming a kind of traveling circus orbiting London), three sets of legal Counsel, and three sets of expenses. All in all, it amounted to something like a Roskill Commission Mark Two. But it was a very inefficient version—first, because of the expense of three separate inquiries and, second, because the inquiries almost inevitably could hardly get into a direct, point-by-point comparison of the virtues and vices of the three sites. In other words, the inquiries promised to represent some kind of Planning Disaster all on their own, with no very clear outcome in sight.

The London highway system has not proved as expensive as expected, chiefly because it was not built. During the period 1977–81, with a Conservative majority in the Greater London Council, there was again a degree of enthusiasm for roadbuilding. The GLC got some measure of agreement with government to push ahead with a roads program for London, with those roads in inner London to be built by the GLC with aid from the central government and those in outer London to be constructed directly by central government under the trunk roads program. The most important parts of this joint plan would be in and near the East London Docklands: a vast derelict area, starting close to Tower Bridge and running for about eight miles downstream on both banks of the Thames, that had been left high and dry by containerization and the shift of the Port of London downstream out of the GLC area altogether. To revive this area, a whole bundle of measures would clearly be necessary; but among them, given the chronic congestion of London's road system, would be a new highway network. Most important would be the extension of the North Circular Road—Ringway Two in the ill-fated plan of 1967–73 that is discussed in this book—south to a new crossing of the Thames close to the eastern boundary of the redevelopment zone, the extension of the M11 Cambridge motorway south to link with the only completed section of Ringway One, and the linkage of this section, in turn, to a new east-west relief road through the heart of the Docklands area. By early 1981, the GLC and the government had agreed on a firm program of construction for parts of this network, but then came the May 1981 GLC election, the return of Labour under a left-wing leadership committed to massive subsidization of the public transportation system, and an attack on roads spending. Predictably, by July 1981 the whole plan was back in the melting pot, with a decision by the GLC to abandon up to £400,000,000 worth of schemes agreed to by the previous Conservative administration.

Meanwhile, successive public spending cuts—both under the Callaghan Labour government and, even more fiercely, under the Thatcher Conservative administration—had both reduced the size of the total national roads program and postponed its completion date. The one exception, which maintained its position as the number one national highway-building priority, was the M25 London orbital motorway circuiting the capital at a distance of about

20 miles from the center. About one-quarter of its planned 117-mile length was complete at the end of 1981, with another quarter under construction and substantial lengths soon due to start. Scheduled for completion in 1985, it was widely expected to have dramatic effects on the pattern of economic activity in the whole London region. Inhibited only by strict green belt regulations along its route, industry and warehousing would be drawn to its interchanges because of the unparalleled opportunities they offered for distribution to both the home and overseas markets. The fear therefore was that London, congested and cramped as it was, would become even less attractive to all kinds of activities—and that the massive outflow of industry and other kinds of activity, which had continued throughout the 1960s and 1970s, would if anything accelerate.

This fear was the more real since during the 1970s and early 1980s traffic congestion in London had spectacularly worsened. A combination of factors—rising car ownership (as predicted back in the London Transportation Study of the mid-1960s), the budget-dictated firing of a brigade of enforcement officers, and fines that failed to keep pace with inflation—led to violation of parking and loading regulations on an epic scale. By the early 1980s, virtually all that had been gained before from traffic management was wiped out and, according to the Metropolitan Police themselves, congestion was almost as bad as it had been twenty years before. A House of Commons Select Committee, in December 1980, described London's roads as "one of Europe's most congested bottlenecks" and a "national scandal." A few months later, the Metropolitan Police, observing that London's traffic density was fifty times the national average and getting worse, endorsed a return to the construction of the three ringways. In this, they seemed hell-bent on conflict with the Labour Greater London Council that was soon after returned to power.

Meanwhile, above the non-Ringways, Concorde still made itself heard as it flew out of Heathrow and as it came back. Its transatlantic flight patterns had been designed to restrict its notorious sonic boom to the ocean crossing. But soon after operations started, residents in Devon and Cornwall and occasionally across southern England began to be disturbed by booms bounced off the upper atmosphere. To meet their complaints, both British Airways and Air

France successively altered their flight plans. Most recently, in June 1981, the Secretary of State for Trade told Britain's House of Commons that he thought the nuisance would now be largely eliminated, but the residents, who had heard that before, were not so sure. Even at subsonic speeds Concorde had proven much noisier in comparison with conventional planes than had been anticipated and was indicated in this book: 3 miles after take-off, for instance, Concorde was officially recorded to be nearly four times as loud as the long-haul 707, more than four times as loud as the 747, and eight times as loud as the Tristar.

