THE LEGACY OF BRUCE YANDLE

Edited by
Donald J. Boudreaux
and Roger Meiners

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MERCATUS CENTER
George Mason University

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ABOUT BRUCE YANDLE

Bruce Yandle is a teacher, writer, speaker, and consultant on economics and political economy. He is Distinguished Adjunct Fellow at the Mercatus Center at George Mason University where he releases a quarterly report, "The Economic Situation"; frequently briefs Capitol Hill policymakers on economic issues; and lectures regularly in Mercatus programs for House and Senate staffers.

Yandle is cofounder of the Clemson Institute for the Study of Capitalism, dean emeritus of Clemson University's College of Business, and Alumni Distinguished Professor Emeritus in the Department of Economics at Clemson University. While at Clemson, Yandle served as the dean of the College of Business from 2004 to 2007 and taught in graduate programs in France, Italy, Germany, and the Czech Republic. He is also Senior Fellow Emeritus at the Property & Environment Research Center (PERC).

Yandle served in the federal government on two occasions, first as a senior economist on the president's Council on Wage and Price Stability during the Ford administration and later as executive director of the Federal Trade Commission during the Reagan administration. He was a member and chairman of the South Carolina State Board of Economic Advisors, member and chairman of the Spartanburg Methodist College board of trustees, and member of the board of trustees of the Foundation of Economic Education. Before entering an academic career, Yandle was in the industrial machinery business for 15 years.

He has authored or edited 17 books, including *Bootleggers & Baptists: How Economics Forces and Moral Persuasion Interact to Shape Regulatory Politics*, coauthored with economist Adam Smith and published by the Cato Institute in 2014. In 2012, he received the Adam Smith Award from the Association of Private Enterprise Education for his career-long leadership in promoting the free market economy.

PROFESSOR BRUCE YANDLE, A TRIBUTE

RICHARD B. McKENZIE

Many people are treated to "celebrations of life," but only after they can no longer enjoy the reflections on their marks in the world, the levity of the festivities, and the warmth and good feelings of those whose lives have been impacted. Those who gathered at the Festschrift symposium did so to make sure that the celebrated hears and *feels* what we have to say both about his scholarship and his life in our midst.

And what a life of distinguished scholarship and great comradery it has been for Professor Bruce Yandle—and for those of us who can now pass on our abiding respect, affection, and immense admiration to a younger generation of economists, several of whom joined us in the celebration.

Professor Yandle, I speak for everyone who attended the celebration, and for your many former students and colleagues who have scattered to all points in academe and beyond, to thank you for the careers and lives we have had because of the life you have led as a scholar, teacher, and friend over these many years. Personally, I *know* deep down that my career and life would have been diminished had I not passed through yours. All here at this Festschrift event would likely say the same.

Professor Yandle, in this setting among friends in your eighty-fifth year, I hope you will politely accede to my calling you "Bruce." That is how we all have come to know you, despite the reference of the event that would have us think of you on a pedestal above, our esteemed "professor," even when we have remained disguised as colleagues.

Everyone here knows at least a portion of Bruce's scholarly work, especially his articles in regulatory economics, but mainly those on "Bootlegger and Baptist coalitions," which economists now agree helped animate George Stigler's work on regulatory markets directed by the intense supply and demand forces of

Richard McKenzie is indebted to Karen McKenzie, Roger Meiners, Dwight Lee, and Donald Boudreaux for editorial improvements.

politics. We heard much about bootleggers and Baptists during the short conference that is reported in this volume of Festschrift papers, but our discussions were always bounded, undergirded, and guided by a central attribute of Bruce that has been far more powerful for those of us who have known him—his *character*, which enveloped him as he walked with us through our halls of ivy.

Few of our colleagues ever considered character to have third-party effects, but those who attended the Festschrift symposium beg to differ and to insist that we felt the surrounding glow, the warmth, and the goodness that can, and has, radiated from Bruce's presence when he has been among us. As Terry Anderson, an environmental economist and Bruce's colleague at a distance, noted during a session, seconding the comments of others, "When Bruce speaks, people listen because he is a good person."

What is so remarkable about Bruce is that he steadfastly built his scholarly career organized around people's self-interested motives and, at the same time, has never strayed in his collegial life from acting on anything other than the good of the whole. Bruce has an abiding concern for the policies that are likely to emerge from interactive politics, but no one thinks of Bruce as being political in his dealings with others, even in highly politicized and sometimes politically brutal academic settings.

Henry Kissinger is renowned for having observed that "University politics are so vicious precisely because the stakes are so small." Bruce steadfastly avoided the fray because he understood what many do not: the stakes for our students are too high.

