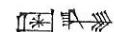

The Collected Works of
James M. Buchanan

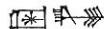
VOLUME 1

*The Logical Foundations of
Constitutional Liberty*



LIBERTY FUND
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This book is published by Liberty Fund, Inc., a foundation established to encourage study of the ideal of a society of free and responsible individuals.



The cuneiform inscription that serves as our logo and as the design motif for our endpapers is the earliest-known written appearance of the word "freedom" (*amagi*), or "liberty." It is taken from a clay document written about 2300 B.C. in the Sumerian city-state of Lagash.

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Natural and Artifactual Man

I claim no competence in ethology, and I am fully aware that there are numerous attributes that have been adduced to make the categorical distinction between the human and higher animal species, attributes such as language, sense of death, ability to think in complex fashion, etc. I want to concentrate here on a single attribute that does make men categorically different from even the higher animals, an attribute that seems to me to be too much neglected in modern economics.

We know that we could examine the behavior of my dog scientifically. We could set up experiments, and we could, I am sure, derive a utility function from such experiments, much as the economists who work with rats have done at Texas A&M. This exercise might be useful in many respects. On the basis of the utility function so derived, we might be able to predict with reasonable accuracy just how my dog would behave if his opportunity set were modified in various ways. This accuracy in prediction could be increased if we extended the experiment, and the predictions, to apply to a large-number, or representative, setting rather than to a single behaving unit.

How would this procedure differ if we experimented with and made predictions about man, either as individual men and women, or as representative members of a large group? Once I pose the issue in this way, the response, and my emphasis here, should be evident to you. Our predictions about man must always be less accurate than our predictions about animals. But why is this so? What does man do that animals do not do? Clearly, the standard attributes called upon to categorize man differently from his fellow

From *What Should Economists Do?* (Indianapolis: Liberty Fund, 1979), 93–112. Reprinted by permission of the publisher.

This chapter was initially presented as a lecture at a Liberty Fund Series Conference in Blacksburg, Virginia, in July 1978.

mammals will help us little here. We need to do better than this; man does not become less predictable because he uses language.

What I am getting at is that a central difference between my dog and any one of us lies in his lack of any sense of becoming different from what he is. This is to be contrasted with your sense of “becoming” as a central part, indeed probably the most important part, of life itself. As human beings, we know that we are going to die; perhaps my dog does not know this about himself. But we, as human beings, also know that we can, within limits, shape the form of being that we shall be between now and the time of death, even when we fully reckon on the stochastic pattern of life expectancy.

For my purposes, I shall call my dog a “natural” animal, and I shall call any one of us a “natural and artifactual” animal, or, perhaps preferably, an artifactual animal bounded by natural constraints. We are, and will be, at least in part, that which we make ourselves to be. We construct our own beings, again within limits. We are artifactual, as much like the pottery sherds that the archaeologists dig up as like the animals whose fossils they also find.

A digression is necessary at this point in order to forestall possible misunderstanding. My title, and my general discussion in terms of the dichotomy between “natural” and “artifactual” man, does not imply that I equate “natural” wholly with biological or genetic elements. I accept the importance of what Hayek calls the “culturally evolved man,” which, in a sense, is neither “natural” nor “artifactual.” For my purposes, to the extent that individuals are rigidly bound by culturally evolved rules of conduct or modes of behavior, these elements would make up part of “natural man,” or, better stated, “nonartifactual man.” On the other hand, to the extent that culturally evolved rules of conduct exist but require an act of choice by persons to accept or to reject adherence, these elements of behavior would be artifactual, in my terminology here. My emphasis is concentrated on the simple distinction between that part of man’s behavior that is “programmed,” and hence “predictable scientifically,” and that which is not.

There is, of course, nothing new or even novel in what I am saying here, and you should have no difficulty in accepting my statements. But I am trying to develop this argument for a purpose, which is one of demonstrating that modern economic theory forces upon us patterns of thought that make elementary recognition of the whole “becoming” part of our behavior very difficult to analyze and easy to neglect.

