

DEMOCRACY IN CHAINS

THE DEEP HISTORY OF
THE RADICAL RIGHT'S
STEALTH PLAN FOR AMERICA

NANCY MacLEAN

VIKING

For my teachers

VIKING

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A WORLD GONE MAD

I felt that I had landed in a lunatic asylum," trapped in "a world gone mad," James Buchanan would say of his time at UCLA. It was 1968–69, the most tumultuous school year in modern history, as the student revolt went global. That January, at the start of the second semester, two young Black Panther Party activists were assassinated by a member of a rival radical group only yards from the economics department, which itself had been the target, a few months earlier, of an anonymous failed bombing for its failure to hire any black faculty. The shooter's group was enraged at having lost a vote over which tendency would have more influence on the Community Advisory Board of UCLA's new Center for Afro-American Studies. The murders horrified student activists across the country and stupefied the campus.¹

But in Jim Buchanan's mind, the violence just reinforced why money obtained from taxpayers to fund public resources was leading society in a destructive direction. He drew a similar message from the reaction of UCLA students and faculty to the firing of Angela Davis.

To her advocates, Davis was a brilliant intellectual who was bringing fresh thinking to campus. The Alabama-born, Sorbonne-trained assistant professor of philosophy taught "the most widely attended [classes] in the history of the school." To Buchanan and others on the right, she was simply a Black Panther Party supporter and a self-avowed Communist. Pushed by Governor Ronald Reagan to fire Davis for violating the university's policy prohibiting Communist Party membership among the faculty, the administration did so, only to have faculty in every department but economics protest the firing as a violation of her First Amendment rights and the

principle of academic freedom. Huge rallies demanded that she be rehired. The courts would eventually agree.²

Not Buchanan. He believed that, in the short term, repression was the only appropriate immediate answer to the spreading student unrest. Despite "my long-held libertarian principles," he said, looking back, "I came down squarely on the 'law-and-order' side" of things. He heaped praise upon one administrator who showed the "simple courage" to smash the student rebellion on his campus with violent police action.³

But Buchanan's experiences at UCLA left a far deeper legacy, one that ultimately explains why, in our time, governors and state legislators under the influence of the capitalist radical right have been moving aggressively to transform public higher education in states where they are in control. After 2010, as the Koch-funded project moved forward in the states, its representatives sought to slash their states' public university budgets while simultaneously raising tuition, ending need-based scholarships, limiting or curtailing tenure protections, reducing faculty governance, and undermining support for the liberal arts curriculum (particularly those parts of it most known for dissent). In each case, Republican-appointed members of the university governing boards acted with unprecedented speed while at the same time limiting deliberations. At the University of Virginia, they fired a popular president for being an "incrementalist." In Texas, they called themselves "the kick-ass regents." In North Carolina, Louisiana, Mississippi, Iowa, and Wisconsin, they shoved out chancellors who would not do their bidding.⁴

It was in the crucible of the campus upheaval of the 1960s that Buchanan produced the analysis and prescription behind this determination to transform public universities into corporate-style entities. Setting to work on a new book with coauthor Nicos Devletoglou, a young UCLA visiting scholar who had witnessed the era's upheaval at the London School of Economics, Buchanan contended that the leaders of higher education institutions were enabling "a handful of revolutionary terrorists to undo the heritage of centuries."⁵

What made the authors' case distinctive was not that anger—widespread on the broad right and among many older liberal faculty, too—but the totally original public choice argument for why the solution was not to deal

with the young radicals on an ad hoc, one-case-at-a-time basis, but to rethink these institutions and their incentive structures. Government and the public, Buchanan and his coauthor would argue, had to stop considering colleges and universities as public resources. They constituted an industry, albeit "a unique industry," in which individuals sought to maximize their personal advantage and minimize their costs.⁶

From that starting point it was easy to explain why state governments should no longer support low-tuition public universities. They provided yet another example of how too much money going from the taxpayers' pockets—where it could actually do good—to government spending on questionable activities in the "public interest" wrought perverse results. Its ill-conceived inducements and lack of proper penalties for misconduct, they said, all but invited protests.

The problem with the university, according to Buchanan and Devletoglou, began with its distinctive structural features: "(1) those who consume its product [students] do not purchase it [at full-cost price]; (2) those who produce it [faculty] do not sell it; and (3) those who finance it [taxpayers] do not control it."