We joined to celebrate Bruce's charity, mainly his willingness to talk at length with us and to read our papers with a single focus, that of helping us without delay to improve them and, by extension, our careers. In following his calling to be a *colleague* in the best sense of that word, we learned and prospered. I am confident that the attendees at this event have thought at some point, "By the grace of Bruce, I have been able to do what I have."

Roger Meiners, one of Bruce's many long-term colleagues and coauthors, poignantly noted that:

> Everyone knows Bruce is kind, but he is also the adult in the room called upon when there are problems. He is the person you know you could trust for sound advice and assistance. When our dear colleague at Clemson, Bob Staaf, died unexpectedly of a heart attack, Bruce was the one who stepped in to guide the suffering family in dealing

> with the funeral and the many other problems that arise in such situations. Bruce is a self-interested economist, who believes people are self-interested, but the most unselfish person I know in giving to others.

No one will ever accuse Bruce of having shaded the truth or gone back on his word. Instead, we have always been able to count on his word, as well as his support. He has helped us all be better economists and people. In that regard, he has been underpaid by the amount that we have been overpaid for his work with us, and we know we have benefited in other ways from his generosity of time and good humor.

With Bruce's close-up demonstration of how to live and treat others, might we economists have exaggerated the importance of self-interest, with some denying other motivations? After all, Adam Smith believed that people were driven by a constellation of interests, not the least of which were "beneficence," "pity," "compassion," "pride," and "vanity."[1] He seemed to have anticipated the late nineteenth-century economist Alfred Marshall's point that the drive of self-interest was primarily dominant in commercial affairs. Smith seemed also to have been trying to make the point that even under what many might consider the worst of conditions in people's market affairs—when people are driven exclusively by their narrow self-interest—societal gains could be expected from the free flow of trade.

Perhaps economists today could learn not only from Bruce's way of living economics, but also from Philip Wicksteed, who, in his *Common Sense of Political Economy*, a widely read text in the early 20th century, made an obvious point now long lost to the dictates of modern economic modeling: markets are agnostic toward buyers' and sellers' motivations. Markets do not care whether buyers in the market seek to buy sweaters for themselves or to pass them out to the homeless on the back streets of cities. Neither does it matter if people produce electric cars to make a profit or to save the planet. Variously held values can be accommodated within market supply-and-demand forces without discrimination.[2] However, as Bruce has shown, non-self-interest motives can be crucially important in nonmarket settings, such as university departments.

Adam Smith (the original, not the grandson—sorry Adam!) wrote eloquently about people having imagined "Impartial Spectators," who, as I read Smith, found perches on their shoulders and to whom ordinary and exalted people alike deferred on the multitude of daily matters of right and wrong. Few understand that Smith based his free-market arguments in *The Wealth of Nations* on the presumption that, as covered in his earlier treatise *The Theory of Moral Sentiments*, most people's Impartial Spectators are on sentry duty for much of their daily lives. That has to be. Without the Impartial Spectators (or without people's personal behaviors being constrained and guided by principles other than those economic principles we teach our students), it is hard to believe that Smith could have thought that markets could work as well as he argued. Only belatedly have economists recognized the critical role of trust, and other large and small virtues, in the smooth functioning of the institutional settings we study. Those virtues are the "dark energy" of cohesive and synergetic groups and successful economies, as neuroeconomist Paul Zak and others have demonstrated and as Bruce has shown.[3]

Many of us have had the good fortune of having had Bruce perched on our shoulders, always available for the imagined question, "What would Bruce do?"

At Clemson University, when I was there starting in 1977, we all walked taller and with longer strides, feigning more confidence than our age and experience warranted—because Bruce *showed* us an academic life to emulate. You cannot teach what Bruce has taught us, and I am at a loss for words to explain what I mean to the few of you who did not walk with him daily. I do not need to explain myself to those who were there. Simply put, he was a force among us.

Dwight Lee found the words I have been struggling to convey, first by characterizing Bruce as "Mister Rogers for adults" and then adding:

> I never benefited from taking one of Bruce's classes, but I have been fortunate over the years to have experienced his ability to communicate ideas in a way that captivates both the head and heart. I vividly remember one example. It was at a Liberty Fund conference at least 20 years ago in Jackson Hole, Wyoming, and the general topic was creativity and entrepreneurship. Bruce brought up the example of Alexander Graham Bell and the telephone in a way that left an imprint on my memory and emotions that will last as long as I do. Simply stated, Bruce said that Bell was motivated to improve his understanding of how sound was transmitted because he wanted to develop a more effective hearing aid for the sake of his mother, who was deaf. But what I just wrote lacks Bruce's words, his voice, his inflections, and his pleasing presence. I should point out that

> my response was not because Bruce made me think of my hearing difficulty, which was not very noticeable at the time. It was because he made me think of Bell's achievement in terms of how much I loved my mother. What most of Bruce's students and friends have learned from him is surely the result of the mysterious and wonderful way his narratives stir them both intellectually and emotionally.

