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• ARTICLES

The Rise and Fall of the Norm of Budget Balance: Seeking a Budgetary Logic behind Federal Budget Deficits

..... Hou Yilin 1

Abstract Deficits and debts are very complex issues for eternal public debate. The norm of budget balance-whether as a value judgment or ideal, as a political symbol or as a budgetary principle-often appears in the literature and public debate over federal budgetary and fiscal policies. This paper offers a preliminary examination of this norm. The purpose is to provide a perspective on how federal budgeting has evolved, where it is going and how deficit and debt issues are to be tackled in a theoretically reasonable and practically acceptable way. The paper traces the genesis of the norm, dissects the different elements of the norm for their inner logic, and divides the elements into an annual component and a cyclical component. Using historical data, the paper finds that the norm of budget balance had its heyday from the 19th century till roughly 1960; the tax-smoothing theory well explains its operation. Since then, budget balance has been ignored, for which no theory offers adequate explanation. This paper finds that new functions of the federal government opened a window for entitlements while electoral politics developed downward pressure on taxation, which is the logic behind chronic deficits and increasing debts. The paper also finds that decline of the norm has left a vacuum in budgeting research; current literature identifies difficulties in federal budgeting but is shy of specific answers. This paper proposes the concept of “balanced budgeting” as a new paradigm for further discussion and as a potentially rich area for future research.

Key Words Budget, Balance, Deficits, Debts

Revenue Supply and State-building: A Study on the Grassroot Market Regulative Organization in Guangzhou, 1949 – 1978

..... Huang DongYa 38

Abstract This article traces back the change of the grass-root market regu-

lative organ from 1949 to 1978 in Guang Zhou city. In the case study, the state fell short of fiscal revenue to finance the grass-root market regulation organ. The self-supply funding sytem hindered the formalization of this organ and rendered it to pursue revenue increase, which led to the arbitrary charges of the market management fee and distorted the function of it. The problem of arbitrary charges after 1980 is just the institutional legacy of the funding system in the Mao's period. Meanwhile, the state in the Mao's period resort to the mass line to deal with the problem of shortage of revenue to finance the grass-root organ, which to some extend prevented the profit-seeking behavior brought by the funding system. This is a unique experience of state-building in the Mao's period.

Key Words State-building, Revenue, Grass-root Market Regulative Organ

• SYMPOSIUM

Introduction: Why is the American Progressive Era Worthy Studying
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Social Sciences, Intellectuals, and Harmonious Society: The Implications of the Progressive Era of the USA
..... *Kinglun Ngok* 70

Abstract The turn of the twentieth century was the transition period from the agricultural society to an industrial society in the United States of America, which presented both challenges and opportunities. Facing the pressing social problems and social chaos brought about by the rapid capitalist industrialization, the Progressives emerged as an important force of social transformation. They concentrated their efforts on reinventing the role of the government, and believed that a harmonious society could be built up through the wide use of the knowledge of social sciences in public administration and the improvement of government efficiency. With the efforts of the Progressives, a wide range of reforms in social, economic and political realms was launched in the USA in the early decades of the twentieth century, which ameliorated social contradictions characterized by antagonistic labour-capital conflicts, avoided social revolution, and finally laid the foundation of the strong state of the USA in the twentieth century. This article aims to examine

how the Progressives made use of the knowledge of social sciences to push social changes and pursue social harmony through individual initiative and civic participation. In doing so, the implications for China are also touched, though very slightly.

Key Words The Progressive Era, Class Conflicts, Social Sciences, Individual Initiative, Harmonious Society

How shall City be Governed: A Reflection of American Municipal Reform during the Progressive Era

..... *Luo Sidong & He Yanling* 92

Abstract From the late 19th century to the early 20th century, American municipal systems evolved gradually from the weak-mayor-council system to strong-mayor-council system, city committee system, and city manager system. Nowadays, American cities adopted the three different municipal systems according to their size and characters. The paper analyzes the background, process and developing tendency of American municipal systems reform, and suggests that a deep reflection of American municipal systems reform would shed lights on reforming Chinese municipal systems.

Key Words The Progressive Era, American Municipal System, Reform

Regulatory Reform of the USA in the Progressive Era: Example of Food Safety

..... *Liu Yaping* 120

Abstracts The basic predicament of USA in the progressive era is that industrialization and urbanization makes the traditional institutions insufficient to protect the free competition and individual freedom which Americans value so much. Under the push of some food industry and bureaus, food safety regulation was initiated in the congress agenda. But the strong objection from the other food companies and state government, the initiative was frustrated again and again. With the effort of progressist, esp. Muckrakers, the dissatisfaction of the general public toward food safety gradually piled up, which leads to the two legislations in 1906. Federal government assumes the responsibility in protecting food safety. Law also specifies the agency, procedure and content of regulation. The spirit of changing, compromise and see-

king consensus is the most valuable heritage of the progressive era.

Key Words The Progressive Era, Food Safety, Regulation, Reform

• THEORETICAL REVIEW

The Simon-Waldo Debate: A Retrospection and Review

..... Yan Changwu & Liu Yundong 144

Abstract The orthodoxy of public administration had confronted with the serious challenges in the 1940s. In order to further develop public administration, Herbert Simon and Dwight Waldo pioneered two different approaches. By introducing the logical positivism, Simon proposes a classical rational research approach for public administration for the purpose of remaking public administration as a science. Waldo stresses that public administration is a theory of political philosophy from the historical and cultural perspectives. As the most memorable and acrimonious debate in the intellectual history of western PA, the Simon-Waldo Debate brought an end to the orthodoxy period and forced public administration to face a dangerous "Crisis of Identity". Furthermore, the debate re-set the research orientations of public administration over the past 50 years.

Key words The Simon-Waldo Debate, Research Approaches, Administrative Science, Political Theory

• BOOK REVIEW

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