



46

Italian Influences on Buchanan's Research Program

Alain Marciano and Manuela Mosca

Introduction

The relationship of James Buchanan with the Italian tradition in public finance—usually referred to by its Italian name as the *scienza delle finanze*—and even with Italy and Italians in general has already been the subject of many essays, some by Buchanan himself¹ and by other protagonists and direct witnesses that we shall meet in the course of this chapter. Let us simply mention here the excellent studies by Domenico Da Empoli (1989, 1993, 2003, 2004, 2013a, b) and Richard Wagner

¹In his autobiography (1992, Chap. 6, pp. 82–92).

A. Marciano

Faculté d'Économie, MRE and Université de Montpellier,
Montpellier, France

e-mail: alain.marciano@umontpellier.fr

M. Mosca (✉)

Università del Salento, Lecce, Italy

e-mail: manuela.mosca@unisalento.it

(2003, 2017).² The purpose of this chapter is not to add much factual details about that history. We will rather try, first, to survey the existing literature about Buchanan and the Italians and then, second, to supplement it with some new archival sources and interviews, to allow a better understanding of the Italian influences on Buchanan's research program. We thus show that Buchanan had not really been interested in Italian economists before he went to Italy. Or, to be more precise, he knew their work and was interested in what they had written and had used it to establish the bases of his own theoretical framework in public finance. But it was not before he went to Italy that he realized how important the work of—certain of—these Italian economists was.³ This was partly due to the readings Buchanan made when he was in Italy in 1955–1956 but also the consequence of the discussions he had with Italian scholars.

Buchanan's First Works: Scarce References to Italian Economists

In Buchanan's attitude towards the economists of the so-called Italian public finance tradition, there is obviously a before and an after 1955. Before 1955, Buchanan did not pay much attention to these economists. He cited or quoted them rarely. He mentioned them in his dissertation for the first time and then again in "The Pure Theory of Government Finance" (1949). But not in any of the nine other articles he wrote during this period.

But, one must start with Buchanan's dissertation—*Fiscal Equity in a Federal State* (1948)—to find the first mentions to these economists.

²The Italian tradition in public finance has also largely been studied. See in particular the following references: Medema (2005), Giardina and Mazza (2016), Backhaus and Wagner (2005a, b), and Eusepi and Wagner (2013).

³In 1960, in a comment to his 1949 paper, he said: "This paper was written before the author was familiar with the Italian fiscal theory. The Italian literature is characterized by a much more careful consideration of the political presuppositions" (Buchanan 1949, 1960, p. 8, fn. 1).

These mentions are scarce. Buchanan referred to the Italian public finance economists when he came to discuss the benefit theory of taxation. He first noted that this theory had been discarded. That, he could not ignore. Indeed, one of the opponents to such a theory of taxation was Henry Simons, with whom Buchanan seems to have been quite close during the first semester of 1946, that is when Buchanan arrived at Chicago, followed one of Simons's courses and before Simons's died in June 1946. In his teaching, as well as in his writings, Simons had been very clear that a general theory of taxation could not be based on benefits. More precisely, he agreed that benefits could be used to determinate taxes in very specific cases—precisely when benefits could be identified and measured but, in most cases, Simons claimed, those benefits could not be identified. He had clearly stated the reasons for his disagreement in *Personal Income Taxation* (1938) as well as in a very negative review of Antonio de Viti de Marco's *First Principles of Public Finance*.

Simons found the thesis defended in the book to be “a rigid, if not explicit, sort of benefit doctrine” (1937, p. 714). He linked this aspect with de Viti de Marco's conception of the “co-operative state” (1937, p. 714), that is a conception of the state in which “[i]ndividuals ‘demand’ public goods” (1937, p. 714) and “taxes are the prices against which people set the utilities of these goods” (1937, p. 714). To Simons, de Viti de Marco's “attempt to illuminate the political phenomena of taxation and expenditure by vaguely analogical application of the terminology and axioms of traditional price-theory” failed. Indeed, its “central argument appears to involve all the faults of naive marginalism in matters of political action” (1937, p. 714).

At some point, Buchanan contrasted this review with the one written by Frederic Benham, an Australian economist who taught at the London School of Economics (1934a), that praised de Viti de Marco for having written, with *Principii di Economia Finanziaria*, “probably the best treatise on the theory of public finance ever written” (1934a, p. 364). And Buchanan came to think that “Simons was totally wrong” about de Viti de Marco but “Benham was right” and that “he understood the impact of [de Viti de Marco's] book” (Buchanan, in Mosca 2016, p. 129). What Buchanan found interesting

in de Viti de Marco—and beyond, in the analyses of the Italian public finance economists—was exactly what Simons rejected.

First, that they treated taxes and expenditures simultaneously, as two sides of the same phenomenon—that is, to put it in other words, that they adopted a general rather than a partial equilibrium approach of taxation. They precisely could do that because they considered that taxes were or should be linked to the benefits individuals make when they consume public goods and services. Certainly, Buchanan agreed, benefits would not be easy to determine and calculate. They were subjective and consisted in gains in utility individuals would make. But, that should imply that a benefit theory of taxation should be discarded. What was important was what such a theory would teach us about the nature of the relationships between individuals and the state. Indeed, if individuals could be said to receive benefits when consuming public goods and services, that would then imply that they would pay taxes because of these benefits as they would do for private goods. This, then, would mean that there was an exchange between the state—supplying goods and services—and the individuals—who demand them. In other words, a benefit theory of taxation implied or was closely connected with the voluntary exchange theory and a contractual theory of the state—precisely what Simons disagreed with and what Einaudi (1929), after Pantaleoni (1883) and de Viti de Marco (1936),⁴ had argued.⁵ That deserves to be noted: to Buchanan, it was the connection between the benefit theory of taxation the Italians had developed and their conception of the state that really mattered to him.⁶

⁴1936 is the date of publication of de Viti de Marco's book in English. De Viti's handbook was widely used for many years, starting from 1886 to 1887, in the form of lithographed handouts, then in 1923 it was printed in a limited edition, and lastly published in 1928.

⁵Buchanan explicitly made a connection between these theories in his dissertation, referring to social contract theorists—namely, Hobbes et al. (1948, Chap. 2). He removed these references in the published version of “The Pure Theory of Government Finance” (1949).

