

<i>List of Figures</i>	<i>page xi</i>
<i>List of Tables</i>	xii
<i>Preface</i>	xiii
<i>Acknowledgments</i>	xv
1 Why the Virginia School of Political Economy Matters	1
1.1 Introduction	1
1.2 Virginia Political Economy	3
1.3 Against Efficiency: James Buchanan versus Kenneth Arrow	6
1.4 Katallactics: The Science of Natural Equals	7
1.5 Where Is the Economist?	9
1.6 Conclusion	13
Appendix 1.1 Warren Nutter to Ronald Coase, 4 December 1956	18
Appendix 1.2 James Buchanan to Mancur Olson, 8 November 1971	19
2 James Buchanan and the Return to an Economics of Natural Equals	22
2.1 Introduction	22
2.2 Learning from Adam Smith	23
2.3 The Economics of Natural Differences	26
2.4 Challenging George Stigler	28
2.5 John Rawls and Adam Smith	30
2.6 Conclusion	35
Appendix 2.1 The Early John Rawls–James Buchanan Correspondence	36
Appendix 2.2 James Buchanan to Gordon Tullock, 3 March 1971	40

viii	<i>Contents</i>	
3	“Almost Wholly Negative”: An Early Reaction to the Virginia School	41
3.1	Introduction	41
3.2	The Thomas Jefferson Center Proposal to the Ford Foundation	45
3.3	The Aftermath: Correspondence	49
3.4	The Methodological Defense	53
3.5	Conclusion	54
Appendix 3.1	Thomas Jefferson Center for Studies in Political Economy, “Request for Financial Assistance,” May 1960	57
Appendix 3.2	Ford Foundation, New York. Inter-Office Memorandum, Marian Chamberlain to Kermit Gordon, 11 August 1960	61
Appendix 3.3	Warren Nutter to Ronald Coase, 31 August 1960	62
Appendix 3.4	James Buchanan to Ronald Coase, 1 September 1960	63
Appendix 3.5	[James Buchanan] “Memorandum of Conversation with Ford Foundation, 31 August 1960.” 1 September 1960	65
Appendix 3.6	Ronald Coase to Kermit Gordon, 17 September 1960	68
Appendix 3.7	Ford Foundation, New York. Inter-Office Memorandum, Oscar Harkavy to Kermit Gordon, 21 September 1960	70
Appendix 3.8	Kermit Gordon to Ronald Coase, 7 October 1960	72
Appendix 3.9	Ronald Coase to Kermit Gordon, 17 October 1960	74
Appendix 3.10	James Buchanan to Kermit Gordon, 17 October 1960	76
Appendix 3.11	Kermit Gordon to James Buchanan, 19 December 1960	82
Appendix 3.12	James Buchanan to Donald O’Connell, 30 January 1961	83
Appendix 3.13	James Buchanan to Donald O’Connell, 1 February 1961	86
Appendix 3.14	Ronald Coase to Donald O’Connell, 24 May 1961	88
Appendix 3.15	Ronald Coase. “Notes of my meeting with Mr. Kermit Gordon of the Ford Foundation on September 14 th 1960,” 20 October 1961	89

Contents

ix

4	“The Economics of Universal Education” and After: From Friedman to Rawls	93
4.1	Introduction	93
4.2	The Knightian Context	95
4.3	The Economics of “Universal Education”	98
4.4	The Cover Letters	101
4.5	Buchanan’s Mature Views on Race: Achieving a “Fair Chance in Life”	105
4.6	Conclusion	110
Appendix 4.1	Universal Education, 10 February 1959	111
Appendix 4.2	The Cover Letters and a Response	124
Appendix 4.3	James Buchanan’s Letters to Rutledge Vining (Extracts), 3 September–1 October 1974	129
Appendix 4.4	Buchanan to Thomas Borcherding, 26 February 1980	137
5	Virginia Political Economy and Public Choice Economics	139
5.1	Introduction	139
5.2	Majority Rule	141
5.3	Henry Simons and <i>In Search of a Monetary Constitution</i>	146
5.4	Rent Seeking	150
5.5	Economists as Advisors	154
5.6	Conclusion	162
6	The Individuals and Their Connections	164
6.1	Introduction	164
6.2	James Buchanan against “New Chicago”	165
6.3	Discussion in Hayek and Buchanan	170
6.4	Warren Nutter versus the Soviet Experts	174
6.5	Tullock, Popper, and Economic Replication	179
6.6	Conclusion	186
Appendix 6.1	James M. Buchanan, “Chicago School Thinking: Old and New,” 20 June 2010	187
7	The Role of the Earhart Foundation in the Early Virginia School	195
7.1	Introduction	195
7.2	Funding Sources for the Early Virginia School	197
7.3	Earhart Foundation at the Beginning	202
7.4	Earhart Foundation Fellowships	205
7.5	Conclusion	212
Appendix 7.1	The “Rational Debate Seminars” Organized by Warren Nutter at the American Enterprise Institute	213

x	<i>Contents</i>	
8	The Virginia School and the Anti-democratic Right	216
8.1	Introduction	216
8.2	The Anti-democratic Right	218
8.3	The Freedom School	227
8.4	Murray Rothbard and the “Old Right”	229
8.5	Conclusion	232
	Appendix 8.1 Gordon Tullock to Ludwig von Mises, 26 November 1963	234
	Appendix 8.2 Robert LeFevre to Merwin K. Hart, 10 May 1954	235
	Appendix 8.3 Murray Rothbard to Gordon Tullock, [undated]	236
9	Neoliberalism, the Virginia School, and the Geldard Report	237
9.1	Introduction	237
9.2	The Contested History of Neoliberalism	239
9.3	The Geldard Report	243
9.4	Ronald Coase, the Fabians, and British Broadcasting	246
9.5	The Theory of Clubs	252
9.6	Conclusion	254
	Appendix 9.1 The Geldard Report on the Virginia Economics Department	255
10	Conclusion: Should the Virginia School be Restored?	258
10.1	Introduction	258
10.2	The Knightian Point of View	260
10.3	An Economics for a World without Hierarchy	261
10.4	Market Exchange and Consensus	264
	<i>Select Bibliography</i>	265
	<i>Index</i>	281