Having obtained the university's services for "free," or close to it, the customer had little reason to value them—or the faculty, administrators, and facilities at his disposal. "Is it to be wondered that he treats the whole university setting with disrespect or even contempt?" asked the coauthors. Indeed, having little of his own money at stake, the student was in an ideal position to disrupt the university whenever he or she chose to do so, even to demand that changes be made to it, without paying any personal price. So, too, the faculty "producers" bore no personal cost for the disruption and damage: tenure insulated them. It was "one of the root causes of the chaos," in fact, for job security meant that faculty members had no driving motivation to stand up to the radical students. They had more reason to be coconspirators, or at least passive observers of the upheaval.⁷

Finally, owing to a management structure that divorced investment and ownership from control, university administrators misunderstood who their true bosses were. They tended to be "prisoners of their faculty," allowing faculty rather than shareholders to set policy (a situation as perverse to the authors as workers' control in industry would be). Equally peculiar in

the authors' minds was that "taxpayers and alumni," by which they presumably meant donating alumni, "unlike investing stockholders," paid scant attention to "the results obtained by management," even though their money sustained the institutions.⁸

The cure flowed from the diagnosis. Students should pay full-cost prices, and universities should compete for them as customers. Taxpayers and donors should organize "as other stockholders do" to monitor their investments. "Weak control" by governing boards must end. As agents of the taxpayers (in the case of California, those who had elected Governor Reagan), the boards should enforce order in the enterprise—for example, by adopting "a policy stating that all students arrested in campus demonstrations should be summarily expelled."⁹

Only measures modeled on corporate understandings of responsibility and order would work. Indeed, in the end, the problem was public ownership itself, which left no one clearly in charge and no one with the kind of direct personal incentives for maintenance that came from strictly defined property rights. "Think how much differently," the coauthors nudged, faculty and administrators would react to student occupations of their offices if those offices were more like their own homes: if "they should be required to rent, lease, or purchase office facilities from the universities." Then they might find their spines and stop paying "ransom."¹⁰

It is hard to read this manifesto and not see the blueprint for the right's current fight to radically transform public higher education: to turn state universities into dissent-free suppliers of trained labor, run with firm managerial hands and with little or no input from faculty, and at the lowest possible cost to taxpayers. In essence, Buchanan and Devletoglou were arguing that if you stop making college free and charge a hefty tuition, ideally enough to cover the entire cost of each education, you ensure that students will have a strong economic incentive to focus on their studies and nothing else—certainly not on trying to alter the university or the wider society. But the authors were also arguing for something else: educating far fewer Americans, particularly lower-income Americans who could not afford full-cost tuition. And they were telling the businesspeople who tended to dominate governing boards that it was time to get tough with their wards, faculty and students alike.

Within a few months the economists had a book manuscript completed. In Buchanan's telling, its content proved "utter poison to a certain type of academic liberal." Whatever the reasons, publishing house after publishing house turned them down. That is, until they met Irving Kristol, an editor at Basic Books who was then attracting attention as a spokesman for neoconservatism, an emerging tendency that backed core New Deal programs but called for a crackdown on campus radicalism, an end to race-based affirmative action, and a more hard-line anti-Communist foreign policy. Basic Books pledged to get the book out within the year.¹¹

Academia in Anarchy was dedicated to "The Taxpayer." To those familiar with the Virginia school voucher fight, however, the book's racial undertones came through despite its ostensibly race-neutral economic arguments. Indeed, when talking about campus unrest caused by black students, which they depicted as the core of "the chaos," the authors implied that the unrest was being orchestrated by external revolutionaries, presumably white Communists, who engaged in "usage of black students" for their own ends—as though African American students had no cause to protest and no ability to lead their own fight. "The revolutionary adopts the black students as his most attractive allies," wrote the economists; inciting them to achieve his own radical ends, he exploits white Americans' "guilt complex." The authors maintained that the "reaction would have been total, swift, and severe" if the protesters had been "supporters of George Wallace instead of the Black Student Union or the Students for a Democratic Society." (It would have come as quite a surprise to young African Americans to hear that police showed special leniency toward them.)¹²

In his review of the book in *National Review*, Buchanan's former colleague William Breit seconded the call for a "system of full tuition charges supplemented by loans which students must pay out of their future income."¹³ The point was not merely parsimony to save taxpayer money. Privately, Gordon Tullock and Jim Buchanan discussed the social control function of denying a liberal arts education to young people from lower-income families who had not saved to pay for it. "We may be producing a positively dangerous class situation," Tullock said, by educating so many working-class youth who would probably not make it into management but might make trouble, having had their sights raised.¹⁴