Let me begin by offering a brief and only partial catalog of what I think are misleading directions. First, consider human capital theory. I do not deny the productivity of insights gained by looking at education and training as investment in human capital, nor do I reject out of hand the usefulness of attempts to measure rates of return on such investment along with comparisons of rates on ordinary investment outlays. As you know, the human capital approach has been criticized, by Jack Wiseman among others, because it tends to neglect the direct consumption attributes of the apparent investment process, and notably in education. I have no quarrel with such criticism, but it is quite different from what I want to advance here. A good part of education can be modeled appropriately neither as capital investment nor as consumption of final services. Instead it must somehow be modeled as "spending on becoming"—on becoming the person that we want to be rather than the one we think we might be if the spending is not made in this way. (This purpose of education is, of course, clear when we think of education for children as determined by parents and by society rather than by the children themselves. We do not educate children primarily to produce income streams or even utility streams; we educate them to make them over into persons "better" than and different from those they would be without the educational process. At least this is our intent.) But let me return to "self-investment." The activity is investment in a sense because life through time is reckoned. But it is not investment in any life-cycle sense, which might be deemed akin to that of the squirrel that accumulates nuts for winter, yet with no conception of itself as something other than the squirrel it is and will remain. I am not proposing to deny that there is a lot of squirrel in each of us, to our credit perhaps. I am, instead, saying that there is much more to apparent "investment behavior" (defined as nonconsumption) than squirreling. (And I should add more to it than the Ricardian extension of the life-cycle model to intergenerational linkages.)

The metaphor of "capital" investment seems misplaced when we think of a person's outlay of time and money on information, on knowledge. A person is not investing with the aim or purpose of increasing the size of an objectively measured income stream in perpetuity, a stream that may be converted or potentially converted into consumption by the selfsame person or his heirs. He is investing in becoming the different person that he must become as he acquires knowledge and wisdom; he cannot do otherwise than

become different. And as he does so, he must embody a different "utility function," if we choose to carry around this baggage of the economist with us. Hence, he must choose differently if he should be confronted with the same constraints as before, which is in itself a logical impossibility because of the nature of time itself. As you can see, even to talk about present values of future income streams, about rates of return, is of questionable worth in analyzing such behavior as I am trying to identify here.

As a second example, let us consider the Stigler-Becker proposition to the effect that economists should proceed on the assumption that utility functions are stable through time and invariant as among persons.¹ Introspectively and observationally, we may want to reject this notion out of hand. But my interest does not lie in the empirical validity or invalidity of the invariance assumption itself. Instead, my interest lies in the thought pattern or mind-set that the Stigler-Becker hypothesis imposes on anyone who tries to analyze behavior seriously.

Consider their own example of music and music appreciation. The individual's preference function, which is unchanging, contains music as a basic component. Music now is produced by current inputs and time, and music in future periods is, in part, produced by current-period investment in music appreciation and in time spent on current consumption. Hence, music becomes cheaper to produce relative to other consumption or end items as time progresses; a person is, therefore, predicted to purchase more inputs to produce music as costs fall. There is no need to resort to the notion that tastes or preferences have shifted.

But what does this approach imply with respect to the basic commodity or service in the preference function, music? There is no change possible in the *quality* of the service purchased in their model; music appreciation cannot induce a shift from rock to classical, yet is this not precisely what we should expect to observe? It seems impossible, in the Stigler-Becker world, to invest in becoming more appreciative of music or of anything else. This restriction tends to shut off or to foreclose whole aspects of behavior from analysis and examination.