I still remember fondly my early years at Clemson, from the late 1970s to the mid-1980s, for the unexpected treats they provided. By "treats" I mean the midmorning coffees at the Canteen in the student center and the combative but wonderful discussions we had practically every morning over the policy mistakes of the day coming out of Washington, all led and guided by Bruce—and, I must add, the venerable Hugh Macaulay. Some might see coffee breaks as downtime. Most of us there saw them as our most productive hour of the day.

Anyone in Sirrine Hall can remember how most mornings, at 10:00 A.M. sharp, Hugh would come clanking with a limp down the hall (Hugh had been shot in the butt during World War II, which required him to walk with a full-length leg brace for the rest of his life). He would tap on people's doors as he walked, saying, "Want to have coffee?" We would fall in and immediately be challenged by Hugh as we walked the 200 yards to the Canteen over whatever crazy thing the government had done in economic policy the day before. A debate inevitably flared as we walked, with Hugh always insisting that any anti-market argument had to be wrong on the face of it. Markets were, and had to be, efficient; Hugh would insist: "Give me an objection!"

On arriving at the Canteen, we surrounded two or three tables pulled together to continue the discussion, with our comments becoming ever more energized. Bruce would settle in, pipe in hand, obviously contemplating the best time to interject a studied point. What is remarkable is how often our debates, peppered with hearty laughter, became so intense that nearby students would move to distant tables, or the manager would come over and say with a grin something to the effect of "I have heard what you have been saying, and you really should consider the third-party effects you are imposing on others. If not, I will impose a tax on your use of these tables. So there!" We quieted down, but only temporarily.

Those conversations were extraordinarily productive for me—and, I am sure, for so many of you—because they were so civil, conducted in good humor and good spirits, frequently ending with one of Bruce's chin-to-Adam's-apple drawn-out deep laughs.

Throughout, Bruce set the tone. I have never been in another setting with colleagues who wanted so badly to combine the impulse to win arguments with the desire to hear a new counterintuitive twist on an old argument. Because of those coffees, all of us reached higher in our careers than we otherwise could have. We could venture putting forth new—often crazy—thoughts that in a less congenial environment we would have held in reserve.

"Bootleggers and Baptists" had to be one of those crazy thoughts that were entertained at more than one coffee and then chewed on by all. I say that only because when I went back to read Bruce's original article on the topic, I felt short-changed, surprised at his making only a passing reference to its history and meaning. I thought the details of the original coalition would have been fleshed out. I must have absorbed the details from those coffee discussions. I knew what was left unsaid in Bruce's article, and felt privileged that I was there at its inception, but I have also felt a compulsion to ask what so many asked at those coffees. "What is wrong with this argument? It's too neat and settled."

Nevertheless, the Bootlegger-and-Baptist expression is pregnant with an important insight: the regulatory process is fraught with odd bedfellows, some with diametrically opposite political and economic objectives. Few economists have been able to have their names tied to such a notable theoretical construct as solidly as Bruce has.

In his original treatment of bootleggers and Baptists, Bruce drew on discussions from his youth spent in Georgia, where people commonly talked about how the bootleggers in the woods of Georgia would support the Baptist churches' campaigns to restrict legal alcohol sales, at least on Sundays, if not to make their counties "dry" altogether. On returning from the Festschrift symposium, I learned again the wisdom of another of Bruce comments: "Bootleggers and Baptists are like termites. They come out of the woodwork everywhere."

The New York Times recently reported that this year New Zealand celebrates the centennial of women getting the right to vote, in spite of opposition from the country's alcohol industry. Apparently, the men of the country had a serious problem with alcoholism, which was making family life difficult. The alcohol industry opposed giving women the vote for fear that they would pursue restrictions on alcohol sales in the name of improving the lives of women and children. The US alcohol industry was similarly opposed to women's suffrage, especially since Susan B. Anthony, the leader of the suffrage movement, had previously been an organizer for Daughters for Temperance.[4]

I have never felt more pride in my academic career than I felt at a coffee in 1979. In those salad days, I had begun to doubt the wisdom of the traditional case against hiking the minimum wage, which was then, as it remains today, a litmus test for market economists. "Thou shalt believe conventional minimum-wage wisdom: minimum wage hikes are bad. End of story," Hugh would insist in one way or another.