It bears noting, given the current implementation of recommendations first made in *Academia in Anarchy*, that the book's analysis was wrong. The crisis on campus did not come from perverse incentives and outside agitators' exploitation of them. At stake were real issues, about which millions of students felt deeply: racial inequality, a war in Vietnam so misguided that the Army had all but collapsed from soldier dissent, and the students' own lack of voice in colleges, universities, and national politics. While hundreds of thousands were being drafted to kill and perhaps die in a war they opposed, they also could not vote. Not until 1971, with the Twenty-Sixth Amendment to the Constitution, proposed and ratified as a result of this tumult, could those between eighteen and twenty-one vote in national elections.¹⁵ What calmed the campuses was not the violent suppression and top-down transformation *Academia in Anarchy* urged, but the end of the draft and campus reform that treated students as stakeholders with ideas that might improve the quality of education.

It also bears noting that, for a thinker who professed devotion to liberty, Buchanan showed a marked enthusiasm for the armed suppression of rebellion, both at home and abroad. Indeed, he never questioned the rightness of American military policy in Vietnam—except to say that it should be more aggressive.¹⁶ His reductionist analysis turned young Americans with a passion to live up to their nation's stated ideals into menaces who misrepresented their purposes for personal gain and the pure pleasure of disruption. Viewing the protesters, white and black, as spoiled work shirkers who lived off illegitimate extractions from taxpayers, he found it easy to call for the use of clubs to subdue them.

With campus upheavals attracting attention worldwide, this book garnered wider notice than Buchanan's previous publications. Not only the conservative press but also a few newspapers with national readerships alerted readers to it, among them the *New York Times*, the *Los Angeles Times*, and the London-based *Guardian*. British, French, German, and Australian academic journals, across disciplines, reviewed it, often commenting on the creative application of economic analysis, even if they faulted its lack of empirical support and palpable political agenda.¹⁷

But critics could say what they would. For Buchanan, the upshot of all the commentary was that his audience was broadening. He was changing

the conversation—not with the general public or the enemy, granted, but with the like-minded, who would always be the audience that really mattered to him.

It was only a matter of time before the lifelong southerner fled UCLA for the region where he felt at home. It would fall to his former student Charles Goetz to entice his mentor to an institution that, back in his haughty Charlottesville days, Buchanan had scorned as the “state’s ‘cow college.’” Situated in the small town of Blacksburg, nearly an hour from the closest city, Roanoke, Virginia Polytechnic Institute was unquestionably a second-tier state school. But that also made its administration ecstatic to recruit a scholar of Buchanan’s stature and willing to give free rein to his proposed Center for Study of Public Choice. The school had only recently made the transition to a research university. His grateful employers granted his center “a mansion, formerly the university president’s residence, on a hill overlooking the campus.” Buchanan found there the unchecked liberty and lavish institutional regard he craved. Reassembling a team of like-minded men, attended to by “Mama Betty” and able to sport their Adam Smith ties in peace, and with generous support from right-wing foundations, he and his colleagues set to work. Sharing the same assumptions, they practiced “no-holds-barred combat” in developing their variant of political economy—while, again, keeping out those who questioned their premises.¹⁸

The orderly, “cloistered” community became, said an Australian who joined the group, “the Mecca for aspiring young public choice and public economics scholars from across the world.”¹⁹ Buchanan and his team remained at Virginia Tech, as it is now known, for more than a decade. There, these libertarian radicals of the right deepened their ties to right-wing businessmen and foundations who were looking for ideas to counter the expansion of government from the New Deal and the Great Society, and whose own numbers expanded in these years. It was while Buchanan was at Blacksburg that he first got to know Charles Koch, opening a relationship of mutually beneficial exchange, as the economist might say, that reached fruition a quarter century later.