Admittedly, if Concorde was making a noise, it was doing so on a reduced scale. The London–Singapore service, which had been jointly operated with Singapore Airlines and had been losing £7,000,000 a year, was withdrawn. Only two routes, London–New York and London–Washington, were still being flown at a combined operating profit, the first (which made money) subsidizing the second. Air France, it was reported, was also losing money on its Concorde operations but was indifferent about this because it knew the French government would foot the bill. However, the House of Commons Industry and Trade Committee reported in April 1981 that the total deficit to the British taxpayer was £34,000,000 a year, far in excess of British Airways' overall £6,000,000 deficit on the Concorde operation in 1980. The committee recommended a total reappraisal by independent consultants of the costs of continuing the service versus abandoning it, followed by action either to cut the cost to the taxpayer or to abandon the operation as soon as consistent with a minimum cost penalty—but, in any event, no later than 1985.

As had happened many times before in Concorde's history, those investigating it found the greatest difficulty in establishing the basic facts. The Department of Trade's own estimates varied strangely over a short period of time. In November 1980, the Department's representatives told the committee that it would cost £36,000,000 to cancel and £27,000,000 to continue with the plane (both estimates covered till the end of March, 1982). In January 1981, they revised these figures to £38,000,000 to cancel and £27,000,000 to continue. Then, in March 1981, they changed them again, this time to £42,300,000 to cancel and £46,700,000 to continue, now until the end of March, 1985. Clearly exasperated, the committee con-

cluded that at a time of fierce financial cuts, Concorde was mysteriously immune from any kind of scrutiny. Sir Donald Kaberry, the committee's chairman, described Concorde as "a modern Frankenstein monster" that had "burst through the restraints of all financial estimates" to lead a life of its own.

But, at the end of 1981, rumor has it Concorde's days might be numbered. The fact is that it is just too expensive to fly. The Commons committee of 1980 discovered that its seat-costs, per mile, were 3½ times those of the 747, excluding depreciation and interest. British Airways, faced with unprecedented financial crisis, might be forced to withdraw it anyway—and at that point, the government could hardly act to save it. This particular Planning Disaster, it seems, might be nearly at an end.

On the other side of the world, BART has continued its predictable way. The worst of the technical problems that plagued it in its earlier years are now removed, but the system is still beset by many small operating failures and some larger ones. In January 1979, a major fire occurred in one of the trains; the seats on all the cars, it was then found, were made of a highly inflammable substance. Complete replacement was necessary, which took until nearly the end of 1980. At last, in June 1980—after six years of operation—the Public Utilities Commission gave authority to operate at the close headways for which the system had been designed. But, ironically, the computer system could not cope. In December 1980 came one of the worst breakdowns in the system's history: both the main control computer and the back-up system failed almost simultaneously at the start of the morning peak period, closing the system down completely for three hours and leading to widespread traffic chaos as frustrated passengers took to their cars in desperation. But the major problem with BART, as before, is less technical than financial. The system has still failed to attract anywhere near the forecast traffic figures: in fiscal year 1980–1, daily weekday average patronage was 161,965, still only 63 percent of the "full service" forecast made back in 1962. And the taxpayer was still being asked to contribute $2 for every $1 paid directly in fares. The outlook for the future is even bleaker: the cars, train control systems, and computer will need renewal, at an estimated cost of $250,000,000, but the cutbacks in mass transit funding under the

Reagan administration mean that the prospects for getting this money from Washington are slim.

In Washington and Atlanta, although the first stages of the Metro systems are in operation (and are recording much closer to forecast ridership than BART—even above forecast in Atlanta), they too are requiring massive Federal subsidies. In Washington in 1979, federal subsidies covered 80 percent of construction costs, a $25,000,000 operating deficit, and two-thirds of the debt service. Small wonder that the hope for further Federal subsidy of rapid transit looks dim. In particular, the Los Angeles starter line—from the downtown area, via Wilshire Boulevard, to Hollywood and North Hollywood, estimated to cost $2,000,000,000 by 1981—seems to have virtually no prospect of running, despite having finally received (November 1980) a 54 percent "yes" vote for an additional local sales tax to help meet the cost. For President Reagan has already announced massive cuts in Federal capital grants as well as a phasing-out of operating subsidy by 1985. So perhaps the lesson of northern California has been learnt, via California's ex-Governor in the White House, in the southern California metropolis.