At the time, the accumulating empirical work showed that minimum wage hikes had precious little to almost no negative effect on employment opportunities, even among the most vulnerable worker group, teenagers (often significantly less than 1 percent of covered jobs for a 10 percent wage hike). The debate, to me, seemed to be much ado about nothing. But why?

The traditional dismissal of the data amounted to nothing short of a restatement of the findings: "The demand for menial labor is inelastic." That did not make sense. There are plenty of substitutes for menial jobs. So I proposed an alternative argument, that employers could largely offset the labor-cost effects of minimum wage hikes by cuts in fringe benefits and increases in work demands. I then only intuitively understood what I was saying, which is to say, I had no convincing model.

Hugh went ballistic, in his inimitable way. "That can't be! Have you lost your mind?" I had to believe that minimum wages were bad. Others joined Hugh. "Heresy!" My seat at the table was put in doubt. By way of contrast, Bruce drew back, took puffs on his pipe, and gave a number of objections, but he said what he often said to me as we left: "I think you could be on to something, Richard. Work on it," his way of adding a pat on the back for someone under collegial siege.

I returned to the subject daily, and each time I was trashed, humbled. I was wrong—no, dead wrong! After six weeks, I came back with a graphical model that laid out my points. I showed it to each person around the table. Employers could offset a wage hike of $1 with, say, $0.90 in costs from fewer fringes, which had to be worth more than the $1 money-wage hike to the affected workers (or else they would not be provided in the first place). Those covered workers who kept their jobs were worse off than without the money-wage increase and were even likely worse off than workers who left the covered market for better employment venues. Economists had long understated how many workers were harmed by narrowly focusing on the count of jobs lost (a conclusion that resurrected my credibility with Hugh!).[5] The model was conclusive! They agreed. Hooray!

After being humbled for so long, I could not resist going around the table, asking each person there, "Do you agree I'm right? Do you agree?" . . . and so on. I have never felt more triumphant in my career. I got Hugh to bend. I got a thumbs up from Bruce. The feeling has never been duplicated. Even though the predicted effects have been confirmed by at least a dozen empirical studies over the intervening years, people still miss the lesson, maybe because there are too damn many bootleggers and Baptists on both sides of the perennial minimum wage debate!

But everyone there has a similar tale to tell to this day, that of having a triumphant moment in a search for improvement in argument. Those were the days when we all pushed each other to go beyond what we could imagine we were capable of reaching.

I have had the good fortune of having sat before the throne of academic greatness. First, at Virginia Tech, when James Buchanan and Gordon Tullock were holding court. Second, when I happened to fall within the orbit of Bruce and Hugh at Clemson. Hugh was important for reasons that most people who have known him understand—his dogged conviction that markets were (almost) always right. Doggedness is underappreciated. But Bruce filled an equally important role, that of the reserved sage who held back and seemed to question, by how he drew puffs on his pipe, the claims being made. I felt proud when Bruce would concede, "Richard, that's a good point, *but*. . . ." I cherished his reviews of my papers, which he returned, in the predawn of the high-tech era, before, seemingly, the next sunrise.

Several years ago, I returned to Clemson for a visit. I took the opportunity to sit with Bruce on his second-floor front porch, where he and Dot now live by the train track that runs through town. I began by lamenting how I had never recovered in the universities where I have landed the good spirit and camaraderie of those Canteen coffees. I gave up on developing coffee groups in the last years of my academic career position (even though I provided the coffee). Few colleagues saw coffee breaks as productive, and in the few times I joined colleagues from the several disciplines in my business school, the topics discussed were often not interesting to me or the discussion didn't measure up to the vibrancy of those at the Canteen. However, I must share some of the blame. As so many professors did in the 1990s, I progressively sought to substitute bidirectional email exchanges for multidirectional personal interactions, not fully realizing that in the former, only kilobytes of information were exchanged. In the latter, terabytes were involved, given that all senses were tapped.

I expressed to Bruce some distress about what we—Bruce and I—had lost in academia over the intervening forty years. I lamented with Bruce, "Young economists don't know what they are missing." I saw the glass as half empty. In his fatherly way, Bruce reminded me that there was always another perspective. I remember his wise counsel to this day: "Richard, you know, what we have to remember is that we *had it*. It's not so much what they are missing, but what has been our good fortune. We are fortunate to know what so many others have missed. But maybe they are finding what we had in other ways."