It helped that the president of Virginia Tech, T. Marshall Hahn Jr., was

a kindred spirit to Buchanan and a corporate man himself. (Indeed, he would soon become a director of the largest paper corporation in the world, Georgia-Pacific, later purchased, ironically—and apparently coincidentally—by Koch Industries.) Also helpful was that Virginia’s brief flirtation with liberal Republicanism was ending. The state’s corporate elite was regrouping, with firm dominance now in both parties and the state General Assembly.²⁰

Backed by such partners as the Virginia Bankers Association, Buchanan and his team held periodic briefings to bring “businessmen, scholars, and policy-makers” together for discussion of “crucial economic problems facing the people of Virginia.” The new center thus resumed the base building with the state’s corporate world that Buchanan’s earlier operation at UVA had practiced. It even created a new subdivision called the Center for Economic Education, a prototype for future outreach efforts funded by Charles Koch and aimed at Washington, D.C., policymakers. Each wing would carry the authority of association with scholarly research in a public university, yet operate free of control by or accountability to that university as its operatives joined with corporate partners to promote their shared ideas to policymakers.²¹

In May of Buchanan’s first year at Virginia Tech, G. Warren Nutter, his old colleague and now a member of the defense department, came to speak just after four students had been killed by National Guardsmen at Kent State University while protesting the U.S. bombardment of Cambodia and Laos. As Nutter delivered the Nixon administration line on the war, eight students, each with one letter on his or her shirt, stood collectively “to spell out a vulgar word,” in the description of the shamed college president, one that began with BULL. The action staggered Buchanan, and put him into a rage.²²

The following year, after some students broke windows and set fire to a building, Buchanan advised President Hahn not to pay much attention to the university’s lawyers but instead to engage in “strategic countermoves.” Hahn should punish the protest leaders and their supporters; they might not have personally violated any rules, but they had “stirred up” the campus and should pay for that. Angry taxpayers and their representatives in

the General Assembly, upon whom Hahn relied for funding, would likely back him—especially if “the federal courts” sided with the dismissed students. Buchanan himself had long disdained the federal judiciary, he made clear, and he imagined the backers whose support Hahn needed did, too.²³

The self-styled libertarian went further in outlining “a counterstrategy,” one he honed and shared with powerful donors, think tank staff, and like-minded public officials over the ensuing decades, for it had application far beyond the campus. The president should play “a simple tit-for-tat game” with the “undesirables.” The students who caused trouble should “be subjected to explicit harassment by the administration,” a kind of hounding “always within rules but explicitly designed to keep them busy and off balance.” There should also be a new “reward-punishment structure for faculty.” Sociology, literature, history, and all such disciplines that encouraged critical thinking: Let them reap what they sowed, he was suggesting. Let them feel some pain. It was time to alter the incentive structures. “This is rough business, and it violates sacrosanct precepts for ‘academic freedom.’ But,” Buchanan intoned, “this is a rough world.”²⁴

Hahn, wisely, did not follow Buchanan’s advice. But in his vocal stand against the campus turmoil, Buchanan made contacts with others who shared his indignation and appreciated his recommendations. They included men with substantial wealth to invest. Those applauding Buchanan’s call for harsh measures and the clamping shut of tax coffers to troublesome institutions included the vice president of the Federal Reserve Bank of Richmond (a past student from the 1950s), a top corporate philanthropy official at T. Mellon & Sons, and the president of the Scaife Family Charitable Trusts, with its vast endowment from the oil-and-banking heir Richard Mellon Scaife. These men of means shared his fury over the students’ conduct—and over administrators and courts they viewed as enabling protest by insufficient repression.²⁵

Buchanan so impressed Richard Larry, the economics specialist at the Scaife Family Charitable Trusts, then emerging as a major funder on the right, that Larry awarded a \$240,000 multiyear grant (about \$1.5 million in 2016 dollars) to support public choice scholarship and outreach at the economist’s new Virginia Tech center. “Our research changes the way

people think about the way governments work,” Buchanan explained in applying for funds.²⁶

The favorable recognition that the Virginia school received in a 1971 journal article by two public choice scholars, Mancur Olson and Christopher K. Clague, helped in fund-raising. The article, which Buchanan shared with prospective funders, highlighted the irony that radical right and radical left economists now seemed to share a “skepticism about bureaucracy, government, and majority rule” that might prove transformative.²⁷

Delighted to find allies with deep pockets, Buchanan also reached out to the “libertarian-conservative” Cornell Alumni Committee for Balanced Education. Its members were fighting perceived liberal dominance among arts and sciences faculty by marshaling pressure to hire faculty of a Mont Pelerin Society bent. From the outraged ranks of the Ithaca institution’s alumni came one especially consequential contact: John M. Olin. After seeing Cornell administrators cower, in his view, before armed black activists, Olin decided to donate a goodly share of his vast fortune to subsidizing the hiring of pro-capitalist faculty on U.S. campuses.²⁸

In the meantime, assigned to speak about education at the Munich meeting of the Mont Pelerin Society, Buchanan minced no words. Modern society, with its widespread affluence, was showing itself “willing to allow for the existence of parasites,” freeloaders who took from it without adding value. “This is essentially what the student class has already become,” he told the scholars, businessmen, and funders. “If we do not like what we see,” the “simple solution” was clear: “close off the parasitic option.”²⁹ Before the decade was out, he would be recommending that for nearly all who looked to government for assistance with one thing or another.