My purpose, however, is not to criticize particular areas of concentration,

1. George J. Stigler and Gary S. Becker, "De Gustibus Non Est Disputandum," *American Economic Review* 67, no. 2 (March 1977): 76–90.

but to advance a broad criticism against economic theory generally. If I may resort to philosophical terms, what I am objecting to in modern economic theory is its *teleological* foundations, its tendency to force all analyzable behavior into the straitjacket of "maximizing a utility or objective function under constraints." In one way, I am suggesting that the utilitarian origins of nineteenth-century political economy may have come to haunt us and to do us great damage.

Let me try to put my argument positively. It is useful to think of man as an imagining being, which in itself sets him apart from other species. A person sees himself or herself in many roles, capacities, and natures, in many settings, in many times, in many places. As one contemplates moving from imagination to potential behavior, however, constraints emerge to bound or limit the set of prospects severely. One might, for example, imagine himself living in any age of history, past or imagined future. But as action is approached, the constraint of the here and now impinges. One imagines an ability to fly unaided through space, to walk on water, to live on love. But one faces up to the reality of the limits imposed by the laws of science before the real replaces the romantic. One can imagine himself to be of the opposite sex until the physical structure of his own body is allowed to intervene. One can think of what he might have been with different sets of genes.

Once all of the possible constraints are accounted for (historical, geographic, cultural, physical, genetic, sexual), there still remains a large set of possible persons that one might imagine himself to be, or might imagine himself capable of becoming. There is room for "improvement," for the construction of what might be. Further, in thinking about realizable prospects, a person is able to rank these in some fashion, to classify members of the set as "better" or "worse."

Constrained by the several "natural" limits (which, as noted above, include the cultural), an individual is further constrained by his own construction of himself in past periods. But recognizing the possible prospects that remain open to him through his remaining life span, and ranking these prospects in some way, the individual remains capable of achieving the prospect that he chooses. To make such choice, the costs of the alternatives must be reckoned along with the anticipated benefits. But here I lapse too closely into standard economists' terminology, which is precisely the trap I want to avoid in this lecture. I should emphasize that the relationships between the pros-

psects that might be achieved and the costs of achieving these may not be at all clear, indeed they could not be.

Nonetheless, the prospects of becoming are sufficient to channel action, to divert resources away from the automatic routine that utility maximization, as normally presented, seems to embody. And choices made in becoming a different person are irrevocable, regardless of their productivity, when viewed *ex post*. We move through time, constructing ourselves as artifactual persons. We are not, and cannot be, the "same person" in any utility-maximization sense. There is nothing in personal behavior akin to Adam Smith's "discipline of continuous dealings" to enable us to undo or to correct past sins of omission or commission.

Much of what I have said to this point is probably broadly acceptable to you, at least as warning against pushing our formalizations in economics too far. I have done little more than stress what Frank Knight spent much time discussing, namely, man's tendency to want to want better things, to become a better man. This theme is fully developed in the essay "Ethics and the Economic Interpretation," the first essay in *The Ethics of Competition*.² More recently, Burt Weisbrod³ has explicitly discussed the possibility of investment in securing "better" sets of utility functions. What I have done is to marry this discussion of man's desire to modify his own being, with what may be called a subjective or even neo-Austrian theory of time and choice. In the latter, I have been influenced by G. L. S. Shackle, whose difficult but idea-packed book *Epistemics and Economics*⁴ I have been struggling to get through this summer. I have also had access to Shackle's 1976 Keynes lecture to the British academy, "Time and Choice."⁵ Further, I have had occasion to read Jack Wiseman's paper, "Costs and Decisions."⁶ You will also recognize that much of my discussion of choice in this paper is related to my earlier treat-

2. Frank Knight, "Ethics and the Economic Interpretation," *The Ethics of Competition* (Chicago: Midway Reprint, 1967), 19–40.

3. Burt Weisbrod, "Comparing Utility Functions in Efficiency Terms or, What Kind of Utility Functions Do We Want?" *American Economic Review* 67, no. 5 (December 1977): 991–95.