NOTES

1. On non-self-interest motives, Smith observed:

> How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it. Of this kind is pity or compassion, the emotion which we feel for the misery of others, when we either see it, or are made to conceive it in a very lively manner. That we often derive sorrow from the sorrow of others, is a matter of fact too obvious to require any instances to prove it; for this sentiment, like all the other original passions of human nature, is by no means confined to the virtuous and humane, though they perhaps may feel it with the most exquisite sensibility. The greatest ruffian, the most hardened violator of the laws of society, is not altogether without it. (1982, I.I.1)

See also Smith ([1759] 1982, I.I.14).

2. Wicksteed stressed early in his book,

> Economic *relations* constitute a complex machine by which we seek to accomplish our purposes, whatever they may be. They do not in any direct or conclusive sense either dictate our *purposes* or supply our *motives*. We shall therefore have to consider what constitutes an economic relation rather than what constitutes an economic motive. And this does away at a stroke with the hypothetically simplified psychology of the Economic Man which figured so largely in the older books of Political Economy, and which recent writers take so much trouble to evade or qualify. We are not to begin by imagining man to be actuated by only a few simple motives, but we are to take him as we find him, and are to examine the nature of those relations into which he enters, under the stress of all his complicated impulses and desires—whether *selfish* or *unselfish*, material or spiritual,—in order to accomplish indirectly through the action of others what he cannot accomplish directly through his own. (Wicksteed 1910, 4)

See also Wicksteed (1910, 171).

3. See Zak (2012) and Zak and Knack (2001).
4. See Perry (2018) and Weiss (2018).
5. Economist Walter Wessels at North Carolina State University had independently developed the themes in my argument during the same period, but he was first to publication. Wessels's first article on the negative effects of minimum wage hikes on fringe benefits was published in April 1980 and mine in June 1980. I have revised and extended my arguments, with citations to the empirical work, in my textbook with Dwight Lee, *Microeconomics for MBAs* (2017, chap. 4).

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Introduction

DONALD J. BOUDREAUX AND ROGER MEINERS

Bruce Yandle worked in industry when he decided to change careers and earn a PhD. He became a professor of economics at Clemson University in the 1960s and was based there for his career, helping the department and business school rise in stature. He took leaves from Clemson to be a staff economist on the president's Council on Wage and Price Stability in the 1970s and to be executive director of the Federal Trade Commission in the 1980s.

His experience in industry, academia, and government brought him to realize that much of what we observe in policy making is complex. It is not just the result of high-minded reformers seeking to do good, or just the pernicious influence of those seeking to exploit the power of government (that is, the special interests at work at all levels of government). Rather, he realized, we see an odd, often unintentional, combination of the two. In the early 1980s, he named his new theory of regulation "Bootleggers and Baptists"—the joining of seemingly opposing forces who support similar government policies. Most academics would have used a more ponderous name for the concept, such as Diverse Asymmetrical Forces Achieving Equilibrium in the Policy Spectrum, but Yandle knew that important ideas can be communicated to broader audiences without needless academic puffery, and that doing so would help spread knowledge.

Over the years Yandle served many roles. He authored dozens of journal articles, reports, editorials, and books. He served as dean of Clemson's business school and took concrete steps to have students play a meaningful and constructive role in raising the quality of the school. Besides his service in Washington, DC, he had long affiliations with other organizations, including the Mercatus Center at George Mason University, where he contributes scholarly research and is a frequent speaker at programs for congressional staffers and others. His talks are always well crafted and his voice a well-modulated southern drawl, capturing the attention and curiosity of his audience.

Yandle's work focuses on regulation, especially environmental regulation, but he wrote about macroeconomic policy and other topics as well, gracing many coauthors with his guidance and collaboration. In the academic and policy world, however, his singular most important work is the Bootleggers and Baptists theory, which, according to Google Scholar, has been referenced more than 5,000 times.

All academics want their ideas to have impact. Yandle is one of the rare individuals who has achieved recognition and success but is not afflicted by the gravity of his academic "greatness." He is a truly gentle and gracious, but purposeful man.

In honor of Bruce Yandle's 85th birthday in 2018, a gathering of colleagues and students convened for a Festschrift symposium to honor his productive career and to advance research inspired by his work. The original essays and reflections in this volume, drafted for and discussed at the symposium, pay tribute to Bruce Yandle, a scholar of unusual ability as a teacher and researcher.

OVERVIEW OF THE VOLUME

Peter J. Boettke and J. R. Clark explain, in chapter 1, that Bruce Yandle's Bootleggers and Baptists insight helps eliminate a tension between pure interest-group theories of government regulation and theories that propound that government policies are steered by ideology. Yandle's unique manner of connecting the role of self-interest with that of ideology and ideas saves analysts from having to make an either-or choice between one or the other as the principal driver of government regulation. The result is a richer and more realistic understanding of regulation.

