

The Life and Times of James McGill Buchanan

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James McGill Buchanan was born on October 3, 1919 in the country village of Gum, near Murfreesboro, in Rutherford County, Tennessee. He was raised on the Buchanan family farm, which was owned by his grandfather's estate and run by his father, James McGill Buchanan. The Buchanan family was of Irish-Scottish ancestry.

Buchanan's paternal grandfather, John P. Buchanan, had been elected on a populist platform from the Farmer's Alliance Party to the governorship of Tennessee in 1891. He failed to secure a second term following a contentious incumbency. Although the family was poor, with the neglectful former Governor handing over management of the farm to his son in a sorry state, nevertheless the farm was held in high social status in the immediate area.

Buchanan's father, the youngest of six siblings, went to the University of Oklahoma, where he spent two years playing varsity football and baseball. He was a jack-of-all-trades, working as a farmer, carpenter, veterinarian, insulator and equipment operator. Like his father, he was active in local politics, serving as a member of the county's legislative body and as a community justice of the peace. Buchanan's mother, Lila Scott,

finished high school and took a teacher training course. She taught for almost a decade before marrying in 1918. She continued her intellectual pursuits on the farm, studying anything from Latin grammar to calculus, and educating her own three children (James and two younger sisters) before they entered the school system. In addition she organized the parents' association for the local school.

Buchanan's father, ever the optimist, had mortgaged the farm to purchase an adjacent farm during the agricultural boom induced by America's late entry into the First World War. He also invested heavily in cattle and in new mechanized farming equipment. Hard hit by the post-war agricultural recession, all these innovations would be gone by 1928, when the young Buchanan reached an age for active sharing in the work on the farm.

By then, plowing was done by mule and horsepower, not by tractor; the milking was done by hand; the silo, blown down in a windstorm, was not replaced; and the adjacent farm was lost on default on the bank-held mortgage. All that was left was a small, primitive farm owned, following the death of the grandfather in 1930, by the siblings jointly through the estate, until its final disposition in 1944. Electricity, heat and light was brought to the farm by the Tennessee Valley Authority, a US government program, only in 1937-38, by which time the young Buchanan was in his late teens.

Buchanan attended the "Buchanan School," so-named because it was built on a corner of the family farm in the village of Gum. He started ahead in his classes because his mother

had taught him the first two years of instruction at home. Buchanan never missed a day of school because of the demands of the farm, but helped with chores before and after his school day. He enjoyed organising baseball games in his front yard on Sunday afternoons.

Buchanan's mother and father hoped that their son would follow in his grandfather's footsteps and be drawn into politics. They aspired to an education in pre-law and law at Vanderbilt University for him, and in preparation for his future career arranged for training in public speaking. However, their plans were foiled by poor economic circumstances.

In 1937 Buchanan enrolled at Middle Tennessee State College in the nearby town of Murfreesboro. He rode to college every day with a Methodist preacher, took classes, studied, played pick-up basketball, and returned home with the preacher each night. He earned enough money for school fees and books by milking his father's dairy herd morning and night for four years. In his first semester Buchanan made the dean's list. He majored in math, English literature and social sciences, including economics, and also liked physics. By the end of the second year he had the best academic standing in the college. Despite this success, Buchanan felt like an outsider because of his rural background, less than adequate high school, and the fact that he was a day attendee. He received his B.A. from the Middle Tennessee State College in 1940.

Buchanan still aspired to be a lawyer, until his political science professor, Carleton C. Sims, intervened with an alternative inspiration. Sims helped him with his application for a graduate fellowship in economics at the University of Tennessee for the academic year 1940-41. Buchanan's other alternatives at this stage were to work in a bank or teach school, and he was delighted with the award of a fellowship.

The intellectual highpoint of Buchanan's experience at the University of Tennessee was a course in research methods by Prof. Charles P. White, an economist. Buchanan became White's research assistant. The economics courses were taught as a collection of topics, including New Deal structure, banking theory and policy, tax and budget, and incorporated little all-encompassing theory. In 1941 Buchanan received an M.A. from University of Tennessee. With White's assistance, he won a fellowship in statistics to Columbia University, but entered the armed forces before he could take it up.

