admirable summary of Buchanan's main writings placed into a setting that brings out the essential coherence of his work. After reading this book, I have come to believe that Buchanan, however unconsciously, was from his earliest writings attempting to construct a unified system of political economy after all.

In addition to the introduction, the book is divided into seven chapters that organize Buchanan's work, not chronologically, as a less analytical or less energetic writer might have been tempted to do, but logically. It starts where any work on Buchanan must start: with Buchanan's methodological individualism, because that is the only perspective from which Buchanan can view the world. That perspective provided him with a profound understanding of the process of exchange, the gains from trade, and the importance of voluntary contract. Buchanan's key insight—that the political process is a political *market*—would have been impossible had he accepted the centrality of the allocative paradigm of orthodox economics. Here Reisman does a fine job of comparing and contrasting Buchanan's political philosophy and methodology with that of John Rawls and Robert Nozick. The role of Pareto optimality in Buchanan's analysis of constitutional choice, his surprising defense of vote-trading or logrolling, the crucial distinction between the constitutional and the postconstitutional levels of political interaction, the requirements for moral order and social stability, the role that the Keynesian revolution played in undermining the fiscal constitution, the rejection of both anarchy and Leviathan as alternative political settings within a democracy—all of these elements (and more) of Buchanan's thinking are integrated in such a way as to show the relation of each to the whole. Moreover, Reisman does not neglect the moral dimension of Buchanan's philosophy, nor does he ignore Buchanan's dissent from his fellow economists who, clinging to the maximization paradigm, indulge in "piddling trivialities," thereby opting out of their essential responsibilities to the moral science of political economy.

One finishes this tract with a renewed confirmation that the searching and important questions raised by James M. Buchanan, and the answers he has provided, place him among the ranks of the most distinguished social philosophers of our time.

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Black Hole Tariffs and Endogenous Policy Theory
Stephen P. Magee, William A. Brock, and Leslie Young
Cambridge: Cambridge University Press, 1989, 438 pp.

This book dates from an early working paper by Brock and Magee (1974), which showed great promise and has now borne much fruit. In the interim, Peltzman (1976) published his famous paper on "Economic Regulation," which had more structure and content than the early Brock and Magee papers and hence subsequently captured the citation market in this area. This book, written with Young, fulfills the promise of the early Brock and Magee papers, however, and it will certainly take its place as a leading contribution to the literature using economic theory to explain political actions.

The book has far too much substantive content to be adequately covered in a short review. The authors first present a partial equilibrium theory of endogenous tariffs, replete with theories of lobbying, interest groups, political parties, campaign contributions, electoral outcomes, and voters (chapters 3–8). This part of the book ends with an empirical test of the authors' theory, the conclusion of which can be viewed as confirming the Shakespearian axiom of "Let's kill the lawyers." In chapters 9–16, the authors convert their theory to general equilibrium terms. Included in these chapters is an important chapter on black hole tariffs, or rent-seeking processes, that can lead to economic depravity and maximal waste. In chapters 17 and 18, the authors conclude by considering the reasons for the misleading political rhetoric of the public interest in the design of wealth transfers.

I will restrict myself to one or two comments on each part of the book. My own interests ensure I will be naturally attracted to the partial equilibrium endogenous tariff theory. But this part of the book would have been better if the authors had tested more of the implications of their theory. They do go to considerable efforts to point out many of the testable implications of their theory; the project would have been helped by a few actual tests. For example, the authors derive a result that suggests that senators will be more protectionist than representatives from the same state because interest-group pressure tilts toward more protectionism in the larger jurisdiction. An alternative hypothesis is that senators who represent both importers and exporters in a state will be more disposed to free trade than isolated representatives who support selected local interest groups. It would be easy enough to test the authors' hypothesis by looking at voting records, and there are numerous other examples like this in the book. The test using lawyers in chapter 8 is amusing, but hardly the type of test to inspire confidence in the basic outlines of the theory. Of course, you cannot do everything in one book, and the authors surely have dissertation students at work even now.

The second part of the book turns to an analysis of politics, lobbying, and tariffs in a general equilibrium setting. Such an extension of the authors' theory is useful in that it brings public choice issues to an inherently alien landscape. The centerpiece of this section is the authors' discussion of so-called black hole tariffs, where rent seeking and lobbying lead to almost total dissipation of societal wealth. As a theoretical possibility, black hole tariffs are interesting; as an empirical phenomenon, they are probably an empty economic box. The economic literature attempting to model rent-seeking processes is all over the block with respect to predicting super, exact, or minimal dissipation. Black hole tariffs are obviously a case of super-dissipation. My guess, however, is that the profession will eventually come down on the side of minimal dissipation. After all, economic agents have incentives to convert costs to transfers wherever and whenever possible. Thus, though I cannot offer a guarantee, rent-seeking costs may in the final analysis be quite low in most societies. Tactically, then, Magee, Brock, and Young may later regret their choice in staking out a position closer to super-dissipation.

The final part of the book deals with the optimal design of wealth-transfer policies. There is nothing new or remarkable here (except to note that we *do* redistribute a lot of wealth in bald, cash terms).

My job has been to be a critical reviewer, but my basic reaction to the book is one of admiration. It is a fun book to read; it is easy to follow; the bibliography is copious; the mathematical appendices (100 pages) are elegant; in a word, the book is a treatise. I suspect that the impact of the book will be substantial, especially in teaching young economists how to model politics and economics simultaneously. All in all, Magee, Brock, and Young should be congratulated on a job well done.

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