⁶One may add that Buchanan used their works to develop an “individualist” theory of the state, that he opposed to an “organismic” theory of the state (1948, Chap. 2, 1949; see also, Marciano 2016). In his dissertation, he justified the term “organismic” with a reference to the Swedish economist, Erik Lindahl. Domenico da Empoli (1989, p. 16) suggested that the opposition between the organismic and the individualistic theories of the state also reflects De Viti's dual model of the state. As we have shown elsewhere (Marciano 2019), Benham (1934b) precisely

Buchanan made that claim in his dissertation and repeated in “The Pure Theory of Government Finance. A Suggested Approach” (1949). He had thus built a theoretical framework—around fiscal justice and an equal treatment for equals, a benefit theory of taxation and the existence of a voluntary exchange relationship between the state and citizens—that would “enable the results of policies to be evaluated” (1949, p. 505). The works of Wicksell, Lindhal, Sax and, obviously, Pantaleoni and de Viti de Marco had been important for him in this regard.⁷ But he did not refer to these economists for a few years. However, one of the themes upon which he worked—the financing of highways and roads—will eventually and indirectly bring him back to them. Again, as we have suggested elsewhere (Marciano 2019), the connection is through Benham.

Financing Roads and Highways: Marginal Cost Pricing

In an article published in 1934—“Notes on the Pure Theory of Government Finance” (1934b)—that was actually a review essay of Einaudi’s *Contributo alla Ricerca dell’ “Ottima Imposta”* (1929), Benham had introduced references to the work of de Viti de Marco—of whom Einaudi was a disciple—and made a connection with Wicksell. Now, Benham illustrated his analysis of how a benefit principle or a voluntary exchange theory of the state could be used with the case of roads. Roads and highways had been a topic of interest to Buchanan for some years. In his master essay, he had claimed users should pay for the financing

insisted on the importance of a cooperative theory of the state in his comment of Einaudi’s *Contributo alla Ricerca dell’ “Ottima Imposta”* (1929).

⁷Surprisingly, Buchanan referred to Einaudi’s work in his dissertation as well as in the preliminary version of “The Pure Theory”, where he wrote “Professor Einaudi, Italy’s current President, is a representative of this school in his work on fiscal theory’s” (1949, p. 25)—directing his readers to Benham’s article rather than to Einaudi’s work. But the name and reference disappeared in “The Pure Theory” where the only Italian economists mentioned were Pantaleoni and de Viti de Marco.

of roads and had defended the idea of a gasoline tax (Marciano 2018). Reading Benham, and then Wicksell, Buchanan understood that there were economists who developed ideas that could be used to formalize and justify theoretically intuitions he had had when he was younger.

In 1951, after having read the two articles Nancy Ruggles (1949–1950a, b) had written on the debates about the use of marginal cost pricing for decreasing costs industries, Buchanan wrote an article on Wicksell and marginal cost pricing. In this article, he presented, discussed and defended the rule Wicksell had laid about the pricing of public goods and services. That rule consisted in saying that public firms with decreasing costs should price the goods they produce at the marginal cost of production and should cover the deficit—caused by the difference between the marginal and average costs—by taxing users. The latter, because they receive benefits from consuming those goods, are expected to voluntarily pay the taxes they are asked to pay. Wicksell had suggested that the rule could be used for various types of infrastructures. Buchanan immediately claimed how Wicksell’s rule was important and that it should be used to finance the use of roads and highway services.

That road users should be asked to pay a price equal to the marginal cost was the central idea of “The Pricing of Highway Services” (1952). To be more precise, not only the price for road services have to be set at the level of the marginal costs of production and taxes should be added to cover for the rest of the costs, but also “spillover” costs should be added to the price each user would have to pay. Indeed, the quality of the services they provide depends on the number of users; congestion reduces this quality and creates a ““spillover” cost represented in poorer service provided all users” (1952, p. 100). Thus, the “correct price” for highway services corresponded, to Buchanan, “to the marginal *social* cost incurred in providing a unit of that type of service” (1952, p. 100, emphasis added; see more details in Marciano 2013).

Buchanan repeated the same argument in a note he wrote in 1954—and that can be viewed as a preliminary version of his 1956 article, “Private Ownership and Common Usage: The Road Case

Re-Examined”: “it is necessary that the prices of highway services be set equal to the marginal *social* costs of providing such services” (1954, p. 6; emphasis added). Which means, Buchanan added to avoid any misunderstanding, that it is necessary that the price also “includes the incremental costs (or reduced enjoyments) imposed upon other road users!” (1954, p. 6). Then, again, in “Painless Pavements” (1955a)—an unpublished paper he drafted at the beginning of 1955—and in *Traffic, Tolls and Taxes. The Economics of the Nation's Highway Problem* (1955b)—an unpublished book written also in 1955—Buchanan repeated his claim—“[t]he answer to the whole highway problem lies in ‘pricing’ the highway correctly” (1955a, p. 15). Which also meant that asking the users to pay for the units of roads they consume would also “provide more than adequate revenues to finance [the] expansion” (1955a, p. 16) of the highway system.

That was not however the policy that was then favored “in these post-Keynesian years” (Buchanan 1955a, p. 2) and that consisted in increasing public spending. To Buchanan this was problematic in that, first, it was completely disconnected from the revenues required to cover the expenditures and, second, that it ignored the costs it would impose on the society. This was, in particular, the case with what had been proposed to finance the expansion of the highway network by issuing bonds.⁸ One of the alleged advantages put forward by the promoters of that policy was that the increase of public expenditure would neither increase taxes nor the national debt. Which, to Buchanan, was impossible. He stressed that no one could believe that “all governmental ‘good things’ such as super-super highways may come to us without our having to bear either the burden of taxation or the sufferings of conscience over increasing national debt” (1955a, p. 2). Hiding or ignoring

⁸The proposal was made by the Clay Committee—an Advisory committee on a National Highway Program, chaired by general Lucius D. Clay and established by the then president of the U.S.A., Dwight Eisenhower, to suggest mechanisms to finance the expansion and modernization of the highway network. The bonds issued by the government would be managed, the Committee proposed, by a Federal Highway Corporation.

this was, at best, a mistake. Buchanan insisted that these costs should be taken into account and not hidden below the board (1955a, p. 16).

Besides Buchanan's focus on the need to price public goods as it is done with private goods—because it may indicate an analogy between the public and private system that one finds in the works of the Italian public finance economists to whom Buchanan did nonetheless not refer—, one must note that Buchanan did insist on the costs that would have taxes or loans. But, and this is important, he did not distinguish the costs that each of these two means of financing the expansion and modernization of the highway system or, more broadly, public goods. In other words, these costs were not supposed to be different. Or, still in other words, that they could be different had apparently not crossed Buchanan's mind. At least, in 1955.

