This volume contains 13 chapters, all by different authors, that consider various aspects of the impact public choice has had, or should have, on the study of public finance. A major theme of the volume is well-stated in Albert Breton’s chapter, where he says that economists “…have to recognize that the policies that are conducive to greater welfare may be different depending on whether the apparatus of the state is in the hands of ‘the people’ or in those of a benevolent despot” (p. 31). Most of the book’s chapters do a good job of illustrating this difference by examining various areas of public policy,
but the exceptions – those that challenge parts of the public choice paradigm – also make very interesting reading.

Geoffrey Brennan’s chapter is a good example of the application of public choice analysis to regulatory policy. Brennan notes that taxation and regulation can often attain the same ends, and argues on public choice grounds against regulatory solutions when policies could be implemented either way. There is an internal check within government on tax-financed policies, Brennan argues, because other parts of government will want to enlarge their sphere with projects that will compete for those same revenues. Regulation could accomplish those goals without any additional tax cost, lowering the resistance of competing government agencies. Brennan’s analysis provides an excellent example of what public choice adds to public policy analysis.

Robin Boadway’s chapter questions an element of the public choice framework by arguing that economists should not consider political feasibility when making public policy recommendations. Boadway argues against the Buchanan-Tullock norm of unanimity as a proxy for feasibility, saying it is an unjustified defense of “the ultimate primacy of existing property rights” (p. 57). Boadway argues that policy analysis can persuade people, making politically infeasible policies become feasible. Boadway sees this as an argument for ignoring public choice considerations when making policy recommendations, but notes certain exceptions where public choice analysis can be helpful. It is important, Boadway notes, to take account of the incentive structure public policies create. A chapter by Walter Hettich follows in which he argues the importance of making public choice analysis a fundamental part of any economic analysis of public policy, which provides a good contrast to Boadway’s chapter. These chapters are followed by comments by Boadway, Hettich, William Niskanen, and Geoffrey Brennan, and the exchange helps sharpen the arguments both for and against incorporating public choice considerations into public policy analysis.

In an interesting pair of chapters, Donald Wittman builds on his previous work to argue that democratic decision-making produces efficient results, and William Niskanen explains why government resource allocation is inefficient. Both arguments are strong and insightful, and will be familiar to many readers of this journal. Wittman and Niskanen comment on each others’ papers, providing a nice contrast between the fundamental arguments on both sides of the issue. Niskanen cites a number of studies showing the inefficiency and excess size of government. Wittman does not dispute the evidence Niskanen gives, but rather argues that compared to the predictions of extreme inefficiency in many public choice models, the magnitude of the inefficiencies Niskanen cites are closer to his predictions than Niskanen’s. For those who have followed Wittman’s arguments regarding government efficiency over the