Faced with an early number in the 1941 draft lottery, and eager to avoid the army, Buchanan voluntarily entered the Naval Reserve Officers' Training Program in New York City in 1941 for four months' training. The course was taught from a battleship anchored in the Hudson. At graduation Buchanan ranked sixth or seventh in a midshipman class of six hundred college and university graduates. However, he felt discriminated against because of his origin and education, perceiving a blatant placement preference for less well-qualified scions of moneyed families, educated in East Coast colleges and universities. This experience radicalized Buchanan to such an extent that he still bears emotional scars some sixty-five years later.

Buchanan was selected for specialised training at the Naval War College in Newport, Rhode Island. After this training, Buchanan spent four years on active military duty in the Pacific theater, mostly on the staff of Admiral Nimitz at Pearl Harbor and at Guam. In Hawaii, he tracked ships' movements from an operations room using string, paper clips and quick computations. His most important contribution was tracking ship movements in the Pacific theater during the decisive Battle of Midway in June 1942. As an assistant operations officer, it was an 'easy war' (Buchanan 1992, 48-67). Nevertheless, Buchanan was awarded a Bronze Star for distinguished service.

While posted in Pearl Harbor, Buchanan met his future wife, Anne Bakke in 1943, when she was working at Hickam Field, Oahu, with the Army Transport Command. They were married in San Francisco in early October 1945. Together, they crossed the country by train to New Orleans, where Buchanan reported for temporary duty to await discharge. In November 1945, Buchanan was formally discharged from service in Memphis, Tennessee. Anne and James Buchanan would remain happily married for sixty years, until Anne's death in November 2005.

Once again, Buchanan confronted a career choice. His wartime experience left him well-placed to pursue a successful career in military service as a line officer in the United States Navy, even though the absence of early sea duty would make it more difficult for him to secure advancement. Such a career choice was tempting, not least because Buchanan felt comfortable with military life, its attention to order, the importance

attached to standards, and its stellar social life. Even today, Buchanan notes that he prefers naval officers as a group to academicians (Buchanan 1992, 66).

The alternative career path was to return to graduate school and work towards a Ph.D. degree in economics, with the objective of becoming an academician. Adequate funding for this would be made available through the G.I. Bill. Buchanan decided in favour of this alternative and enrolled at the University of Chicago for the 1946 winter quarter.

He selected the University of Chicago without much, if any, specific knowledge about the quality of its economics faculty. Instead, he relied almost entirely on the advice of C.C. Sims, his undergraduate instructor in political science at Middle Tennessee. Sims had completed his doctorate at Chicago in the mid-1930s and had passed on to the young Buchanan his own sense of intellectual excitement at that academy. Armed with the financial support of the G.I. Bill, Buchanan headed for Chicago, choosing his own critically important ‘fork in the road’ (Buchanan 1992, 45). It would turn out to be the best career decision that he ever made.

From 1941 onwards, Buchanan had thought of himself as an economist, having earned a master’s degree in that discipline at the University of Tennessee in that year. In retrospect, however, he recognised that he had learned little or no economics in the true sense of the term during his year at Knoxville. He graduated in complete ignorance of the coordinating properties of decentralised market process but with more than a

modicum of quasi-Marxist arguments and explanations of economic history, economic institutions and economic reality.

Fortunately, this biased dogma had been implanted only superficially into Buchanan's thinking, and he was fundamentally open to the invigorating intellectual environment that he was about to experience. If, as he claims, he enrolled at the University of Chicago as a 'libertarian socialist' the noun, if perhaps not the adjective, would barely survive a single quarter of rigorous Chicago instruction.

During this first quarter Buchanan took courses with Frank Knight, 'the inveterate puzzler', T.W. Schultz and Simeon Leland. By mid-February 1946, Knight's course on price theory had introduced him to the working of competitive markets and provided him with an abiding insight into the coordinating properties of a market economy. For the first time, Buchanan was now an economist.