It was in 1957 that Buchanan put forward the distinction. In the preface of *Public Principles of Public Debt*, that was published in 1958 but was completed by the end of 1957,⁹ Buchanan explained that he had to stop writing a book on highways because he had “reached a point at which an appropriate chapter on ‘Taxes versus Loans’ should have appeared” (1958, p. xvii) and could not write it. The point was precisely to ask which system should be chosen to finance the construction of highways, an increase of taxes or an increase of the debt: “[s]hould taxes be increased sufficiently to cover the full current outlay from currently collected funds, or should public borrowing be accepted as an appropriate means of financing?” (1958, p. xviii). And he did not treat it because he had not found in the literature the means that could allow to do so. He had thus realized that “economists seemed to be able to contribute surprisingly little to the solution of this problem” (1958, p. xviii). The “conception of the public debt which has achieved dominance among economists during the last twenty years and which characterizes economic thought today was useless in the full-employment world of the 1950s” (1958, p. xviii). In other words, the standard

⁹The preface itself is dated from December 1957.

theory in public finance—that he called the “new orthodoxy” (1958, Chap. 2)—did not provide any means to answer the question, and therefore to write the chapter.

What explains the change between the end of 1955 and the end of 1957 was that Buchanan had spent one year in Italy on a Fullbright scholarship.

Studying Italian Economists in Italy

Buchanan left in September 1955 to Italy where he stayed until September 1956. He had drafted a preliminary working program—the more detailed project, he must certainly have had to write to obtain the scholarship, is however no longer available. Buchanan planned to deepen his knowledge and understanding of these economists he had already read, studied, cited and even quoted in his dissertation and in “Pure Theory” (1949) without seeming to have a precise research agenda in mind. He simply “hop[ed] to examine the major works in the area of government finance” (1955c).

This meant the “[t]hree figures [who] loom large in the field of Italian fiscal theory... These are Pantaleoni, de Viti de Marco, and Einaudi” (1955c). More precisely, since de Viti de Marco’s work had already been translated in English, Buchanan would rather start with Panaleoni’s and then Einaudi’s. Then, after this had been done, he would move on to study a few other Italian economists whose works would be interesting to read—he listed the names of forty-two economists.¹⁰ Among them, Buchanan listed the name of Benvenuto Griziotti because he “is mentioned several times, and he has done much writing” (1955c). But he was not convinced that it would be useful—he added “I get the

¹⁰In his autobiography, Buchanan cited the following names: “Ferrara, Mazzola, de Viti de Marco, Pantaleoni, Ricca-Salerno, Puviani, Montemartini, Barone, Einaudi, Fasiani, Fubini, Cosciani, Griziotti, De Maria, Arena—and many others” (1992, p. 87).

impression, however that it is of little value” (1955c). Griziotti would prove to be more important than Buchanan had anticipated.

As planned, Buchanan spent most of his time in Rome, reading and working at the library of the Bank of Italy (see also, Forte 2013b, p. 62). He made a few trips, to Paris, London and, above all, to Pavia, where he went to meet Griziotti and to benefit from the very rich collection of books at the University’s library. Buchanan was invited by Parravicini to give lectures there. Griziotti, then 72 years old and without a chair, asked Francesco Forte to assist Buchanan (Forte 2013b, p. 65). That was the beginning of a long friendship—Buchanan and Ann, his wife, got on very well with Forte and his wife—and fruitful intellectual collaboration.¹¹ The explanation can also be found in the fact that Buchanan and Forte had common interests. Forte, thus, had written his dissertation on the benefit principle in taxation and on the fiscal rents and had then written an article based on the idea that the gasoline tax could be viewed as a form of price for the use of highway services (2013b, p. 66). In other words, they obviously shared the same conception of how to price highway services. In addition, it was Forte who introduced him to Griziotti’s ideas—and, from what Forte recalls—corrected his views. Thus, to Forte, “Griziotti maintained that the fiscal choices are different from the market choices because the state consists of flows of individuals of different generations” (2013b, p. 71). This claim may have sounded familiar to Buchanan who, in “Individual Choice in Voting and the Market” (1954), had differentiated political and market choices because, among other differences, individuals do take the consequence of their actions on others when they make political choices. To a certain extent, fiscal choices—like political ones—involve taking others into account. The part that was missing in his 1954 article is the one about individuals from different generations.

That was exactly what he introduced in his analysis of the public debt and led him to write what represents one of the most important outcomes of Buchanan’s stay in Italy, *Public Principles and Public Debt*.

¹¹“For three decades, we [his wife and himself] have counted Francesco and Carmen Forte among a relatively small number of friends for life” (Buchanan 1992, p. 89).

A New Approach to Public Debt: The Role of Italian Public Economists

Even if he admitted that the Italian public economists he read in 1955–1956 could be said—at least to a certain extent—to be wrong,¹² he also insisted that their works were particularly helpful and important for him. They actually not only allowed him to elaborate a new theory of public debt but, above all, led him to realize how important the question was.¹³ Up to the point that, now, Buchanan decided to—and could—give up writing his book on the financing of highways. There was a more urgent and more important task to complete: to show what was wrong with the “new orthodoxy”, and the “new economics”, and to propose a new theory of public debt.

What had triggered Buchanan's understand was that he found that “Italian scholars have devoted much attention to the Ricardian proposition that taxes and loans exert identical effects upon an economy” (1957b, p. 1038). Put differently, that proposition meant that “[t]he creation of public debt does not involve any transfer of the primary real burden to future generations” (1958, p. 5). That was, Buchanan also found out, the most important of the “three basic propositions ... the new orthodoxy of the public debt is based upon” (1958, p. 5). This corresponds to what is now well known as the Ricardian equivalence theorem—a term Buchanan coined (see Toso 1992, p. 819; Buchanan 1976, p. 337)—and also as the Ricardo-de Viti-Barro theorem. That reference to de Viti de Marco is certainly not a surprise: he was one of the many Italian economists who “accepted and elaborated this proposition” (Buchanan 1957b, p. 1038; see de Viti de Marco 1893; 1936, pp. 377–398).

¹²In the preface of *Public Principles*, Buchanan wrote: “[i]n a specific sense, none of the Italian theorists appears to have formulated a fully acceptable theory of public debt” but, even more, “the dominant theory in Italy, even prior to the 1930s, has much in common with that which characterizes the ‘new economics’” (1958, p. xix).