41. For a classic, unsurpassed exposition of the devastation inflicted by the "stark utopia" of the allegedly "self-adjusting market," see Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (1944; repr., Boston: Beacon Press, 1957), 3. On the tradition of legal realism, conceived in refutation of the kinds of claims Buchanan was reviving, see Morton J. Horwitz, *The Transformation of American Law, 1870–1960: The Crisis of Legal Orthodoxy* (New York: Oxford University Press, 1992), especially 194–98, for the realist scholars' critique of the notion of a natural market, as opposed to markets socially and historically constructed through the policy choices of actors. They demonstrated that property itself was, per Oliver Wendell Holmes Jr., "a creation of law" (197).
42. For a luminous, and quite chilling, explication, see S. M. Amadae, *Prisoners of Reason: Game Theory and Neoliberal Political Economy* (New York: Cambridge University Press, 2016), especially 175–92, on Buchanan.
43. Gordon Tullock, "Welfare for Whom?" paper for a session on "The Role of Government," Mont Pelerin Society, Aviemore Conference, 1968, BHA.
44. In fact, the U.S. Chamber of Commerce's Virginia-based research director, a veteran of the fight for private school vouchers, approached kindred economists seeking just such analysis in 1960. Emerson P. Schmidt to Milton Friedman, December 7, 1960, box 32, Friedman Papers. Friedman agreed on the "importance" of such analysis and suggested he contact two scholars then at the University of Virginia; Friedman to Schmidt, January 24, 1961, box 32, Friedman Papers.
45. The scholarship is so voluminous as to defy citation, but a review of those elected to the presidency of the Organization of American Historians, beginning in 1968, with the don of southern history C. Vann Woodward, and continuing to the present, reveals the overarching consensus on such matters, www.oah.org/about/past-officers. For the historian Paul Gaston's growing influence on campus at UVA, see his memoir *Coming of Age in Utopia*.
46. G. Warren Nutter to President Edgar F. Shannon Jr., January 29, 1968, box 80, Baroody Papers; Warren Nutter to James Buchanan, May 6, 1965, BHA. There is no evidence that any center faculty belonged to the society or shared its conspiracy theories about Communist infiltration of the U.S. government. Yet the Birch Society's economic thought was largely indistinguishable from theirs. The JBS was a significant presence in the state in 1965, moreover, as William J. Story, a JBS member and the Conservative Party of Virginia candidate for governor, attracted more than 13 percent of the vote in a four-way race; Atkinson, *Dynamic Dominion*, 155–56.
47. William Breit, "Creating the 'Virginia School': Charlottesville as an Academic Environment in the 1960s," *Economic Inquiry* 25 (October 1987): 650; John J. Miller, "The Non-Nobelists," *National Review*, September 25, 2006, 32–33; Gordon Tullock, "The Origins of Public Choice," in *The Makers of Modern Economics*, vol. 3, ed. Arnold Heertje (Cheltenham, UK: Edward Elgar, 1999), 1123; "Chronology of Significant Events," April 1976, box 80, Baroody Papers; Warren Nutter to Edgar F. Shannon Jr., January 29, 1968, box 80, Baroody Papers.
48. James M. Buchanan to President Edgar F. Shannon Jr., April 4, 1968, box 80, Baroody Papers.
49. Richard A. Ware to Milton Friedman, July 22, 1966, box 26, Friedman Papers.
50. James Buchanan to Gordon Tullock, July 8, 1965, BHA; Buchanan to Tullock, April 28, 1968, box 11, Tullock Papers. Buchanan admitted to the Reim Foundation that he "should have been more careful about building internal bridges earlier" to stave off "trouble"; Buchanan to Otto A. Davis, January 19, 1968, BHA; Buchanan to Richard A. Ware, April 23, 1968, BHA.
51. Steven G. Medema, "'Related Disciplines': The Professionalization of Public Choice Analysis," *History of Political Economy Annual Supplement* 32 (2000): 289–323.
52. James C. Miller to the Rector and Board of Visitors, September 23, 1976, box 80, Baroody Papers.
53. Buchanan to Frank Knight, July 7, 1967, box 3, Knight Papers.