Knight inspired Buchanan with his willingness to question anything, his refusal to hold anything sacrosanct and with his openness to new ideas. There was indeed a 1940s saying at Chicago: 'there is no god; but Frank Knight is his prophet'. Knight, however, was not a nihilist with respect to established authority. Rather he engraved into Buchanan's psyche the principle of the *relatively absolute absolute*, which allows for a philosophical way station between the extremes of absolutism on the one hand and relativism on the other. According to this principle, we should adhere to and accept the standards of established or conventional authority in our ordinary thinking and behavior

while, at the same time, at another, higher level of consciousness, we should continuously call all such standards into question, even to the extent of proposing radical change.

More than any other member of the Chicago economics faculty, Frank Knight played a pivotal role in Buchanan's evolution as a major scholar. Buchanan notes that both Jacob Viner and Milton Friedman, brilliant though they were, destroyed the confidence of even the most promising students by their ruthless intellectual brilliance in argument and discussion (Buchanan 1992, 75). Knight was dramatically different. By worrying and puzzling over problems and by his dismay at the arrogance of others, he gave those who bothered to listen to him the abiding notion that everything was up for intellectual grabs, and that the hallmark of a true scholar was his courage in cutting through the intellectual haze. Buchanan evidently recognised early on that it was Frank Knight, and not his peers, who had attained the rank of genius.

A second Chicago event also profoundly affected Buchanan's career. By the late spring of 1948, he had completed all requirements for the doctorate, including his public finance dissertation and a German language examination. For three months, he experienced the leisure of a scholar without assignment, perusing books and essays in the Harper Library. Searching for works written in German, he fortuitously pulled a copy of Knut Wicksell's 1896 dissertation on taxation from the library shelves. In this text, Wicksell explained that if economists really want to apply the efficiency test to the public sector, only the rule of unanimity provides a procedural guarantee. Economists, once and for all, should

cease and desist from proffering advice to non-existent benevolent despots. As a student of Knight, Buchanan luxuriated in Wicksell's insight. The fundamentals of Buchanan's scholarly career were now set in stone.

A third Chicago event was decisive in securing Buchanan a relatively easy path to early recognition in an increasingly competitive profession. During his last few months at Chicago, Buchanan became acquainted with another member of the Chicago economics faculty, Earl J. Hamilton, then editor of the prestigious *Journal of Political Economy*. Hamilton quickly assumed the role of mentor, encouraging Buchanan to become fluent in German, Italian and French by sending him books in those languages for review in his journal. Hamilton provided an enormous boost to Buchanan's early career by publishing in the *Journal of Political Economy*, between 1949 and 1954, five of Buchanan's first eleven scholarly papers.

Almost all of Buchanan's early scholarship involved contributions within the standard framework of conventional public finance, embracing Edgeworth-Pigou normative utilitarianism, Marshallian tax incidence theory and Keynesian-inspired denials that the debt is burdensome to future generations. Until the mid-1950s, the only published indication of a radical political economist in the making was his brilliant 1954 exposure in the *Journal of Political Economy* of the ultimate emptiness of Kenneth Arrow's impossibility theorem.

Buchanan's first academic appointment was at the University of Tennessee at Knoxville (associate professor from 1948 to 1950 and full professor from 1950 to 1951). By his own admission, Buchanan found little to inspire him at this location, was inclined to loaf, and diverted much of his time to yard work, rather than to academic pursuits. He made no lasting impact on this institution, nor it on him.

In 1951 Buchanan was appointed to a professorship at the Department of Economics, Florida State University on the recommendation of Earl J. Hamilton. In 1954 he was promoted to Chairman of the Department. In 1954 Buchanan published his first book, a basic textbook entitled *Prices, Income and Public Policy*. Although his academic commitment improved in this location, he still demonstrated little or no sign of radical originality. Now in his mid-30s, with a solid, but highly conventional, list of publications behind him (one co-authored textbook and eleven scholarly papers by the summer of 1954), no one could have identified him as a future star of the economics profession. Once again, despite his seniority, Buchanan would make no lasting impact on Florida State University. However, his work-rate improved significantly in the more vigorous intellectual climate provided by that institution.