¹³Thus, he noted, their “approach to the whole problem of public debt was instrumental in shaping my views as they now stand, and I should, therefore, acknowledge this influence” (1958, p. xix).

In his elaboration, though, de Viti de Marco did not answer “[t]he major objection which has been raised to the proposition ... that individuals do not fully discount future taxes” (1958, p. 36). Indeed, the Ricardian proposition requires that an individual who owns capital assets “write[s] down the value of his assets and transmit[s] them to his heirs at the reduced value” (1958, p. 36). The problem was then two-fold. First, there was no certainty that individuals did discount future tax payments—the individual “may convert this capital into income at any time, without in any way removing the tax obligation on his heirs which is necessitated by the debt service” (1958, p. 92)—which implies that part of the debt would actually be paid by the future generations. Then, and that was the second problem, there were individuals—the “lower income or laboring classes”—who own no capital. The latter will “escape fully the burden of the extraordinary tax” but they “may ... in future time periods ... bear a portion of the burden of the public loan” (1958, p. 91). Again, the conclusion was that “the burden must rest on “future generations,” at least to some degree” (1958, p. 36).

It now happens that it was in the work of this economist that Buchanan had believed to be “of little value” Griziotti, that Buchanan found these two criticisms against de Viti de Marco and that may have led him to realize that and why this proposition should be discarded. Griziotti was the one who had put forward this idea that became central in Buchanan’s analysis and theory of the debt, namely the idea that “public debt creation does involve a shifting of the real burden to future generations of taxpayers” (1958, p. viii). Buchanan acknowledged that in his 1957 review of a collection of Griziotti’s articles gathered in a volume—*Studi di scienza delle finanze e diritto finanziario*—published in 1956. He praised Griziotti for having defended the “common view” about the shifting of the tax burden (1957b, p. 1038). In his 1958 book, Buchanan detailed the limits of Ricardo’s and de Viti de Marco’s analyses and of Griziotti’s criticism. To Buchanan, Griziotti, “may take its place alongside the works of Bastable and Leroy-Beaulieu in helping to re-establish what is, essentially, the ‘correct’ classical formulation of debt theory” (1957b, p. 1038).

If this proposition was rejected, the two other related propositions upon which rested the “new orthodoxy” had to be rejected too:

“[t]he analogy between individual or private debt and public debt is fallacious in all essential respects” (1958, p. 5), as the “sharp and important distinction between an internal and an external public debt” (1958, p. 5). It was actually this last proposition that Buchanan put forward his first criticism of the “new orthodoxy” in a paper that was published in 1957 (1957a) that he revised to link it to the criticism of the two other propositions and included it in the *Public Principles of Public Debt*. This time, he was inspired by Pantaleoni, Buchanan tells us in the preface of his 1958 book (p. xix), even if he did not refer to Pantaleoni or to an Italian economist in his article or in the chapter of the book. Then, and that was another insight he got from the Italian economists, Buchanan “came to realize that the analogy between the public economy and the private economy is applicable to most of the problems of the public debt” (1958, p. viii).¹⁴ In other words, Buchanan had a theory of the public debt. It rested on the opposite of the three propositions he had criticized in his book. He owed that to the year spent in Italy.

Francesco Ferrara and Fiscal Illusion

Most of Buchanan's energy while in Italy was spent on writing the essay entitled “*La scienza delle finanze: The Italian tradition in Fiscal Theory*” (1960). The essay was actually completed in 1959 and Buchanan expected it to be published earlier—as he wrote Einaudi in March 1959—but its publication was delayed after *Public Principles of Public Debts* was published.¹⁵ Buchanan had benefitted from comments from

¹⁴Wagner (2014) also linked this book to Buchanan's main interests and methodology; however he stated that Buchanan “failed to carry forward fully his insights from highway finance to public debt more generally” (260). For an analysis of Buchanan's work on public debt, see also Templeman (2007) and contextualized in a history of ideas perspective by Salsman (2017).

¹⁵“I am hopeful that the long essay of my own in which I summarize the development of Italian fiscal theory will be published this year” (Buchanan to Einaudi, 3 March 1959), Fondazione Einaudi, Archivio Luigi Einaudi.

Einaudi, for which Buchanan thanked him.¹⁶ He then sent him a copy after its publication:

I presume that you have received the copy of my book *Fiscal Theory and Political Economy*, that I sent to you some months ago. I shall be interested to learn of the general Italian reactions to the essay on “La Scienza delle finanze: The Italian tradition in Fiscal Theory” that the book contains.¹⁷

We have not found any reviews of Buchanan’s book in the Italian press of the early 1960s, but the essay is certainly known to have had a huge influence on Italian scholars in the following decades.

From his letters to Einaudi we also discover that Buchanan intended to spend another long period in Italy, with the aim of studying the masterpieces of the father of the Italian school, Francesco Ferrara, and translating them into English. In his 1960 essay he had judged them “extremely important” (1960, p. 25)¹⁸; according to him, Ferrara deeply influenced the Italian public economists through his orientation toward a general approach to economic theory which included the state, through his subjective-value theory, his individualism applied also to collective choice, his dual model of the state,¹⁹ “his recognition of the tax as a price and of the productivity of public services” (1960, p. 29). For all this Buchanan defined Ferrara the “fountainhead of ideas” and stated that “a good dose of Ferrara” would have been “helpful

¹⁶Buchanan wrote him: “You were kind enough to make some comments on this essay for me about two years ago through the office of my good friend, Professor Parravicini”. Buchanan to Einaudi, 3 March 1959.

¹⁷Buchanan to Einaudi, 27 January 1961.

¹⁸“My long range plans include a second long stay in Italy within the next five years. During this period, I shall plan to concentrate on Ferrara who has been almost completely neglected by English speaking economists. I should hope to sponsor and organize an English translation of several of his famous *Prefaces*” (Buchanan to Einaudi, 3 March 1959). And also: “I hope to return for an additional year’s research in Italy soon to learn more about the life and work of Ferrara. He is an economist who seems to have been seriously neglected by English-language scholars, and I should like to organize, if possible, an English translation of some of his critical prefaces. These are, in my opinion, very good works” (Buchanan to Einaudi, 27 January 1961).

¹⁹Ferrara contrasted an “economic” model of the state with an “oppressive” one: the former was regarded as an ideal, the latter as the form existing through history.

to modern fiscal Marshallians" (1960, p. 71). In his 2008 memories he underlined again the importance of Ferrara, attributing much of the Italian tradition in fiscal theory to the "tremendous contributions made by Ferrara". He specified: "that was a very, very important discovery for me ... He was the dominant force in ideas in that period" (Buchanan in Mosca 2016, p. 130). However, he never carried out this project.