Much of Bruce Yandle's work is on environmental economics and policy. The standard approach of many environmental economists is to declare anything someone does not like to be an externality that requires statutory or regulatory intervention. Typically, a tax on the offending activity is called for, as we have seen for some years now with respect to carbon emissions, or emission caps, perhaps employing a trading scheme involving the limited emissions that will be recommended. In all such instances the presumption is that economists can divine the "correct" tax or emission cap so as to enhance economic efficiency through central planning. Yandle always searched for market mechanisms to resolve problems rather than assuming that economists could know what was best.

In chapter 2, Donald J. Boudreaux and Roger Meiners, both former colleagues of Yandle at Clemson, cite Yandle for calling into question the efficacy of standard externality analysis. They build on that to detail the history of the evolution of externality in economics. That primarily leads to A. C. Pigou, who advocated regulatory solutions for things he decried as ills in the market. They review the scholarly literature on externality theory in detail and show that by 1970, James M. Buchanan and others had shown, in terms of pure economic theory, that there was little to justify externality as an analytic concept.

Economists and others do not want to abandon the convenient straw man. They plow ahead, seeing externalities under every rock and asserting that highly skilled analysts can guide society to higher levels of wealth and quality of life as they search for "bliss points" through regulations. Boudreaux and Meiners work through numerous scenarios of situations in which people face real costs due to situations they do not like and show the concept of externality to be empty, with few trivial exceptions.

In chapter 3, Terry L. Anderson, a longtime colleague of Yandle at the Property and Environment Research Center (PERC) in Montana, continues the tradition of Yandle in searching for market resolution of alleged externalities that should be controlled by planners. Anderson takes on the poster-boy environmental villain in wealthy nations—carbon emissions. Anderson, like Yandle, explains that property rights are at the core of analyzing the impact of something such as carbon emissions. Even if we accept the assertion that emissions cause climate change, there is little reason to think public policy will resolve the matter.

Like Yandle, Anderson returns to Ronald Coase for insights about the reciprocal nature of costs and the ability of markets to internalize changes in values and circumstances that require adjustments. Anderson explains the fallacy of "the balance of nature" that is often at the core of discussions of carbon and other matters—any deviation from today is environmentally destructive and must be prevented. But nature has never been "in balance," as it is dynamic, like markets. Even Pigou recognized that a problem with asking for the state to provide solutions to problems is that special interests will intervene to distort policies (subsidized Teslas, anyone?). Anderson traces the current discussions about taxes and caps on emissions and explains how voluntary adaptation to change over time will be more economically beneficial. Regardless of the source of changes in conditions, humans are amazingly entrepreneurial in responding to evolving circumstances. Tomorrow will not, and should not, look like today.

In chapter 4, Todd J. Zywicki, once a student of Yandle's at Clemson, notes how Yandle in his lectures and writing, whether for students, members of the professoriate, or the public, consistently converses in appealing terms. Yandle weaves parables and narratives into economic stories, making analysis more accessible. He understands that few people comprehend fancy math or graphs that economists are wont to employ to dazzle the public with their genius. And, unlike most economists who would disdain the notion, Yandle knows that people are attracted by arguments that are, at base, moral. People should be appealed to in terms they can comprehend, so they can absorb the lesson. That unusual ability to converse affected Zywicki and many other students and colleagues of Bruce Yandle.

Zywicki's paper builds on Yandle's comprehension of people's vision of the world. That was best explained by Thomas Sowell in his book *A Conflict of Visions*. It undergirds arguments that we fancy to be based only on high economic analysis. Zywicki explains how Yandle employs the constrained vision of human behavior. It recognizes that self-interest at all levels affects not just private ordering but public policy decisions. Presumptions that unbiased scientific prescriptions can or will be employed to resolve public policy issues are based on an unsound understanding of human nature and policy making. Zywicki takes the analysis further by noting its relationship to work that emerges from psychology about underlying personality typing that affects all of us in how we view the world. He cites evidence that those who think scientific planning can solve social ills may be rooted in personality biases that direct one's vision of how the world works.

In chapter 5, Randy T. Simmons, a longtime colleague of Yandle at PERC, despite being a political scientist, explains that one of Yandle's papers helped him understand Ronald Coase's work on what is commonly called externalities, a term Coase avoided. Simmons applies that to the case of water, a scarce commodity in his home state of Utah and the rest of the West.