Alone among these studies, perhaps, the story of the Sydney Opera House could be pronounced over and done. It is finished. The cost has been figured—and paid for, thanks to the lottery. The lessons for posterity are there to see. At least, the Opera House put Sydney on the world's mental map—and that, perhaps, was one of the original reasons for the political decision to start it in the first place.

But with the near-disasters, the story is far from told. In California, sharply falling numbers of 18-year olds and a declining rate of high school graduation have joined with State spending restrictions effectively to freeze the two university systems. The new campuses of the 1960s, in consequence, are still far from their original target size. For the future, as the University moves toward preparing a plan for the 1980s, it is likely that there will be a surplus of places available and too few students. A report from the University's President, issued in May 1981, suggests that a decline in the number of students graduating from high school could cut the number of university students by some 16 percent during the 1980s and early 1990s; other factors, including a higher proportion of minority stu-

dents (who traditionally have low graduation rates) and the general recession, could as much as double this.[1] Further, unless steps are taken to share the misery between the older, established campuses (which, being popular, could always fill their available places) and the newer ones, the impact on the latter could be great. A report of 1979 used a model to project enrollments campus-by-campus: between 1982 and 1993 it showed the number of undergraduate students at Davis down from 12,700 to 10,200; at Irvine from 7,500 to 6,200; at Riverside from 3,300 to 3,000; at San Diego from 8,500 to 7,400; at Santa Barbara from 12,700 to 10,000; and at Santa Cruz from 5,500 to 4,800.[2]

These dire predictions must be added to existing shortfalls. At the Riverside campus, for instance, enrollment actually fell through the second half of the 1970s, and the Santa Cruz campus has not managed to enroll its expected number of students. By the start of the 1980s both these campuses had more resources than their student numbers justified, and the President had given warning that this could not continue. At Santa Cruz, the campus—spectacular in its setting among the Redwood trees—seems certain never to be completed. This means in turn that communal facilities such as the library will never be expanded to their original planned size, so that the campus—fifty or more miles from major library facilities like those of Berkeley or Stanford—will remain limited as a research resource center.

So the University, as it begins to develop its systemwide campus plan, is clearly faced with some hard decisions. There have already been rumors that one or two of the less successful campuses might be forced to close in a reorganization plan, to concentrate resources more effectively on the others. The near-disaster, which seemed at the time this book was completed to have just avoided the status of a true one, might now still prove to deserve the accolade.

In London, the first stage of the National Library is still planned to happen, though it is stalled by the Thatcher government's public spending cuts, and the great site at Somers Town has been temporarily converted into the British equivalent of a Greyhound bus depot. Meanwhile, some users of the old Reading Room have protested that they do not want it closed. But since that would take place only on completion of Stage Two of the plan—which, on current estimates, would not happen until at least the year 2000—

many of them may have lost interest in reading or in anything else the day it happens. The great age of austerity, Britons and some others are finding, has its own way of resolving the issue of Great Planning Disasters.

Some Second (and Third) Thoughts

Which brings us, appropriately, to the hard part. How, in this morass of action and reaction, do we improve the decision-making process? Is it even possible to rationalize it? Or might we do better, paradoxically, by muddling through?

At the end of this book, I came close to arguing for a sophisticated muddling-through approach. It could be called (to adapt a famous phrase of the American political scientists Dahl and Lindblom) jointed incrementalism.[3] Or, in the phrase of Etzioni, mixed scanning.[4]

It would work like this. First, planners would start by forecasting—but in a way rather different from now. They would concentrate not exclusively on the quantifiables, but rather on scanning the whole environment to try to isolate the factors that could undermine the traditional kind of forecasting exercise. In particular, they would concentrate on the kinds of planning uncertainty described by Friend and Jessop[5] and discussed in Chapter One of this book. That done, they would proceed as they traditionally do. They would evaluate some alternative strategies against goals and objectives—among which, I argue, social justice would be very important. But also very important would be risk avoidance. They would go for just so much of the chosen strategy as could be implemented without further commitment, and they would then wait and see. Furthermore, in choosing among strategies they would prefer (other things being equal) the strategy that was best capable of being implemented in this way. Thereby, they could best hope to avoid costly and cumulative errors.