A second project was mentioned in his letters to Einaudi: Buchanan hoped "to work further on 'the fiscal illusion' developed by Puviani and Fasiani, and to apply this conception to some of the American fiscal institutions".²⁰ Buchanan had already mentioned the risks that individuals would be victims of a form of "tax illusion" (1950, p. 596) because of which they "respond more quickly to tax burden differentials (especially direct taxes) than to differentials in public service standards" (1950, p. 596). This would lead them to prefer less taxes (and less public goods) to more taxes (and more public goods) even if the second situation is more favorable to them. Now, in 1960, he was focusing on a different aspect of the problem, namely the role of government that could create fiscal illusion in order "to hide the burden of taxes from the public and to magnify the benefits of public expenditures" (1960, p. 60). Unlike his first project, Buchanan managed to carry out the second one. In the academic year 1961–1962, in continuity with his previous research on public debt, he wrote a paper whose first question was: "To what extent does the presence or absence of 'public debt illusion' affect the temporal location of debt burden" (Buchanan 1964, p. 150).

In 1962 he returned to Italy, invited by Francesco Forte, to give seminars in the Political Economy Workshop (Laboratorio di Economia Politica) in Turin (Giardina 2017, p. 396). In one of them he presented the first version of this paper, arguing that "Public debts probably generate fiscal illusion ... [but] the presence or absence of illusion does not affect the temporal pattern of resource payment which debt issue must involve" (1964, p. 161). This essay was the subject of a long discussion with Emilio Giardina in 1962 and later in their correspondence of

²⁰Letter from Buchanan to Einaudi, 27 January 1961. This project was already envisaged in Buchanan (1960, p. 64, fn. 39): "It is along these lines that I hope to do considerably more work".

1963–1964.²¹ In one of his letters to Giardina, Buchanan wrote that initially he thought that the shifting of the burden was due purely to the fiscal illusion, but then he realized that it also took place without it.²² Finally, in 1967, after having regretted that “‘fiscal illusion’ [had] not been more thoroughly analyzed” (1999 [1967], p. 127), Buchanan developed a general analysis of the phenomenon, extending its examination to both sides of the fiscal account and to the fiscal systems of his time.²³ In this detailed and exhaustive analysis of the government’s behavior aimed at creating the fiscal illusion, one can clearly see how Buchanan had absorbed the skeptical attitude of the Italians towards the government and politics in general.²⁴

Crossing the Borders of Continents and Disciplines

After his first stay, Buchanan returned to Italy several times but for short periods only, much to his regret. Let’s recall some of his visits. In 1961, just one year before he went to Turin as said above, he participated in the Stresa “Conference on local government and the construction of European Unity”. In 1983 in Rome he presented the first issue of the new *Journal of Public Finance and Public Choice—Economia delle scelte pubbliche*, to which he contributed several papers over the years. In 1987 he was guest of honor at the annual conference of European

²¹Buchanan thanked Giardina: “I have benefited from several discussions with my colleagues, James Ferguson and Emilio Giardina” (1964, p. 150).

²²This part of their correspondence was in Italian: “Quando ho scritto il mio libro credevo che il trasferimento del peso al futuro dipende dalla presenza dell’illusione sull’individuo non ‘capitalizing’ l’imposta in futuro”—“When I wrote my book, I believed that the transfer of the burden to future generations depend on the existence of the illusion on the individual not ‘capitalizing’ the tax in the future” (our translation).

²³Chapter 10 of the book is in fact entitled “The fiscal illusion”.

²⁴In his words: “One very important influence of the Italian year on me it was not only the reading this material, it was also living there, living in the culture, becoming a part of the culture, the attitude of the Italians toward politics, politicians and the state. You are much more skeptical, much more cynical, much less idealistic, much less romantic about the state, and that influenced me, influenced me a great deal” (Buchanan’s interview in Mosca 2016, p. 131).

Public Choice Society in Reggio Calabria (Da Empoli 2013a); in 1990, he went to Turin, again, and gave a talk at the research center named after Einaudi, with whom he had an active working relationship, like the participation in the 1991 conference *Le vie della libertà. Il liberalismo come teoria e politica negli anni novanta (The roads to freedom. Liberalism as theory and politics in the 1990s)* organized in Rome by the Fondazione Luigi Einaudi. Since 1991 he was also a member of the Accademia dei Lincei, the most prestigious Italian cultural institution. In 1993, he was in Rome to receive an honorary degree in political science (Da Empoli 2013a), which was only one of the many honorary doctorates he was awarded in Italy.

As well as this, Buchanan managed to maintain a close relationship with Italy by inviting various Italian scholars to the USA, some of whom had considerable influence on his research activity. In 1959, he granted Forte a post-doctoral fellowship “with a political economy program” (Forte 2013b, p. 73). As a result, Forte spent the 1960–1961 academic year at the Thomas Jefferson Center for the Study of Political Economy at the University of Virginia. Forte (2013a) recalls that Buchanan had started up a new line of research, making an economic analysis of public decision-making. Indeed, this was the moment when Buchanan—with Tullock, in particular—was giving birth to non-market decision making, that is Public Choice.²⁵

When in Virginia, Forte worked with Buchanan. After writing their first article together—it bore on the evaluation of public services (Forte and Buchanan 1961)—, Forte was appointed associate professor in that University. Buchanan wrote Einaudi, telling him that Forte would certainly “carry on in an excellent fashion the outstanding Italian tradition in this particular field of scholarship.”²⁶ One of the effects of this very positive assessment was that Einaudi awarded Forte the top place

²⁵On the Italian origins of Public Choice (see Giuranno and Mosca 2018).