Whereas the eastern states, with generally plentiful water, used the common-law doctrine of riparian water rights, western states adopted the prior appropriation doctrine, which provides strong property rights to water. Mormon pioneers in Utah, some of the first settlers in the West, adopted that rule. Simmons explains how strong rules of property, under which trade can occur, encouraged investments in canals and other capital-intensive developments that encouraged trading in water to allow homesteaders' agriculture to flourish. While water is often considered to be a public good where it is common, in the West, where it is precious, parties freely devised efficient, voluntary devices, such as irrigation districts, to protect water for beneficial uses with little need for formal government interference.

While about half the papers in the volume apply Bruce Yandle's work related to environmental issues, focusing on property rights and the evolution of market mechanisms to resolve conflicts in that sensitive area, the remaining papers extend Yandle's work to other areas of policy analysis. Much of this relates to his most famous notion of bootleggers and Baptists—which now provides us much of the backbone for the political economy analysis of the regulatory process.

A former student of Yandle's, Sean E. Mulholland, explains, in chapter 6, the long regulatory history of something we have all noted in the past decade—the little light on the dashboard that indicates low tire pressure in at least one tire. Like many things we now take for granted, that device has a regulatory history that involves its own Baptists and bootleggers.

Worry about the consequences of improperly inflated tires goes back at least a half century, to when Ralph Nader wrote about the evils of the Chevrolet Corvair. Improper tire inflation on that vehicle exacerbated instability when cornering, especially at higher speed. Nader pressed for adoption of tire pressure monitoring systems (TPMS) decades before they were required. Nader was the leading Baptist in this episode, although his religion encompassed many other concerns, including nuclear reactors.

The bootleggers are those who see opportunity in demands for regulatory controls. By the late 1970s, the Society of Automotive Engineers, those who make their fortune by devising equipment for vehicles, noted that low-pressure warning devices were possibilities. Reliable tire pressure devices came to be available on the market for voluntary buyers, but the makers of such devices would have much larger sales if they were mandatory. Mulholland relates the history of the evolution of TPMS and the federal regulatory requirement that they be standard equipment via the TREAD Act of 2000. He then explains the cost of the mandatory TPMS. They impose a multibillion dollar a year expense and may have negative safety consequences. And, the costs of such safety requirements are born disproportionally by low-income earners.

Chapter 7 comes from one who has sat at the top of the federal regulatory pyramid. Susan E. Dudley, after time at the Environmental Protection Agency, served as director of the Office of Information and Regulatory Affairs (OIRA). She explains that her admiration for Yandle goes back to when he first espoused the Bootleggers and Baptists theory. Dudley explains that it was an important addition to George Stigler's earlier economic theory of regulation. Like Yandle, who served in the bureaucracy twice, going to Washington, DC, opened her eyes to the gritty reality of the regulatory process as she saw firsthand the environmental Baptists working to further the financial interests of certain industrial interests. The stakes are huge. In Dudley's time at OIRA, more than 60 proposed regulations annually were estimated to have costs exceeding more than $100 million a year.

Dudley relates examples of Baptists and bootleggers at work. Zealots opposed to the marketing of genetically engineered animals worked to further the interests of some firms producing such products because the stringent regulatory standard proposed would increase the difficulty for new competitors to enter the market. Similarly, tobacco companies, much despised by assorted health Baptists, work to limit entrance of new competitors into the tobacco market by supporting stringent regulatory standards. While costly new regulations increased in the Obama years, the Trump administration has seen a dramatic decline in the promulgation (a favorite word of the regulators) of such costly new regulations, which Dudley reviews.

Former Yandle student and longtime coauthor Jody W. Lipford, in chapter 8, contributes to the research on the widespread cost of regulations. Like most economists, Yandle expresses concerns about regulations that deliver more costs than benefits. In a world of special interests, where Baptists care little about the costs imposed by regulations and bootleggers welcome such costs, it is no surprise that many regulations are, in net, costly to society and a burden on the economy.

Lipford looks at the hypothesis that regulation increases income inequality. He finds empirical support for that notion. It should not be a surprise; well-heeled, organized special interests will normally triumph in Washington. They seek rules that help to feather their nests and limit competition from would-be entrepreneurs who divine new, better, and often less costly ways to deliver goods and services. Rising income inequality does not come about from "unfair" capitalism per se, but from vested interests that encourage legislators to rig the game in favor of established interests. Among the key culprits are financial regulations, occupational regulations, and land use rules. The regulatory regimes in all instances, whether federal, state, or local, are purported to protect the public against bad things, but the consequence is to protect established parties in industries, occupations, and homes.