With benefit of two years' hindsight (indeed, three, since the manuscript was completed), I can see that this view was heavily colored by the experience of the case studies themselves. Those that I call "positive disasters" (the ones that were implemented but were then felt to have been wrong) were all big, discrete, single-shot projects. So, interestingly, were the "negative disasters" (the abandoned

plans)—at least in the way they had been presented to politicians and public. The right way to have built ringways in London, I suggested in the final pages, might have been not through a 347-mile, £200,000,000-plus package, but through gradually upgrading the old road and building stretches of new road when practicable and necessary. Similarly, the right way to meet London's needs for airport capacity might have been to upgrade an existing airport to the limits of its capacity, including environmental capacity, then to fill up another airport, and so on.

That idea, I still think, has a lot to commend it. But it was very much a reaction to the euphoric, expansionist planning style that characterized the 1960s, and to the big projects that resulted. The peril in the 1980s, to judge from the experience of the similarly constrained 1970s, is almost the opposite: it is of doing nothing, or almost nothing, at all. The subsequent histories of the negative disasters are particularly interesting here. After the collapse of the big solution (the four-runway airport at Cublington or at Maplin; the 800-mile freeway package), a policy vacuum obtained. There was, it seemed, no need for an airport (existing airports could cope); there was no need for the freeways (traffic management and traffic restraint would bring into balance the demand for roadspace and the supply). In both cases, these comfortable assumptions were blown asunder within very little time. With the airport, the result was a flurry of government activity and the return to Stansted. With the ringways, a partial program was concentrated, not surprisingly, on that part of London (the eastern part) where opposition to highways had always been weak.

So planning problems do not go away, though there is a perennial tendency on the part of politicians to think they will. Doing nothing, and hoping Micawber-like that something will turn up, is as bad a solution as the grand slam that goes wrong. Further, if the grand slam was the fashionable mistake of the 1960s, the do-nothing solution is surely destined to become that of the 1980s. Just because of that, I think that it is now the disease we should be fighting.

European Explanations and American Explanations

The American edition of this book corresponds neatly with a long sojourn by its author in the United States. That has offered a useful opportunity to think not only about some obvious differences between the European and the American planning and political systems, but also about their rather more obscure implications for planning theory.

One of the most deadening commonplaces about the American planning system, which (like many commonplaces) is also profoundly true, is that it is much more diverse, much more localized, much more multi-centered than its European counterpart. The hand of central (Federal or State) government is less evident and is felt more through grant support than through direct interference and regulation of local government activity. (Federal regulation, of course, increased massively in the 1970s—but its main impact was beyond the local government sphere.) The bureaucracy at every level of government, but particularly within the Federal system, is far weaker because of the tradition of recycling the higher levels after every executive election. The politicians are much less committed to party ideologies, partly because these are weaker at a local level anyway and partly because in some states (as in California) party politics are outlawed at local level. Consequently, politics are more transactional, more committed to wheeler-dealering and trading of issues and votes, than would normally be the case in Europe. The community interests tend to be better defined and better organized, partly because of the traditional diversity of the country, which is if anything becoming greater rather than less (because of the record level of immigration during the 1970s). The media, despite the TV networks, the news magazines, and newspaper syndicates, are more concerned with local issues, about which national party platforms may have little directly to say. All this adds up to a much more free-wheeling, rapidly-shifting, diversified pattern of politics than is normally seen in Britain or other European countries, though these countries may be moving down an American road.

This leads me to comment on the political science theory I sought to synthesize in Part Two of this book, which was very largely drawn from a particular school that had flourished over a quarter-

century in the United States but had (I felt) been almost totally neglected in Britain. This, the so-called positive political science school, derived its theory largely from market economics, which it tried to apply to the study of political behavior. Thus politicians ("producers") were seen as competing to sell their products for votes and were interested almost exclusively in maximizing their vote return. Community groups ("consumers") were seen as spending their votes to obtain an optimal bundle of public goods and services. In this model, of course, the bureaucrats, who formed the third arm of the triangle were an anomaly, and also the villains of the piece. For they essentially wanted to maximize production in their own organizations, whether or not the public really needed it. There was thus a permanent tendency, so this school argued, for public bureaucracies to over-produce goods and services in relation to what the public, left to itself in a market, would elect to consume.