54. Virginius Dabney, *Mr. Jefferson's University: A History* (Charlottesville: University of Virginia Press, 1981), 347–48; Jan Gaylord Owen, "Shannon's University: A History of the University of Virginia, 1959 to 1974" (PhD diss., Columbia University, 1993), 18, 25–26, 30, 32.
55. James M. Buchanan, "The Virginia Renaissance in Political Economy: The 1960s Revisited," in *Money and Markets: Essays in Honor of Leland B. Yeager*, ed. Roger Koppl (New York: Routledge, 2006), 35; on Tullock, even Nutter had misgivings (37).
56. James M. Buchanan, *Better than Plowing and Other Personal Essays* (Chicago: University of Chicago Press, 1992), 177.

CHAPTER 7: A WORLD GONE MAD

1. James M. Buchanan, "Public Finance and Academic Freedom," Center Policy Paper No. 226-30-7073, Center for Public Choice, Virginia Polytechnic Institute and State University, Fall 1971, 4; James M. Buchanan, notes for Charlotte talk to VPI alumni, January 19, 1970, BHA; "Potent Unexploded Bomb Found at UCLA," *Los Angeles Times*, November 12, 1968. On the killings, see Curtis J. Austin, *Up Against the Wall: Violence in the Making and Unmaking of the Black Panther Party* (Fayetteville: University of Arkansas Press, 2008), 224–26; Martha Biondi, *The Black Revolution on Campus* (Berkeley: University of California Press, 2012), 68–71; and Elaine Browne, *A Taste of Power: A Black Woman's Story* (New York: Pantheon, 1992), 160–67. On how provocateurs in the FBI's COINTELPRO program had been stirring conflict between the two organizations to undermine the Black Panther Party, see Joshua Bloom and Waldon E. Martin Jr., *Black Against Empire: The History and Politics of the Black Panther Party* (Berkeley: University of California Press, 2013), 218–29.
2. Angela Davis et al., *If They Come in the Morning: Voices of Resistance* (New York: New American Library, 1971), 185–86; J. Clay La Force to James M. Buchanan, May 19, 1970, BHA.
3. James M. Buchanan, *Better than Plowing and Other Personal Essays* (Chicago: University of Chicago Press, 1992), 114. For his praise of President S. I. Hayakawa at San Francisco State University, see James M. Buchanan, notes for Charlottesville talk. The global unrest was significant enough to move the United States and the USSR to détente, according to historian Jeremy Suri, in *Power and Protest: Global Revolution and the Rise of Détente* (Cambridge, MA: Harvard University Press, 2003).
4. See, for example, Andrew Burstein and Nancy Isenberg, "GOP's Anti-School Insanity: How Scott Walker and Bobby Jindal Declared War on Education," *Salon*, February 9, 2015; Richard Fausset, "Ideology Seen as Factor in Closings at University," *New York Times*, February 20, 2015; and the superb 2016 documentary *Starving the Beast*, directed by Steve Mims, www.starvingthebeast.net.
5. James M. Buchanan and Nicos E. Devletoglou, *Academia in Anarchy: An Economic Diagnosis* (New York: Basic Books, 1970), x–xi.
6. *Ibid.*, 8.
7. *Ibid.*, 48–50.
8. *Ibid.*, 76, 78.
9. *Ibid.*, 78–79.
10. *Ibid.*, 80, 86.
11. Buchanan to Glenn Campbell, April 24, 1969, BHA; Buchanan to Bertram H. Davis, May 5, 1969, BHA; Buchanan to Arthur Seldon, [late June] 1969, BHA; Thomas Medvetz, *Think Tanks in America* (Chapel Hill: University of North Carolina Press, 2012), 104. Kristol soon came to Buchanan's center as a visiting lecturer, in a long relationship nurtured also by shared membership in the Mont Pelerin Society (1971 Annual Report). On Kristol and the affirmative action conflict, see Nancy MacLean, *Freedom Is Not Enough: The Opening of the American Workplace* (Cambridge, MA: Harvard University Press, 2006).
12. Buchanan and Devletoglou, *Academia in Anarchy*, x, 128–29. Their analysis echoes that of the John Birch Society leader Fred C. Koch, who alleged Communists' "use [of] the colored people" in *A Business Man Looks at Communism* (Farmville, VA: Farmville Herald, n.d.).