His career was now about to shift into a much higher gear. Buchanan spent the summer of 1954 at the Rand Corporation working under Charles Hitch in its Department of Economics. Among his colleagues during this visit were John von Neumann, Herbert Simon, Kenneth Arrow, and Armen Alchian. Stimulated by his interactions with these and other scholars, and his work rate elevated by exposure to such an intensely active

research program, Buchanan began to cast his eyes across the Atlantic Ocean. He became inspired to spend some time in Italy.

To this end, in 1954/5, he applied successfully for a Fulbright Scholarship to study the Italian tradition of public finance. The Fulbright year, September 1955 to August 1956, spent first in Perugia, and then in Rome, was critically important in influencing Buchanan's individualistic approach to the analysis of political structures and processes. Indeed, during the Italian year Buchanan crossed the threshold from conventional welfare economics to what would later become the public choice research program.

He spent much of the year reading the contributions of such famous Italian public finance scholars as Pantaleoni, Ferrara, De Viti De Marco, Barone, and Einaudi, all of whom, unlike their Anglo-Saxon counterparts, paid explicit attention to political decision structures in their analyses of political economy. He also completed the English translation of Wicksell's seminal 1896 essay from the German original. At the very end of his Italian year, Buchanan suddenly saw the light, realising that the Keynesian wisdom on the burden of the national debt was simply wrong, and that the much-maligned classical theory was correct in all essentials. The incidence of the debt burden fell exclusively on the future generations, and not at all on those who created it, irrespective as to whether the debt was held internally or by foreigners. This insight would form the basis for his first major book, *Public Principles of Public Debt*, published in 1958.

Before Buchanan left for Italy, Earl J. Hamilton had recommended him strongly for a position in the Department of Economics at the University of Virginia. Buchanan expressed interest, and negotiations proceeded during the Italian year. Buchanan did not return to Florida State University. Instead, in September 1956, Buchanan became Professor and Chairman in the James Wilson Department of Economics at the University of Virginia, thus commencing his real academic career in the Commonwealth that would become and remain his geographical and intellectual home. He relinquished the departmental chairmanship in 1961. In 1962, he became Paul G. McIntire Professor of Economics.

In 1957 Buchanan was joined by Warren Nutter, a fellow graduate from the University of Chicago. Together they founded the Thomas Jefferson Center for Studies in Political Economy and Social Philosophy with the explicit objective of resuscitating classical political economy. Buchanan directed the Center throughout the period 1958 to 1969. An initial five-year grant from the William Volker Fund enabled the Center to bring to the University a sequence of Distinguished Visiting Scholars including Frank H. Knight, F.A. Hayek, Michael Polanyi, Maurice Allais, Bertil Ohlin, Overton H. Taylor, T.W. Hutchison, Duncan Black and Bruno Leoni. The Center served as the fulcrum for what would later become internationally recognized as the *Virginia Political Economy Program*.

Buchanan's twelve year incumbency at Charlottesville, 1956 – 1968, turned out to be his 'salad years', the period of his most important, and his most enduring scholarship.

During this period, he published six books, four of them (one of which was his seminal work co-authored with Gordon Tullock) of major significance, and sixty-three articles, mostly of very high quality, widely cited, path-breaking scholarship. This was a far cry from his much more modest scholarship during the pre-Charlottesville era.

The environment proved to be intellectually stimulating, with colleagues of the caliber of Warren Nutter, Rutledge Vining, Alexandre Kafka, Andrew Whinston, Leland Yeager, Ronald H. Coase and (most importantly) Gordon Tullock collaborating with him in rebuilding a classically liberal political economy. In this endeavour, he was also supported by an outstanding group of graduate students, many of whom would become outstanding economists in their own right. These included, Otto (Toby) Davis, Charles Goetz, Cotton Lindsay, Fred McChesney, Mark Pauly, Charles Plott, Paul Craig Roberts, William Stubblebine, Robert D. Tollison, Richard E. Wagner, and Thomas Willett.