²⁶Letter from Buchanan to Einaudi, 27 January 1961. Here is the full passage: “During last year and for a part of this year, we have been fortunate in having here at the University of Virginia as visitor one of the outstanding young Italian scholars in public finance. I refer to Dr. Francesco Forte, with whom I believe you are acquainted. Forte and I have done some joint research, and we have further studies projected. I feel certain that Forte will carry on in an excellent fashion the outstanding Italian tradition in this particular field of scholarship”.

in a public exam in Italy. This probably incited Forte to return home, after his stay at the University of Virginia. Later, he enjoyed a successful political career, along with his academic one.²⁷

After that article, Buchanan and Forte continued to work together (Buchanan and Forte 1964), now using the new approach contained in *The Calculus of Consent* (Buchanan and Tullock 1962) to tackle fiscal problems like the choice between direct and indirect taxation. Forte recently underlined the influence that Italy had over Buchanan also in the field of the foundation of constitutional economics. He recently recalled that it was in Italy that Buchanan came into contact with the possibility to apply economic analysis to public finance legislation.²⁸ Especially developed by Griziotti, as suggested in section “[Financing Roads and Highways: Marginal Cost Pricing](#)”, this sub-discipline also included the analysis of constitutional fiscal rules, and in fact in those years many Italian scholars, like Forte himself and also Giardina, wrote articles on the fiscal dimensions of the Italian constitution—a constitution that had been implemented in Italy just after the end of WWII.²⁹ Still according to Forte, it was in Italy that Buchanan came to understand more clearly the connections, he had already read about in Benham (1934b) (see Marciano 2019), between Wicksell’s and de Viti de Marco’s rules for political decision-making,³⁰ namely the need to use unanimity principle at the constitutional level, and the possibility to rely on a majority principle at the post-constitutional level.³¹ The friendship and collaboration with Forte lasted for decades,³² the last

²⁷Forte was MP in various legislatures, and Minister from 1982 to 1986.

²⁸In an interview given to Manuela Mosca on 18 June 2018.

²⁹The Italian Constitution was enacted in 1947.

³⁰Buchanan later wrote: “I was ... fortunate that these complementary ‘readings’ occurred during residence in Italy” (1992, p. 91). In fact, as we have argued elsewhere (Marciano 2019; see also Section 3 of this paper), Buchanan probably made the connection between Wicksell and the Italian public economists by reading Benham (1934b). This explains why he talked of “complementary” readings.

³¹However, Forte doesn’t underestimate the influence of Buchanan’s master Frank Knight on this point.

³²For example, in 1974 Forte published the Italian translation of Buchanan’s essays in edited volumes.

example being the symposium held in Frankfurt, where Forte discussed the role of ethical values in Buchanan's approach and his research on "the return to increasing returns as sources of human flourishing in a progressing society" (Forte 2008, p. ix).

In 1963 another post-doctoral fellowship brought Emilio Giardina to the Thomas Jefferson Center for Political Economy. There, as we know, Giardina continued his work on public debt, but he also wrote on clubs, therefore indirectly contributing to develop Buchanan's theory. Buchanan acknowledged him as "the most important" of those who discussed with him early versions of his 1965 article, "An economic theory of clubs" (Buchanan 2008, p. 7) which, according to Tollison, "created an industry of further applications to such topics as alliances and fiscal federalism" (2008 [2004], p. 100).³³ We have already mentioned Giardina's correspondence with Buchanan, we can only add that Giardina critically developed many of the paths mapped out by Buchanan in different realms such as collective decision-making, public goods, public debt, local government finance, history of public finance thought (Giardina 2008). It was Giardina who, in 1994, delivered the address for Buchanan's honorary doctorate at the University of Catania.

A third Italian scholar who was important for Buchanan and with whom he interacted regularly was Bruno Leoni. A lawyer, Leoni was not only interested in law—he published in the early 1960s a book, *Freedom and Law* (1961) that became seminal and played an important role for Hayek³⁴—but also in political decision making. In the late 1950s and early 1960s, Leoni published a few articles about economic analyses of politics. He was in particular interested in, and laudatory of, Buchanan's distinction between political and economic decisions discussed in his 1954 article on "Individual Choice in Voting and the Market". There were thus many reasons that explain that Buchanan and Leoni become close. But Leoni wrote his articles and

³³In the first footnote of the paper Buchanan writes: "Special acknowledgement should be made for the critical assistance of Emilio Giardina of the University of Catania and W. Craig Stubblebine of the University of Delaware" (1965, p. 1).

³⁴See Zywicki (2015) or Modugno (2017).

book after Buchanan came to Italy (Leoni 1957; see also Leoni 1961; Leoni and Stoppino 1960). In addition, during his first stay in Italy, Buchanan was primarily interested in public finance. It is therefore not surprising that Buchanan and Leoni did not meet during Buchanan's first stay in Italy (see Buchanan 1992, p. 89).³⁵ It came later when, as Buchanan recalled, after he found the "courage" to—definitively and more completely—cross "the disciplinary threshold" of economics—that he had already actually started to cross—and to cultivate his new interests in "legal and political philosophy" (1992, p. 89). Leoni was then frequently invited in Virginia.

In *The Calculus*, Leoni was mentioned among those who made "serious attempts ... to analyze collective-choice processes from ... an 'economic approach' ... [and who were] of direct relevance to both the methodology and the subject matter under consideration in this book" (Buchanan and Tullock 1962, p. 5).³⁶ The authors found that for Leoni "individuals entering into a political relationship exchange power, each over the other", and that this approach had much in common with their approach to political process (Buchanan and Tullock 1962, p. 38). Buchanan also recognized that Leoni had

argued persuasively for the superiority of 'law' over 'legislation', developing in the process the interesting analogy between the structure of law, the legal order, that emerges from the separate making of independent judges ... and the spontaneous economic order that emerges from the separate decision making of independent demanders and suppliers, each of whom acts on the basis of the limited information set that he confronts. The result, in both cases, is an order willed by no single decision maker. (Buchanan 1977, p. 46)³⁷

³⁵Bruno Leoni was professor of philosophy of law and political science at the University of Pavia during Buchanan's Italian year.

³⁶Leoni is also acknowledged among those critics of the book who "disturbed, disappointed, provoked, and stimulated" the authors by their constructive comments (Buchanan and Tullock 1962, p. 9).

³⁷Leoni reciprocated, speaking of "his friends, Buchanan and Tullock, with whom [he] had the pleasure of discussing recently and publicly of these themes in Virginia" (1962, p. 746).

Buchanan frequently contributed to *Il politico*, a journal founded by Leoni. It was especially the case in the 1960s,³⁸ with articles on democracy, economic policies, growth and education.

This was not the only case of Buchanan's support for Italian publishing initiatives: we know that he inaugurated and contributed to the *Journal of Public Finance and Public Choice—Economia delle scelte pubbliche* founded by Da Empoli in 1983, mainly with articles on the situation and the history of the discipline and also as referee (Da Empoli 2013b, p. 79; Wagner 2017).³⁹ In the 1990s he was in the scientific committee of *Biblioteca della libertà*, the journal of Centro Einaudi, where he published articles on constitutional economics, among other subjects. In general Buchanan has always been a generous and supportive reference point for the Italian scholars of a liberal orientation.