- Challenged in South Carolina about the firing of Angela Davis, Buchanan similarly said that "her hiring was part of a conspiracy to get a Communist on the faculty"; Winthrop College Herald, clipping, October 7, 1971, BHA.
13. William Breit, "Supply and Demand of Violence," *National Review*, June 30, 1970, 684–85.
 14. Gordon Tullock to James Buchanan, January 22, 1969, box 11, Tullock Papers. An appreciative reviewer drew out the implied alternative: "the bifurcation of the university system into professional training schools supported and strictly controlled by the state; and culture-consumption colleges privately supported and publicly scorned"; Harry G. Johnson, review of *Academia in Anarchy* in *Journal of Political Economy* 79 (January–February 1971), 204–5.
 15. Predictable opposition came from Virginia's own James J. Kilpatrick, by then a national columnist: "The States Are Being Extorted into Ratifying the Twenty-Sixth Amendment," in *Amendment XXVI: Lowering the Voting Age*, ed. Sylvia Engdahl (New York: Greenhaven Press, 2010), 123–27. On the Army's unraveling, see Scovill Currin, "An Army of the Willing: Fayette Nam, Soldier Dissent, and the Untold Story of the All-Volunteer Force" (PhD diss., Duke University, 2015). For how the president whom Buchanan loathed saved the day through dialogue and reform, see Jan Gaylord Owen, "Shannon's University: A History of the University of Virginia, 1959 to 1974" (PhD diss., Columbia University, 1993), 140, 212–13, 218–19; and Gaston, *Coming of Age*, 289. For Buchanan's attempt to have Shannon fired, see Buchanan to David Tennant Bryan, May 18, 1970, BHA.
 16. A more consistent libertarian of the era was Murray Rothbard. He reviled the public sector and democracy, but he also opposed the Cold War and its offspring, the war in Indochina, as an imperial contest; Murray N. Rothbard, *The Betrayal of the American Right* (Auburn, AL: Ludwig von Mises Institute, 2007), 186, 196.
 17. Meghnad Desai concluded, presciently, that the book's "analysis is a search for an easy panacea—*Homo Oeconomicus* on horseback"; Meghnad Desai, "Economics v. Anarchy," *Higher Education Review* 3 (Summer 1971): 78. Too numerous for individual citation, the other reviews can be found in a simple library search.
 18. Steven G. Medema, "'Related Disciplines': The Professionalization of Public Choice Analysis," *History of Political Economy Annual Supplement* 32 (2000): 305–23; James M. Buchanan, "Heracitian Vespers," *American Journal of Economics and Sociology* 63 (January 2004): 266; Center for Study of Public Choice, introductory brochure, Virginia Polytechnic Institute and State University, Blacksburg, VA, c. 1979; Loren Lomasky, "When Hard Heads Collide: A Philosopher Encounters Public Choice," *American Journal of Economics and Sociology* 63 (January 2004): 192. On the Smith ties, see Buchanan to Douglas Mason, September 23, 1971, BHA.
 19. Geoffrey Brennan, "Life in the Putty-Knife Factory," *American Journal of Economics and Sociology* 63 (January 2004): 86, 87.
 20. Frank B. Atkinson, *Dynamic Dominion: Realignment and the Rise of Virginia's Republican Party Since 1945* (Fairfax, VA: George Mason University Press, 1992), especially 200, 227–28, 231–54; Martin Koepenick, "T. Marshall Hahn Jr. on the New Georgia Pacific," *PIMA Magazine* 72 (May 1990): 35; James H. Hershman Jr., personal communication to author, May 2, 2015; Brennan, "Life in the Putty-Knife Factory," 85, 87.
 21. Center for Economic Education, "Economic Issues Facing Virginia," seminar, November 15, 1972, BHA; James Buchanan to Gordon Tullock, "Five-Year Plan," October 9, 1973, BHA.
 22. Buchanan to G. Warren Nutter, May 7, 1970, BHA. For his team's call for harsh measures, see Gordon Tullock to T. Marshall Hahn, May 7, 1970, box 47, T. Marshall Hahn Papers, 1962–1974, Special Collections, Virginia Polytechnic Institute and State University, Blacksburg, VA. See also Charles J. Goetz to Hahn, May 6, 1970, box 47, Hahn Papers; Hahn to Goetz, May 11, 1970, box 47, Hahn Papers.
 23. Buchanan to Hahn, June 8, 1971, box 57, Hahn Papers.
 24. Ibid.