All this is summarized in some detail in Chapters 8–12 of this book. The question that arises, in the light of American experience, is whether this theory is not more applicable to American political processes than to British ones in particular or to European ones in general. My own answer is that it is, but only marginally so. American politics have historically been more transactional in character than British, particularly at the local level with which much of this book is concerned. But, as suggested above, the difference is becoming less pronounced. British local politics seem to be becoming more and more a matter of placating and pleasing pressure groups, whereas the role of the bureaucracy has been growing in the American system. Though the detailed structure of government is different in the two countries (and often bewilderingly so, because of the great variety of local arrangements that are possible in the United States), the ways that decisions get made, as a balance between countervailing powers, are essentially the same.

There is of course an alternative and highly fashionable way of looking at such conflicts between powers. During the 1970s, a whole school of Marxist analysts has focused attention on the operations of the state within the capitalist system and in particular on the so-called local state. All members of this school, by definition, view the state (including its local variant) as serving the deeper-level requirements of the capitalist system and thereby of the dominant

class in capitalist society. They are, however, engaged in vigorous conflict about the nature of this service, some viewing it as restricted to ministering to the direct productive ends of capitalism, others taking the broader view that the local state (in particular) serves to guarantee the "reproduction" of the system—and in particular of appropriate quantities and qualities of labor power—through the provision of such services as public housing and education.

Elsewhere I have argued that the best way to test these two theories is by direct comparison of their power to explicate concrete cases.[6] The difficulty is that the new Marxist theory, like much of the less-sophisticated Marxist theory of the past, is not inherently easy to test. It works at a level of metaphor, in which causal explanations are deduced as part of a general pre-existing schema. The connections could be right or wrong; there is no scientifically testable way of saying. Further, relatively few of the Marxist studies do get down to the level of detail at which a rigorous test would be possible—a stricture equally relevant to two of the major recent symposia embodying Marxist contributions.[7] Insofar as studies do reach this level, I am still not generally persuaded that they establish the causal connections with sufficient rigor.[8] The same charge could similarly be made with regard to the use of theory in the case studies of this book: I think it likely that, until now, no one has been able to develop causal connections at the appropriate depth and degree of rigorous proof. This reinforces a point made by the editors of one of the recent symposia, namely, that this kind of new political geography is as yet in its infancy.[9]

I would like to offer one last thought, which concerns the normative suggestions in the final chapter of the book. As already said, they do point to a rather minimalist, cautious approach to public planning. Perhaps they—and indeed the previous synthesis, Chapter 12—do not clearly draw the conclusions that some readers might think obviously follows from the book: that disasters are an inevitable accompaniment to the politico-planning system, and that the task of rational public policy should be to reduce the scale of that system as much as possible. This view has become remarkably fashionable since I was working on the book; indeed, it is the self-proclaimed philosophy of both Mrs. Thatcher's government and President Reagan's. But, whether you agree with that philosophy or

not, it is still worth discussing—at any rate with reference to the kinds of spending discussed here.

To put it another way: why were most of these decisions made within the public planning system at all? Why should not airplanes, urban highways, airports, rapid transit systems, opera houses, and even university systems be developed by private enterprise or at least by public corporations enjoined to work on strict commercial principles (as, for instance, happens in France)? After all, most civil airplanes were developed in this way; why not Concorde? Highways have been built by private profit-making corporations on various occasions, most notably during the last decade in France; why not London's ringways? The London underground and the New York subway systems were undertaken by private entrepreneurs interested in making money; why not BART? Privately funded opera houses are legion, and privately funded universities include some of the world's most prestigious schools.