Conclusion

“I don't think public choice or the approach that I took in a lot of my other research would have ever got off the ground, certainly not in the same way, had it not been for the Italian influence”. This is what Buchanan himself declared in 2008 (Buchanan in Mosca 2016, p. 127). In this chapter we have examined some less known cases that confirm his statement. But there are many other instances in Buchanan's work in which he cited Italian names and concepts, such as Pareto's principle interpreted as a Wicksellian unanimity rule, Gaetano Mosca's theory of the ruling class, Pantaleoni's applications of the marginalist method to the public sector, de Viti de Marco's economic models of the state in all their forms, Barone's criticisms to the Anglo-Saxon utilitarian approach, Mazzola's theory of public goods, Einaudi's “hailstorm tax”, and many others. He cited this stream of political realism originating with Machiavelli so often throughout his life that we can detect Italian influences in most of his ideas.

³⁸Bruno Leoni died in 1967.

³⁹The journal was re-launched in 2018 by Giampaolo Garzarelli and Emma Galli.

Acknowledgements We thank the Fondazione Einaudi for two letters from the Archivio Luigi Einaudi. We also thank Francesco Forte for all his help.

References

- Backhaus, J. G., & Wagner, R. E. (2005a). From Continental Finance to Public Choice: Mapping Continuity. *History of Political Economy*, 37(Suppl.), 314–332.
- Backhaus, J. G., & Wagner, R. E. (2005b). Continental Public Finance: Mapping and Recovering a Tradition. *Journal of Public Finance Public Choice*, 23(1/2), 43–67.
- Benham, F. C. (1934a). Review Principii di Economia Finanziaria by A. De Viti de Marco; Grundlehren der Finanzwirtschaft by A. De Viti de Marco. *Economica*, 1(3), 364–367.
- Benham, F. C. (1934b). Notes on the Pure Theory of Public Finance. *Economica*, 1(4), 436–458.
- Buchanan, J. M. (1948). *Fiscal Equity in a Federal State* (PhD dissertation). University of Chicago.
- Buchanan, J. M. (1949). The Pure Theory of Government Finance. *Journal of Political Economy*, 57(6), 496–505. Reprinted in *Fiscal Theory and Political Economy* (pp. 8–23). Chapel Hill: University of North Carolina Press.
- Buchanan, J. M. (1950). Federalism and Fiscal Equity. *American Economic Review*, 40(4), 583–599.
- Buchanan, J. M. (1952). The Pricing of Highway Services. *National Tax Journal*, 5, 97–106.
- Buchanan, J. M. (1954). Individual Choice in Voting and the Market. *Journal of Political Economy*, 62(4), 334–343.
- Buchanan, J. M. (1955a). *Painless Pavements* (Mimeo, James M. Buchanan Papers, C0247). Special Collections Research Center, George Mason University Libraries.
- Buchanan, J. M. (1955b). *Traffic, Tolls and Taxes. The Economics of the Nation's Highway Problem* (Mimeo, James M. Buchanan Papers, C0247 [Box] [Folder]). Special Collections Research Center, George Mason University Libraries.
- Buchanan, J. M. (1955c). *Preliminary Plan of Work* (Mimeo, Buchanan Archives: James M. Buchanan's Archives). Special Collections Research Center, George Mason University Libraries, George Mason University.

- Buchanan, J. M. (1957a). Internal and External Debt. *American Economic Review*, 47(6), 995–1000.
- Buchanan, J. M. (1957b). Review of Studi di scienza delle finanze e diritto finanziario by Benvenuto Griziotti. *American Economic Review*, 47(6), 1037–1038.
- Buchanan, J. M. (1958). *Public Principles of Public Debt*. Homewood: Richard D. Irwin.
- Buchanan, J. M. (1960). “La scienza delle finanze”. The Italian Tradition in Fiscal Theory. In *Fiscal Theory and Political Economy* (pp. 24–74). Chapel Hill: University of North Carolina Press.
- Buchanan, J. M. (1964). Public Debt, Cost Theory, and the Fiscal Illusion. In J. M. Ferguson (Ed.), *Public Debt and Future Generations*. Chapel Hill: The University of North Carolina Press.
- Buchanan, J. M. (1965). An Economic Theory of Clubs. *Economica*, 32(125), 1–14.
- Buchanan, J. M. (1999 [1967]). *Public Finance in a Democratic Process: Fiscal Institutions and Individual Choice*. In *The Collected Works of James M. Buchanan* (Vol. 4). Indianapolis: Liberty Fund.
- Buchanan, J. M. (1976). Barro on the Ricardian Equivalence Theorem. *Journal of Political Economy*, 84(2), 337–342.
- Buchanan, J. N. (1977). *Freedom in Constitutional Contract*. College Station, TX and London: Texas A&M University Press.
- Buchanan, J. M. (1992). *Better Than Plowing and Other Personal Essays*. Chicago: University of Chicago Press.
- Buchanan, J. M. (2008). The Market as a Club. In E. Giardina (Ed.), *Scritti scelti (1960–2007)* (pp. 7–13). Milano: Angeli.
- Buchanan, J. M., & Forte, F. (1964). Fiscal Choice Through Time: A Case for Indirect Taxation? *National Tax Journal*, 17(2), 144–157. Italian Translation Scelte fiscali attraverso il tempo: una argomentazione a favore delle imposte indirette. *Studi Economici*, 1965.
- Buchanan, J. M., & Tullock, G. (1962). *The Calculus of Consent*. Ann Arbor: University of Michigan Press.
- Da Empoli, D. (1989). Introduzione. In J. M. Buchanan (Ed.), *Stato, mercato e libertà*. Bologna: Il Mulino.
- Da Empoli, D. (1993). Public Choice in Italy. *Public Choice*, 77(1), 75–84, also in C. Rowley, F. Schneider, R. D. Tollison (Eds.), *The Next Twenty-Five Years of Public Choice* (pp. 75–83). Boston: Springer.
- Da Empoli, D. (2003). Equity Issues in the Italian Public Finance Tradition. *Pensiero economico italiano*, 11, 159–169.