4. G. L. S. Shackle, *Epistemics and Economics* (Cambridge: At the University Press, 1972).

5. G. L. S. Shackle, "Time and Choice," *Proceedings of the British Academy* 62 (1976): 306–29.

6. Jack Wiseman, "Costs and Decisions" (University of York, 1978, mimeographed).

ment in *Cost and Choice*.⁷ To the philosophical cognoscenti, much of my discussion probably embodies the influence of Whitehead, albeit indirectly since I had never read Whitehead before completing the draft of this lecture.

We could, I suspect, have an interesting discussion if I stopped at this point. But there is more to my purpose than merely to raise some of the issues of general approach or method. I want to argue that our failure to allow for any accounting of the sort of choice behavior involving investment in becoming something different has inhibited our ability to understand as well as our willingness to try to understand some of the problems of our time, both individual and social. By implicitly refusing to consider man as artifactual, we neglect the "constitution of private man," which roughly translates as "character," as well as the "constitution of public men," which translates into the necessary underpinning of a free society, the "character" of society, if you will.

Let me take care at this point not to be misunderstood. I am not calling for the return of some romantic image of man that transcends "human nature," an image of man that you and I cannot even recognize as our fellow in plausibly imagined social order. I am not calling for some idealized person who might be imagined independently of the very real constraints of "natural man." I have used the term *artifactual* here precisely for the purpose of allowing some recognition of the basic constraints of human nature while, at the same time, allowing for wide areas of choice within these constraints, areas within which we can, and do, construct ourselves as individuals, from the base largely constructed for us by our forebears. Artifactual man, along with his institutions of social order, was embodied in the wisdom of the eighteenth century, a wisdom that modern man has seemed in danger of losing altogether.

How can the prevailing orthodoxy account for such a simple act as that by a person in quitting smoking, an example that was discussed at some length by Tom Schelling⁸ at the New York meetings? Or going on a diet? If the person's utility function is unchanged, and if the constraints faced do not change, how can we account for such behavior?

7. James M. Buchanan, *Cost and Choice* (Chicago: Markham Publishing Co., 1969).

8. T. Schelling, "Altruism, Meanness, and Other Potentially Strategic Behaviors," *American Economic Review* 68, no. 2 (May 1978): 229–30.

The explanation falls into place readily if we allow for some recognition that persons imagine themselves to be other than they are and that they take action designed to achieve imagined states of being. A smoker can surely imagine himself or herself freed of the habit, with a transformed set of preferences that would not include any desire to smoke. Reckoning on such a prospect as within the realm of the possible, a person sacrifices current enjoyment in the uncertain quest for the state of being that he can imagine. A person may undertake such renunciatory behavior voluntarily and spontaneously through a whole sequence of periods, or such behavior may take the form of the adoption of some quasi-permanent rule that will effectively impose constraints on predicted lapses into the satisfaction of "natural" desires. A smoker may carry cigarettes with him and face up to the temptation of his desires each and every time that these arise. Or a smoker may throw out all of his cigarette inventory and impose upon himself a strict rule against further purchases. Or, he may even go much further and authorize others to coerce him against indulgence of his desires.

As the smoker abstains, or as he is forced to abstain by the operation of an internal or an external constraint, he will find that he does become different from the person that he was. His preferences shift; he becomes the non-smoker that he had imagined himself capable of becoming. The costs of having achieved such a transformation, when viewed *ex post*, may seem to have been trivial or even nonexistent, whereas the benefits may seem immense. But how could these costs and benefits, measured *ex post*, be of value in informing the calculus of the "other" person at the stage of the initial decision?