25. William F. Upshaw to Buchanan, May 25, 1970, BHA; Buchanan to Benjamin Woodbridge, May 8, 1970, BHA; T. Marshall Hahn Jr. to Charles J. Goetz, May 11, 1970, Hahn Papers; Buchanan to Roy Smith, May 14, 1970, BHA; Buchanan to Senator Garland Gray, May 15, 1970, BHA; Buchanan to Richard M. Larry, June 3, 1971, BHA.
26. C. E. Ford to Buchanan, March 25, 1971, BHA; Buchanan to Richard M. Larry, January 14, 1972, BHA; Buchanan to Larry, February 22, 1972, and May 8, 1972, BHA; Buchanan, "Notes for discussion with Richard M. Larry on 4/26/73," April 25, 1973, BHA. For Scaife's multimillion-dollar strategic contributions in this formative decade, see John S. Saloma, *Ominous Politics: The New Conservative Labyrinth* (New York: Hill & Wang, 1984), 27–28, 30–31.
27. Mancur Olson and Christopher K. Clague, "Dissent in Economics: The Convergence of Extremes," *Social Research* 38 (Winter 1971): 751, 764, included by Buchanan with correspondence to Richard A. Ware (director of the Earhart Foundation), March 7, 1972, BHA.
28. J. D. Tuller to Buchanan, October 20, 1970, BHA; Tuller to Buchanan, September 25, 1970, with attachment; Buchanan to Donald A. Collins, June 9, 1970, BHA. For an overview of Olin's work, see Jason DeParle, "Goals Reached, Donor on the Right Closes Up Shop," *New York Times*, May 29, 2005, A1, 21.
29. James M. Buchanan, "The 'Social' Efficiency of Education," for 1970 Munich meeting of the Mont Pelerin Society; later version published in *Il Politico* 25 (Fall 1970), BHA. He turned this line of thought into a theoretical intervention he called "The Samaritan's Dilemma": that the help charity might provide someone in getting back on their feet might be overwhelmed by the harm it could do in enabling sloth (essentially, reinventing Gilded Age "scientific charity"); James M. Buchanan, "The Samaritan's Dilemma," in *Altruism, Morality and Economic Theory*, ed. Edmund S. Phelps (New York: Russell Sage Foundation, 1975), 71–85.

CHAPTER 8: LARGE THINGS CAN START FROM SMALL BEGINNINGS

1. John M. Virgo, "A New Forum on the Economic Horizon," *Atlantic Economic Journal* 1 (November 1973): 1–2; James M. Buchanan, "America's Third Century," *Atlantic Economic Journal* 1 (November 1973): 3. I am grateful to Alexander Gourse for bringing this piece to my attention through his fascinating study of the California origins of the conservative legal movement, which shows how Buchanan's approach influenced Governor Ronald Reagan's administration in its fight against Legal Services and the state legislature; see Alexander Gourse, "Restraining the Reagan Revolution: The Lawyers' War on Poverty and the Durable Liberal State, 1964–1989" (PhD diss., Northwestern University, 2015).
2. James Buchanan to Emerson P. Schmidt, May 1, 1973, BHA; Buchanan to Clay La Force, May 9, 1973, BHA. On the push for tax justice, see Joshua M. Mound, "Inflated Hopes, Taxing Times: The Fiscal Crisis, the Pocketbook Squeeze, and the Roots of the Tax Revolt" (PhD diss., University of Michigan, 2015).
3. Buchanan, "America's Third Century," 9. Gordon Tullock, *Toward a Mathematics of Politics* (Ann Arbor: University of Michigan Press, 1967).
4. James M. Buchanan to Nicos Devletoglou, February 27, 1973, BHA; Buchanan, "The Third Century Movement," typescript planning document, [mid-February] 1973; Buchanan, "Plans, Steps, and Projections—Provisional," March 3, 1973, BHA; Wilson Schmidt to Buchanan, May 26, 1972, BHA; Buchanan to Schmidt, May 1, 1973, BHA.
5. Buchanan to Nicos Devletoglou, February 27, 1973, BHA; Buchanan, "Private, Preliminary, and Confidential" document, February 16, 1973, BHA; Buchanan, "Third Century Movement" document. The term "counter-intelligentsia" entered public discussion five years later when William E. Simon published *A Time for Truth*, a book commonly cited as the origin of the push to convene a counterestablishment. That makes some sense, because Simon, secretary of the Treasury under Nixon, went on to do yeoman labor for the cause as head of the John M. Olin Foundation, exposing and stopping "the injustices to businessmen" at the hands of "a redistributionist state" that obstructed capital accumulation. But in point of