- Da Empoli, D. (2004). The Italian Public Finance Contribution to Public Choice. In *The Encyclopedia of Public Choice* (pp. 329–332). Boston: Springer.
- Da Empoli, D. (2013a). Il “paradigma” italiano di finanza pubblica. In *Gli economisti italiani. Protagonisti, paradigmi, politiche*. Roma: Atti dei Convegni Lincei, 2015.
- Da Empoli, D. (2013b). In Grateful Remembrance of James Buchanan. *Journal of Public Finance and Public Choice—Economia delle scelte pubbliche*, 31(1–3), 77–80.
- De Viti de Marco, A. (1893). La pressione tributaria dell’imposta e del prestito. *Giornale degli Economisti*, 4(VI) January, 38–67; March, 216–231.
- De Viti de Marco, A. (1936). *First Principles of Public Finance*. London: Jonathan Cape.
- Einaudi, L. (1929). *Contributo alla Ricerca dell’ “Ottima Imposta”*. Milan: Università Bocconi Editrice.
- Eusepi, G., & Wagner, R. E. (2013). Tax Prices in a Democratic Polity: The Continuing Relevance of Antonio de Viti de Marco. *History of Political Economy*, 45(1), 99–121.
- Forte, F. (Ed). (2008). *Money, Markets, and Morals, Proceedings of a Symposium at the Frankfurt School of Finance and Management, HfB*. February 2007. Munchen: Accedo.
- Forte, F. (2013a, January 10). Un viaggio italiano al fianco (e in memoria) di James Buchanan. *Il Foglio*.
- Forte, F. (2013b). On James Buchanan’s Public Choice Enterprise. *Journal of Public Finance and Public Choice*, 31(1–3), 61–75.
- Forte, F., & Buchanan, J. M. (1961). The Evaluation of Public Services. *Journal of Political Economy*, 69(2), 107–121.
- Giardina, E. (2008). *Scritti scelti (1960–2007)*. Milano: Angeli.
- Giardina, E. (2017). Discutendo con James M. Buchanan di onere del debito pubblico. *Rivista di Diritto Finanziario e Scienza delle Finanze*, 76(4), 395–409.
- Giardina, E., & Mazza, I. (2016). Public Choice, Economics of Institutions and the Italian School of Public Finance. In I. Rizzo & R. Towse (Eds.), *The Artful Economist. A New Look at Cultural Economics* (pp. 51–66). New York: Springer.
- Giuranno, M., & Mosca, M. (2018). Political Realism and Model of the State. Antonio de Viti de Marco and the Origins of Public Choice. *Public Choice*, 175(3–4), 325–345.

- Leoni, B. (1957). Natura e Significato delle Decisioni Politiche. *Il Politico*, 22(1), 3–26.
- Leoni, B. (1961). *Freedom and the Law*. Princeton: Van Nostrand.
- Leoni, B. (1962). Oggetto e Limiti della Scienza Politica. *Il Politico*, 27(4), 741–757.
- Leoni, B., & Stoppino, M. F. (1960). *Decisioni Politiche e Regola di Maggioranza* [Political Decisions and Majority Rule]. *Il Politico*, 25(4), 711–733.
- Marciano, A. (2013). Why Market Failures Are Not a Problem: James Buchanan on Market Imperfections, Voluntary Cooperation, and Externalities. *History of Political Economy*, 45(2), 223–254.
- Marciano, A. (2016). Buchanan's Non-coercive Economics for Self-interested Individuals: Ethics, Small Groups and the Social Contract. *Journal of the History of Economic Thought*, 38(1), 1–20.
- Marciano, A. (2018). Buchanan and Public Finance: The Tennessee Years. *Review of Austrian Economics*, 1–26. Available at <https://doi.org/10.1007/s11138-018-0419-2>.
- Marciano, A. (2019). From Highway to Clubs. On Buchanan and the Pricing of Public Goods. In R. E. Wagner (Ed.), *James M. Buchanan: A Theorist of Political Economy and Social Philosophy*. New York: Palgrave Macmillan.
- Medema, S. G. (2005). 'Marginalizing' Government: From la scienza delle finanze to Wicksell. *History of Political Economy*, 37, 1–25.
- Mosca, M. (2016). *Antonio de Viti de Marco a Story Worth Remembering*. New York: Palgrave Macmillan.
- Modugno, R. A. (2017). Liberty Versus Democracy in Bruno Leoni and Friedrich Von Hayek. *Libertarian Papers*, 9(2), 233–247.
- Pantaleoni, M. (1883). Contributo alla teoria del riparto delle spese pubbliche. *La rassegna italiana*, 15(October), 25–60. Partial English translation in R. A. Musgrave & A. T. Peacock (Eds.), *Classics in the Theory of Public Finance* (1958). London, 1994, pp. 16–27.
- Ruggles, N. (1949–1950a). The Welfare Basis of the Marginal Cost Pricing Principle. *Review of Economic Studies*, 17(1), 29–46.
- Ruggles, N. (1949–1950b). Recent Developments in the Theory of Marginal Cost Pricing. *Review of Economic Studies*, 17(2), 107–126.
- Salsman, R. M. (2017). *The Political Economy of Public Debt*. Cheltenham: Edward Elgar.
- Simons, H. C. (1937). Review of First Principles of Public Finance by Antonio De Viti de Marco and Grundlehren der Finanzwirtschaft by A. De Viti de Marco. *Journal of Political Economy*, 45(5), 712–717.

- Simons, H. C. (1938). *Personal Income Taxation. The Definition of Income as a Problem of Fiscal Policy*. Chicago: The University of Chicago Press.
- Tempelman, J. H. (2007). James M. Buchanan on Public Debt Finance. *The Independent Review*, XI(3), 435–449.
- Tollison, R. D. (2008 [2004]). James M. Buchanan (1919–). In C. K. Rowley & F. Schneider (Eds.), *Readings in Public Choice and Constitutional Political Economy* (pp. 97–108). New York: Springer.
- Toso, S. (1992). The Italian School of Public Finance at the Turn of the Twentieth Century and the Ricardian Equivalence Theorem. *History of Political Economy*, 24(4), 819–841.
- Wagner, R. E. (2003). Public Choice and the Diffusion of Classical Italian Public Finance. *Pensiero Economico Italiano*, 11, 271–282.
- Wagner, R. E. (2014). James Buchanan's Public Debt Theory: A Rational Reconstruction. *Constitutional Political Economy*, 25(3), 253–264.
- Wagner, R. E. (2017). James M. Buchanan and the “Journal of Public Finance and Public Choice”: Extending the Classical Italian Tradition of Public Finance. *Journal of Public Finance and Public Choice*, 33(1), 5–17.
- Zywicki, T. (2015). Bruno Leoni's Legacy and Continued Relevance. *Journal of Private Enterprise*, 30(1), 131–141.