This example of the smoker is simple and straightforward, but I should emphasize its generality in the context of this paper. The behavior examined is not restricted to addicting goods and services, as some critics might immediately suggest. Almost the same analysis can be applied to any aspect of human behavior that represents "civility" in the larger meaning of this term. I refer here inclusively to manners, etiquette, codes of conduct, standards of decorum, and, most important, morals. A person conducts himself, within the natural limits available to him, and the artifactual person he becomes does, at any moment, maximize utility subject to constraints. But constraints on his own behavior imposed in past periods have shaped the form of his utility function, perhaps out of all recognition in some primitivistic sense. I may cite Frank Knight at this point. From the longer excerpt that George

Stigler put on his calendar, I cite only the following: "Insofar as man is wise or good, his 'character' is acquired chiefly by posing as better than he is, until a part of his pretense becomes a habit."⁹

I cannot fully articulate my worries to the effect that modern economic theory leads us away from any appreciation of artifactual man, but I was highly sympathetic to a statement made by C. W. Griffin in a letter to *Business Week* in response to an earlier article on the intrusion of genetics into economics. Griffin said: "From the naively optimistic eighteenth-century view of man as a potentially rational God, we have plunged to the naively pessimistic extreme of viewing man as an individual ant."¹⁰

We find statements everywhere to the effect that modern man has lost the faith in progress that was pervasive in the post-Enlightenment period, the eighteenth and nineteenth centuries, and most of this century. J. B. Bury entitled his classic little book *The Idea of Progress*,¹¹ implying by this title that the idea may be more important than the reality. This implication is surely correct in the normative sense of exerting influences on behavior. The hopes for man, individually and collectively, held out by the post-Enlightenment social philosophers may have been naive, especially when viewed from the perspective of our age. But the lesson to be drawn is surely and emphatically not one of resignation to man's fate as a natural animal.

We shall indeed revert to the jungle if we continue on our present course, whether in our private behavior patterns, or in our collective-governmental-institutional dynamic, aided and abetted by the make-work of the so-called social sciences. If we twiddle around with our "scientific" economics and political science, if we remain so enraptured by esoteric puzzles, if we place exclusive faith in empirical demonstrations or in evolutionary processes, we are contributing to the process of deterioration.

Individually, persons must recapture an ability to imagine themselves capable of becoming "better" persons than they are. But the ranking of prospects requires valuation. "Push-pin is not as good as poetry." The role of education is to provide persons with both an array of imagined prospects

9. Frank Knight, "The Planful Act: The Possibilities and Limitations of Collective Rationality," in *Freedom and Reform* (New York and London: Harper & Brothers, 1947).

10. C. W. Griffin, Letter, *Business Week*, May 8, 1978, 6.

11. J. B. Bury, *The Idea of Progress* (New York: Dover Publications, 1932).

and some means of valuation. Modern education is, as we know, failing dismally in both parts of this role, but perhaps more seriously in the second than in the first. There is little or no transmission of the cultural-value heritage of the historically imagined American dream in which individuals were able to hold out images of themselves and their society in accordance with generally accepted standards of "betterness." We could, of course, discuss such matters at length, but my emphasis in this paper is on other aspects of the modern dilemma. In particular, I want to concentrate on the role that political economists might play in promoting rather than holding back the good society of free and responsible men and women, a society that we all should seek. By general agreement, the economist has little or no business teaching morals or ethics, and no justification for building his theories on romantic notions of man that will not stand empirical test.

Lest I should become too confused, and become too confusing to you in the process, let me begin at the beginning, and tell you what prompted this whole effort. I did not set out with any intent of preparing a general methodological disquisition. But I was led to the sort of inquiry that my early remarks suggest by an attempt to explain satisfactorily to myself just why attitudes that seem so natural to me seem so difficult for others. Note carefully that I refer to "attitudes" here, not to ideas. In particular, I sought to understand why the "constitutional attitude" seems so foreign to so many of my fellow economists, to understand why this central aspect of what was a part of the conventional wisdom of our Founding Fathers now seems so elusive. My usage of the word *artifactual* is borrowed directly from Vincent Ostrom, who has repeatedly emphasized the necessity of considering the political constitution as an artifact, to be categorically distinguished from an evolved legal order.¹² The American experience, perhaps unique in history, has embodied the attitude that we *create* the institutions within which we interact, one with another, that we construct the rules that define the game that we all must play. But we can never lose sight of the elementary fact that the selection of the rules, "constitutional choice," is of a different attitudinal dimension from the selection of strategies within defined rules.