The Marxists are of course quick with the explanation: the capitalist crisis is such that the system can only function if the state is conscripted to perform more and more of the roles that were formerly performed by the capitalists themselves. In this view, the London ringways and BART were "needed" in order to guarantee the continued viability of San Francisco and London as major international financial centers; similarly, of course, with the Third London Airport. However, since London survives without either a third airport or the ringways (at least thus far, and admittedly in a state of economic decline) and Los Angeles thrives without a BART-style system, this is not entirely convincing. Rather, it would be true to say that there are interests in cities that think their ends would be served by particular kinds of construction, and they will campaign for these just like any other coalition of interest groups (though maybe with better funding than some others). Just like any other interest groups, large or small, weak or powerful, they want the State to do things on their behalf. This is a fact of life in the modern state, and I do not think that one need invoke the "inherent logic" of capitalism to demonstrate it; nor does that logic always well explain who campaigned for what, with what success. History is a messier business than that.

The Marxists, underpinned by the inexorable logic of their system, tend to be little interested in practical policy suggestions. The

rest of us, lacking such support, may feel that our role compels us to try. Since I do not believe that the growth of the state is inherent in the development of capitalism, I am free to suggest that the state's role be diminished. However, I also happen to think that this should be done with caution. What is needed as a guide to policy, above all, is a clear statement both of those roles that only the state can readily perform, and of those that it can perform more efficiently or more effectively than other bodies. Even the Victorians believed that the provision of an army fell under the first category, whereas the provision of a police force belonged to the second. This is presumably still the case, though the modern age has developed a new (and dubious) principle: that individuals or groups can buy supplementary protection from private police forces. The growth of the modern welfare state represents a vast redistributive mechanism, which grew up as a clear improvement on the voluntary or charitable systems of a century ago; a case can be made for introducing a measure of choice and competition into this system, both to increase the autonomy of the individual and to provide a monitoring device for the efficiency or the effectiveness of the mechanisms,[10] but no one would seriously propose dismantling it altogether and leaving the welfare of the poor and the handicapped once again entirely to the whim of individual charity.

But most of the disasters in this book do not concern those areas of "necessary" government at all. They concern areas where, viewed coldly, it is fairly astonishing that government should ever have been (or, more subtly—and remembering the French case—that government agencies should ever have acted on any but pure commercial principles). If there were questions of social justice and distribution, they could have been faced directly, through subsidy to the needy, preferably by giving them money, a simple and effective form of welfare. That done, the decision to develop a new airplane, build roads, or start a new airport or rapid transit system should have been made on the basis of two concentric circles of evaluation.

The first, or inner, circle would comprise a narrow financial evaluation. Would a private corporation accountable to shareholders, or a state corporation accountable in a similar way to state shareholders, embark on this venture on the forecast costs and returns? Would the venture yield the kind of return on investment that would attract private capital? In general, there should be a complete

presupposition against any investment that does not meet these criteria—subject to the following complication.

The second, or wider, circle would set this financial evaluation within a wider cost-benefit framework. This would consider all those items that the economist calls externalities: positive and negative effects of the investment on other people. Some of these effects might be quantifiable in terms of money, others in non-financial terms, others might not be quantifiable at all. Nevertheless, they should all be included, and an attempt should be made to judge their relative importance, difficult as that might be. Further, as far as possible the analysis should identify the groups on which costs and benefits will fall, so that an attempt can be made to judge the distributional consequences.

When this is done, the results may well be different from those of the purely financial analysis. For it is common that externalities are quite large in relation to direct costs and benefits to users. These externalities should be allowed to affect the decision, but care should be taken if the results are ambiguous or marginal. Above all, because of the great uncertainty inherent in nearly every planning decision, the golden rule remains: do the minimum necessary, and leave tomorrow's decision for tomorrow.

This approach, I believe, would have avoided most of the planning disasters in this book—and others unchronicled here, including doubtless others still to come. There would never have been a Concorde. There would probably have been bits of London motorway, perhaps developed (as has sensibly been done in Tokyo) as a tollway system. There would have been an incremental third airport for London, developed just as fast as needed: not more. There would have been no BART, but probably instead a refurbished version of the excellent streetcar system that was scrapped while BART was being planned, or an express bus system using reserved tracks. There would have been a different pattern of investment in California higher education, and a tentative start on a new British library at Somers Town. All of which would have been cheaper, and more effective, and less annoying or infuriating to the thousands of people affected by them, than what we have now got.

Of course, the simple solution would seem less sexy to the politicians. It would build them no monuments; nor would it provide them with vainglorious election promises, the consequences of