His first major book was *Public Principles of Public Debt* (1958), the work that challenges the Keynesian wisdom that the national debt imposes no burden on future generations ('we owe it to ourselves'). If Buchanan's claim is correct and the burden is always shifted forward onto future generations, then deficit financing predictably encourages both excessive reliance on debt and excessive levels of government expenditure. Since future generations are not enfranchised, the fiscal operation cannot fulfill Wicksell's contractarian requirement of universal, or near-universal consent. In the absence of a constitutional restriction on debt financing, the ordinary democratic

process cannot prevent current generations from shifting debt burdens forward onto future generations.

With the publication of this monograph, Buchanan's career takes on a much more sharp-edged, classically liberal form that will eventually make him perhaps the most hated and feared enemy of left-leaning economists throughout the western world. The book itself, and the debate that raged around it, also vaults him into immediate international recognition.

His second major book, co-authored with Gordon Tullock, a brilliant scholar recruited by Buchanan to the Thomas Jefferson Center in 1958, was the founding text of the public choice research program, *The Calculus of Consent*. In this book, Buchanan and Tullock demonstrate how rational self-seeking individuals, confronted with the potentially coercive power of the democratic state, may unanimously endorse a constitution from behind the natural veil of uncertainty that surrounds long-term collective decision-making. Because of decision-making costs, such a constitution inevitably endorses less-than-unanimity rules for regular political decision-making.

Despite its seemingly optimistic message that gains-from-trade are available in the political marketplace, *The Calculus of Consent* earns its authors the undying enmity of all would-be philosopher kings who had been riding high on the paradigm of market failure. For, with brilliant insight, the two Virginians demonstrate that the failures of private markets – whether due to externalities, public good problems, information asymmetries,

or incomplete markets – manifest themselves in much more chronic forms in political markets. In this way, they level the intellectual playing field concerning the relative effectiveness of private and political markets in achieving economic efficiency. The book also became the fulcrum for the establishment of the *Public Choice Society*, a forum through which scholars working in this newly established field could meet on an annual basis to exchange ideas.

His third and fourth major books follow closely upon each other in the late 1960s and explore the implications for public finance of the public choice revolution. *Public Finance in Democratic Process* (1967) deploys a public choice model of the political process, in which voters choose among alternative levels of public goods supply under relatively fixed tax arrangements, and in which something like the standard median voter model is applicable. Within this framework, Buchanan evaluates the impact of different tax arrangements on the marginal tax prices for public goods confronted by different voters and the impact of changes in tax arrangements on the political equilibrium with respect to public expenditures.

The Demand and Supply of Public Goods (1968), which marks the end of Buchanan's salad years in Charlottesville, provides a clear statement of an individualistic, contractarian approach to public good problems, embedded very much in the voluntary exchange tradition of Wicksell. In this respect, it presents a sharp contrast with the crudely statist approach outlined more than a decade earlier by Paul Samuelson.

In the fall of 1968, following a sequence of major policy disagreements with the left-leaning administration of the University of Virginia both Buchanan and Tullock resigned and went elsewhere. Buchanan was appointed Professor of Economics at the University of California at Los Angeles. His tenure there was brief indeed. He quit his position in disgust, appalled by the failure of a cowardly university administration to suppress black militancy that took the form of campus black-on-black shootouts, and the bombing of the Department of Economics by the Black Panthers.

Searching for shelter from the coming storm, Buchanan retreated in the fall of 1969 to the foothills of the Appalachians, to take up the position of University Distinguished Professor and Director of the newly established Center for Study of Public Choice at Virginia Polytechnic Institute and State University (VPI) in Blacksburg, Virginia. At VPI, Buchanan was reunited with his erstwhile colleague, Gordon Tullock. Like phoenix from the ashes, the *Virginia Political Economy Program* rose again, thwarting the ill-intent of the UVA administration, re-energized by its tribulations, and refocused with deadly effect on advancing the public choice and constitutional political economy research agendas.

Buchanan's fourteen years in Blacksburg, though not as intellectually stellar as his salad years, were highly productive, as he played an enormous role in consolidating the Virginia School of Political Economy's impact on economics and political science. During this period, he published ten books, of which two (major) were single-authored, three (major) were co-authored, and five were singly or jointly edited. He also published

150 scholarly articles in high quality books and journals. Approximately one half of these were single-authored.

