

1974

## Public Claims on U.S. Output: Federal Budget Options in the Last Half of the Seventies

George F. Brown Jr.

D.J. Ott

Follow this and additional works at: <https://digital-commons.usnwc.edu/nwc-review>

---

### Recommended Citation

Brown, George F. Jr. and Ott, D. J. (1974) "Public Claims on U.S. Output: Federal Budget Options in the Last Half of the Seventies," *Naval War College Review*: Vol. 27 : No. 4 , Article 14.  
Available at: <https://digital-commons.usnwc.edu/nwc-review/vol27/iss4/14>

This Book Review is brought to you for free and open access by the Journals at U.S. Naval War College Digital Commons. It has been accepted for inclusion in Naval War College Review by an authorized editor of U.S. Naval War College Digital Commons. For more information, please contact [repository.inquiries@usnwc.edu](mailto:repository.inquiries@usnwc.edu).

## 104 NAVAL WAR COLLEGE REVIEW

light of current American-Soviet agreements. The even more nettlesome and difficult problems facing the Law of the Sea Conference in 1974 are enumerated and analyzed in clear and lucid prose.

The concluding essay is particularly thought provoking. Ian Smart, of the International Institute for Strategic Studies, notes that at the beginning of the 20th century, Dreadnought enjoyed mastery of the seas. Today, Polaris can dominate the land from the sea. He discusses possible new roles for navies in the light of current trends. Fortunately, his analysis is free from the glittering, glib generalities one frequently hears in discussions of this sort. For example, he cautions that naval presence should not be "translated into imprudent commitment."

*Dreadnought to Polaris* raises issues that require more, newer, and deeper thinking into the fundamentals of naval strategy. These issues are of particular importance to the professional naval officer. The profession as a whole will ignore them at its peril.

B.M. SIMPSON, III  
Lieutenant Commander, U.S. Navy

Ott, D.J., et al. *Public Claims on U.S. Output: Federal Budget Options in the Last Half of the Seventies*. Washington: American Enterprise Institute for Public Policy Research, 1973. 218p.

The principal purpose of the authors of *Public Claims on U.S. Output* is the presentation and discussion of a set of Federal policy options worthy of consideration during the next 6 years. Contained in the book are essays discussing the problems with current programs and suggesting areas for improvement in eight important budget areas: defense; agriculture; science, technology, and industry; housing and community development; education; manpower; health; and income security.

These areas are analyzed separately, and the trade-offs and priorities among them that must be considered in forming an overall policy (and budget) are not considered. Nevertheless, the problems raised and reforms suggested in the individual areas are generally worthy of consideration.

The chapter on national defense is a disappointing one in that it fails to break any new ground in terms of overall policy. Primarily, the chapter focuses on existing programs that might be eliminated or streamlined so as to induce budget savings. Reversing the "grade creep" among both civilian and military personnel and revising the services' rotation policies are suggested as means of lowering manpower costs. Additional base closures are proposed as an efficient means of reducing support costs. Lower procurement costs would be realized by smaller or delayed procurements of several systems: the B-1, SAM-D, AWACS, Trident, and nuclear carriers. Unfortunately, no new or convincing case is presented for any of these possible savings, and the unanswered question appears at the end of the chapter: "If all the reductions envisioned here are found to be consistent with existing security objectives, . . ." The need for innovative thought about our defense policies is at least as great as that in the other areas covered; it is a disappointment that this need is not better met here.

The stance of the authors on the nondefense areas is generally economically conservative in that reforms which encourage individual choice rather than governmental dictation are advocated. A striking example of this philosophy is found in their proposal for a "variable voucher" system of financing elementary and secondary education. Under this plan, each child would receive a voucher, redeemable only for tuition, which the parents could "spend," perhaps supplemented by their own funds, at a public or

private school of their choice. The benefits of such a program are those one might expect in any functioning economic market: better educational offerings induced by the competition among schools for students, more opportunity to choose the best educational offering for parents in all income classes, a reduction in the link between where a person lives and the quality of education his children get, more equal per pupil expenditures, et cetera. This proposal, while quite different from our current methods of financing and providing education, has enough meritorious aspects to warrant serious consideration.

A second general emphasis of the proposals is on the elimination or reform of governmental programs that have demonstrably failed to achieve their objectives. Many of the manpower training programs and housing and community development programs appear to fall into this category: program performance falls far short of the program objectives. The agricultural subsidy programs, however, provide the most obvious example of the need to reform an ineffective program. The price and income support programs were instituted with quite reasonable objectives: easing the transition out of farming for those displaced by technological progress and raising the income level of farm families nearer to that of the national norm. The authors document serious shortfalls of current programs in meeting these objectives (e.g., 59.3 percent of all payments go to the largest 8.6 percent of all farms) and suggest additional negative impacts on society as a whole that result from these programs (e.g., higher food prices, inefficient methods of farming). The case for a reexamination of our agricultural support policies is again quite reasonable.

Many of the ideas suggested in the book are not new: voucher systems are actually being tried experimentally in some California school systems, and the

problems associated with farm price supports have almost become standard fare in introductory economics textbooks. (Veteran's educational benefits are, incidentally, a longstanding example of a voucher system.) The reason many of them remain proposals rather than policies is largely bureaucratic and political rather than logical. *Public Claims*, unfortunately, devotes little attention to developing a process by which such changes may be implemented. Nonetheless, the book remains a useful and provocative summary of the policy options before us. The alternatives suggested by the authors are certainly ones deserving of consideration in future planning. As a collection of serious proposals on issues affecting the progress of our society, I recommend this book as worthy reading.

GEORGE F. BROWN, JR.  
Professor of Management  
Naval War College.

Owen, Henry, ed. *The Next Phase in Foreign Policy*. Washington, D.C.: Brookings Institution, 1973. 345p.

This book addresses an American foreign policy clearly in transition and asks where it is heading. Moreover, it asks that question at a time when the world itself is moving rapidly into a new and somewhat different focus. Considering the difficulty of achieving a perspective with all parts simultaneously in movement, the book does a creditable job.

Like all collaborations, this one is uneven, the pieces varying much in style. Different readers will each find some parts more appealing than the rest. Especially good, from this reviewer's viewpoint, is Robert E. Hunter on the Middle East and Leslie H. Gelb's essay on domestic change and public opinion. Henry Owen's introductory essay is also excellent for focusing the issues. Owen's final essay does a workmanlike job of bringing the book together and pointing out the themes which run through it.