I was led to ask, however, whether persons who do not and cannot con-

12. See his "David Hume as a Political Analyst" (Indiana University, 1976, mimeographed).

ceive themselves to be artifactual (even if, in fact, they are and must be), can easily conceive of artifactual social institutions, artifactual rules of the game, to be chosen apart from the simple selection of strategies to be played in the complex interaction process defined by the rules of order. Does the manner in which men model their own behavior affect, and perhaps profoundly, the way that they model the social institutions under which they live? If individuals conceive themselves in the teleological image of modern economics, can they shift gears to a nonteleological image of a community?

We know that the utilitarians were unable to make this leap, at least consistently and without much ambiguity and confusion, which plagues us still. We know also that modern economics has become more, not less, teleological. In the post-Robbins era, we define our subject matter as the study of the allocation of scarce means among alternative ends, and the idea of maximization under constraints becomes central to all that we do. In the wake of methodological consensus, the theoretical welfare economists, having been forced to abandon naive utilitarianism, played teasingly with the Pareto criterion (which is not at all teleological, at least in the way that I interpret it), only to abandon this in favor of the "social welfare function." In so doing, they were explicitly extending the teleological model of the individual maximizer to that for the community or collectivity as a unit. To those economists who made such an extension, Arrow's impossibility theorem was a genuinely shocking revelation. A "social welfare function" must be constructed in order to allow for some modeling of the collectivity in teleological terms, but such a function becomes a logical impossibility under plausible conditions. What to do? What to do? I need not say that the welfare economists, among whom I should surely include Kenneth Arrow himself, are, to this day, groping for answers.

As you can recognize I am on familiar territory here, but partial corroboration for much of my argument lies in the chilling neglect of my own attempts, over a quarter-century, to secure general acknowledgment that no problem exists. Why should anyone have ever tried to model a community of *separate* persons teleologically, as if somehow "social states" could be, or should be, arrayed in some order of ascendancy, in terms of a single maximand? To me, as I stated in 1954,¹³ such an effort has seemed misguided from

¹³ James M. Buchanan, "Social Choice in Voting and the Market," *Journal of Political Economy* 62 (August 1954): 334–43.

the outset, even absurd. But why do most of my colleagues persist in their efforts? What is the difference between me and them?

These questions are in the background of my exploratory remarks in this lecture (the appropriate place to be exploratory). Perhaps we should have been examining more closely the models for individual choice, and the images conveyed in those models, rather than unduly concentrating attention on the amalgamation of separate individual choices into collective results. Perhaps the nonteleological elements of individual choice have been too much neglected by us all. If each one of us is defined by an unchanging and invariant utility function, the Benthamite challenge remains ever present. Conceptually, the adding-up problem beckons, and this objective, once achieved, leads us back to the implied authoritarianism of Bentham's progeny, the practicing social democrats of our time.

But what happens to this progression once we so much as recognize that individuals do not maximize anything that remains stable for more than the logical moment for analysis. The maximization calculus may remain highly useful as a logic of choice, but only to the extent that its severe limits are explicitly acknowledged. Heraclitus noted that man does not step into the same river twice, first, because the stream has passed, and, second, because man too has moved forward in time. Choice is, and must be, irrevocable, and a person is constructed by the choices he has made sequentially through time, within the natural and the artifactual constraints that have limited his possibilities. The rational ideal eliminates choice, as Shackle emphasizes. Choice requires the presence of uncertainty for its very meaning. But choice also implies a moral responsibility for action. To rationalize or to explain choices in terms of either genetic endowments or social environment removes the elements of freedom and of responsibility. "Natural man," in the model of some behavioral responder to stimuli, akin to my dog, contradicts both the notion of individual liberty and that of individual responsibility for the consequences of the choices made. Man must bear the responsibilities for his own choices because of his artifactual nature, because he has available to him alternative "choosables," to use Shackle's term, because man makes his own history.