Once again, Buchanan benefited from the creative atmosphere provided by faculty colleagues of the caliber of H. Geoffrey Brennan, Winston Bush, Mark Crain, Dwight Lee, Charles Goetz, Melvin Hinich, Nicolaus Tideman, Robert D. Tollison, Gordon Tullock, and Richard E. Wagner. The *Center for Study of Public Choice* brought to the Blacksburg campus a large number of distinguished scholars and a flood of high quality graduate students from all over the world, attracted to the distinctive style of the Virginia School.

The first of Buchanan's major books, published while in residence at VPI, was *Cost and Choice* (1969), a book that draws heavily on Buchanan's exposure to the subjective theory of opportunity cost expounded at the London School of Economics during the 1950s and early 1960s. Buchanan views this book (correctly in our judgment) as his most important contribution to economic theory. Recognition that opportunity cost is subjective, measured by individuals in utility space, carries profound implications for public economics. For, in such circumstances, outside observers cannot know the choice-influencing costs that determine decisions. Only the decision-makers themselves confront opportunity costs, *ex ante* at the moment of the decision. The consequences of such choices are not opportunity costs at all, but are choice-influenced costs, irrelevant to the decision. This insight renders much of conventional normative public economics irrelevant.

Buchanan's experience in California prompted him to write his second major book (jointly with Nicos Devletoglou), *Academia in Anarchy* (1970), an important work that diagnosed the collapse of the American university system at that time as the product of a major failure of market nexus, characterized by students: consumers who do not buy, faculties: producers who do not sell and taxpayers: owners who do not control. This book, written from bitter personal experience, explains through economic analysis why the educational system had become irrelevant, why faculty had become irresponsible, why an increasingly alienated student body resorted to violence, and why university administrations caved in to demands predicated on the threat of terrorist attacks on university property and university personnel. Buchanan and Devletoglou may have under-estimated the relevance of the Vietnam War for campus turmoil during the late 1960s.

Buchanan's third major book was *The Limits of Liberty: Between Anarchy and Leviathan* (1975). In this book, Buchanan attempted to resuscitate a contractarian constitutional philosophy that had been badly dented by the crisis in the United States fermented by the Vietnam War, civil rights disturbances and Watergate. While retaining a Kantian respect for individual autonomy, Buchanan falls back on the philosophy of Thomas Hobbes to explain why the negative consequences of anarchy may stimulate individuals to seek out a social contract that provides for limited government. The arguments are brilliantly conceived. However, doubts remain whether individuals can move in one step from a Hobbesian anarchic jungle into a rights-based contract for limited government.

Leviathan was Hobbes's perceived only avenue of escape. And Hobbes is widely recognized as the greatest positive political philosopher of all time

Buchanan's fourth major book (co-authored with Richard Wagner) was *Democracy in Deficit: The Political Legacy of Lord Keynes* (1977). This monograph was the first comprehensive attempt to apply the basic principles of public choice to macro-economic theory and policy. The authors skillfully demonstrate that Keynesian economics provides an in-built political bias towards deficit-financing of government expenditures. Therefore, whatever the merits of using fiscal policy to balance the economy through the business cycle, its application in a democratic setting contains severe problems of incentive compatibility. The book correctly predicts that deficit-financing must stalk the United States and other Western democracies for decades, if not centuries, given the philosophical rejection of the balanced budget constraint.

Buchanan's fifth book (co-authored with Geoffrey Brennan) '*The Power to Tax: Analytical Foundations of a Fiscal Constitution*' (1980) applied the Hobbesian model to the notion of a fiscal constitution. If individuals perceive government potentially as a tax-revenue-maximizing *Leviathan*, how might they best protect themselves through constitutional limits on the nature of taxation policy? The authors demonstrate that a voting supra-majority predictably would opt for rules of taxation that significantly violate the conditions of optimal taxation advanced by leading mainstream public finance scholars. The book would become highly controversial, generating considerable scholarly interchange over the following three years.