If individual man is to be free, he is to be held accountable, he is to be deemed responsible for his actions. But at the same time he is allowed to take credit for his achievement. Who can claim credit for results that could have been predicted from nature? From a knowledge of his genetic endowment or

his social environment, or both? But once man is conceived in the image of an artifact, who constructs himself through his own choices, he sheds the animalistically determined path of existence laid out for him by the orthodox economists' model. A determined and programmed existence is replaced by the uncertain and exciting quest that life must be.

If man can envisage himself as a product of his own making, as embodying prospects for changing himself into one of the imagined possibilities that he might be, it becomes relatively easy for him to envisage changing the basic rules of social order in the direction of imagined good societies. In doing so, however, nothing teleological can be introduced since man must recognize that even within his own private sphere of action there is no maximand. Individually, man invests in becoming that which he is not. Collectively, men agree to modify the artifactual rules within which they interact one with another so as to allow individualized pursuit of whatever men may choose.

A felicific calculus becomes absurd in this setting, as does all talk of such things as "national goals," "national priorities," or even such familiar things as "university objectives." Traditionally, many of us who have been critical of such talk remark that "only individuals can have goals." But I am here advancing the more radical notion that *not even* individuals have well-defined and well-articulated objectives that exist independently of choices themselves. Introspectively, we must realize that we do not. My plea is that we begin to temper our analytical-explanatory thought patterns to allow for what we know to be real, regardless of the havoc wrought to our aesthetically appealing logical structures.

Out of all this there emerges a strong defense of individual liberty that cannot readily be advanced by the modern economist, influenced as he is by his utilitarian heritage. The modern economist can introduce time into his models only if he treats individuals as squirrels, to return to my earlier example. The squirrel's behavior can be interpreted as maximizing the present value of his utility stream. Given his constraints, and his utility function, the squirrel is not, and cannot be, concerned with the size of his "choice" set, with the existence or nonexistence of his rejected alternatives. A dramatically different attitude emerges, however, in the conception of the artifactual man that I have sketched out here. A person chooses, as Shackle stresses, from among many imagined futures, and he remains necessarily uncertain as to how that which he chooses will work out. He has a clear interest in seeing

that the choice set, the set of alternative imagined futures, remains as open as is naturally possible, and, if constrained, that the constraints be also of his own choosing. The deliberate closing off of future options by the introduction of apparently irrelevant constraints, externally imposed, must damage the individual who knows that he must choose among uncertain prospects continually through time.

Consider, for example, an urban dweller who does not, in the orthodox analysis, embody an argument for privacy in his utility function. Within the corpus of formal analysis, such a person cannot be much concerned about the introduction of zoning restrictions that effectively force a higher concentration of persons in space. By contrast, consider the same urban dweller in the image suggested in this paper. He does not, and cannot, predict that person he may want to become in subsequent periods. He wants to "keep his options open," because he can imagine himself to be someone quite different from the person he now is. He does not, let us say, choose to leave the urban center today, tomorrow, or next week. But he can imagine himself becoming the person who could make a future choice to move to the suburbs or the country. He seeks to hold all such options open, even if his behavior, viewed in retrospect, indicates no exercise of the options in question. The building of the Berlin Wall harmed every person living in East Berlin. This is a simple statement of fact that orthodox economists would find difficult to interpret by means of their prevailing analytics.

Man wants liberty to become the man he wants to become. He does so precisely because he does not know what man he will want to become in time. Let us remove once and for all the instrumental defense of liberty, the only one that can possibly be derived directly from orthodox economic analysis. Man does not want liberty in order to maximize his utility, or that of the society of which he is a part. *He wants liberty to become the man he wants to become.*