Buchanan thus closed his stint at VPI, in the fall of 1983, on a suitably Hobbesian note of scholarship. The same note adumbrated the departure of The Center for Study of Public Choice first from a Department of Economics, and ultimately from a university, that had become intolerably hostile not, on this occasion, to perceived ideology, but rather to the methodology of the scholarship of the Virginia School.

So it came to pass that a second exodus occurred, this time taking the Virginia School down from the mountains to the Big City, as the Center for Study of Public Choice relocated to George Mason University in Fairfax, Virginia, a short fifteen miles from the nation's (some would say, Satan's) capital. In this, the final seventeen years of his academic career, notwithstanding the many calls upon his time that followed his 1986 Nobel Prize, Buchanan published twelve books, of which one (major) was single-authored, three (two major) were co-authored, and eight were singly or jointly edited. In addition, Buchanan published some 170 articles, (some two-thirds by himself) mostly in high quality books and scholarly journals.

Once again, Buchanan was blessed with a stimulating intellectual environment graced by such colleagues as Roger D. Congleton, W. Mark Crain, Tyler Cowen, David Levy, Henry G. Manne, Charles K. Rowley, William F. Shughart II, Robert D. Tollison, Gordon Tullock, Viktor Vanberg, Karen Vaughn, and Richard E. Wagner. The Center for Study of Public Choice attracted world-class visiting scholars and outstanding graduate students in ever increasing numbers as the Virginia School continued to thrive and to invade mainstream economics and political science.

Buchanan's first major book at GMU (co-authored with Geoffrey Brennan), was *The Reason of Rules: Constitutional Political Economy* (1985). This book was triggered by the controversy that had swirled around their previous 1980 book, *The Power to Tax*. No doubt the authors were tempted to abandon Thomas Hobbes and the veil of uncertainty and to put in its place the philosophy of John Rawls and the veil of ignorance. To their credit, after bowing in the direction of Rawls, Brennan and Buchanan wisely chose to remain in the real world, analyzing the behavior of real individuals making constitutional choices under conditions of uncertainty in order to break free from the prisoners' dilemma situations. With a combination of ideas drawn from *The Calculus of Consent* and *The Limits of Liberty* Brennan and Buchanan make an invaluable contribution to constitutional political economy.

On October 16, 1986, Buchanan received an early morning telephone call from Stockholm, advising him that he had been awarded the *Central Bank of Sweden Prize in Economic Science in Honor of Alfred Nobel*. The Nobel Committee cited him for 'his development of the contractual and constitutional bases for the theory of economic and political decision-making.' This citation was entirely appropriate, since Buchanan had made himself the world's leading contractarian political economist. Not only was the award the pinnacle of Buchanan's career, but it also marked the coming of age of the Virginia political economy program and professional recognition for public choice as a mainstream field in economics and political science.

In 1992, Buchanan published a short, well-written autobiography, *Better than Plowing*, in which he traces his career from his early life working on an impoverished farm in rural Tennessee to the highest peak of the economics profession. The book traces the outlines of a veritable American dream in which the intellectual outsider eventually comes in from the cold.

In 1998, shortly before he retired from George Mason University, Buchanan published yet another major book (co-authored with Roger Congleton), *Politics by Principle, Not Interest: Toward Nondiscriminatory Democracy*. This book distances itself from *The Calculus of Consent* by acknowledging that the simply majority vote principle is here to stay in democratic politics. In order to limit the discriminatory impulse against minorities implicit in this rule, Buchanan and Congleton cogently argue the case for equal treatment of all individuals under the rule of law as a truly important constraint on majority rule. With crystal clarity, this book demonstrates the great distance that James Buchanan has traveled from libertarian socialist to classical liberal scholar over a stellar academic career, much of which was forged during the socialist second half of a troubled twentieth century.

Buchanan has remained faithful to the invaluable lessons that he learned at the University of Chicago during the mid-1940s. There are only two photographs in his George Mason University office in Buchanan House: one is of Frank H. Knight and the other is of Knut Wicksell.

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