A longtime coauthor with Bruce Yandle is Andrew P. Morriss. In chapter 9, concerning bootleggers and Baptists, Morriss recounts their work on tobacco regulation, in which the industry fared very well financially from the anti-smokers' assault on that industry. Similarly, later work on e-cigarette regulations sees the same anti-smoking crusaders helping to produce regulations that further the financial interests of the tobacco industry they presumably loathe. These are not explicit, happy alliances; the Baptists truly dislike the bootleggers, but they inadvertently help produce regulations that redound to their benefit.

Morriss also references some of their joint work on regulation of diesel engines. From the early days of automobile exhaust regulation, much desired by environmental Baptists, the industry worked to slant regulations in favor of established interests. Later regulations imposed on large diesel engine makers favored special interests and retarded innovation, the standard result of regulations often hailed by Baptists. Part of driving support for regulation is successful control of the language used. Morriss and Yandle added the word televangelist to the influence groups that may help drive public support for new regulation—those skilled at spreading a message of goodness to cloak reality. Complex rules, not well understood by the public, or even by the Baptists, are hailed as bringing new, virtuous controls on polluting actors.

Chapter 10, also on bootleggers and Baptists, comes from Yandle's grandson and coauthor, the economist Adam C. Smith. The chapter extends the model to what is popularly called Obamacare, the Affordable Care Act. That massive piece of legislation was partly the result of a large Baptist effort over many years to fulfill the desire that affordable medical care be made available to more people. Seeing the political engine moving rapidly down the track controlled by a one-party Congress under President Obama, industry forces jumped in to help craft the resulting legislation. Smith documents how, as is often the case in major regulation, there are economic winners and losers. Major hospital chains or networks emerge as the winners as firms in the industry struggle to make the best of what industry members understand to be an ever more politicized market.

In chapter 11, a longtime friend of Bruce Yandle, Dwight R. Lee, extends the Bootleggers and Baptists theory to a novel area, corporate social responsibility (CSR). Lee notes that a half century ago Milton Friedman received notoriety for his position that leadership of publicly held firms had an obligation to shareholders to maximize the value of the firm over time. It was not their duty, or even desirable, that they distribute company funds for assorted social purposes. Executives and shareholders may donate their personal earnings as they wish to favored projects, but the business of business is business. At times firms have to pay homage to certain activities as part of doing business, but corporate funds should be extended no further than necessary to assorted activities that fall under the umbrella of CSR.

Lee explains that corporations receive far more in welfare from governments than they distribute in CSR donations. Executives have learned that playing the political game is often necessary and profitable. It becomes part of their self-interest to engage in CSR activities that are hailed as virtuous. It helps to provide cover for firms that also engage in lobbying activity to receive benefits via legislation and regulation. The costs of the benefits received by the firms are widespread, the benefits are concentrated—including benefits to the shareholders of the firms who share in the largesse. Lee notes that firms ranging from ADM to Enron and organizations such as the NFL have been highly regarded for their generous contributions to assorted social activities.

Economists may fail to understand this to be a rational policy to bring various Baptists to view the firm as a wonderful entity deserving of special public treatment. However, just as the relationship between Baptists and bootleggers is often subtle and uncoordinated in the legislative process, so may it be in the case of what are classified as CSR expenditures.

Finally, we asked Bruce Yandle to wrap up the volume by including his reflections about the changes in the economics profession he has observed over many years. In chapter 12, he explains what economic education was like when he started in the early 1950s. Then he notes some of the big divisions that have existed over time—some extant, others extinct. He places his work, modestly, within the large movements in the economics discipline. Those who know Bruce understand that he is exceptionally tolerant of other views, not dismissing them out of hand. It is one reason his work affected many—we are less likely to dismiss the work of others if we respect them personally.

These chapters illustrate the impact Yandle had on students, colleagues, and professional acquaintances, as their analysis of the political economy we live in was much affected. Few men affect so many as positively as has Bruce Yandle. We and many others honor him.

CHAPTER 12
What Has Happened to Economics?
Some Thoughts on Economics and Policymakers

BRUCE YANDLE

This much-appreciated, not so well deserved, opportunity to participate in a generously supported Festschrift brings to mind Mark Twain's marvelous account of Tom Sawyer's experience when he, Huck Finn, and Joe returned home from a long-lost adventure only to find that the home folks had given them up for dead and were in the midst of conducting their funeral:

> As the service proceeded, the clergyman drew such pictures of the graces, the winning ways, and the rare promise of the lost lads that every soul there, thinking he recognized these pictures, felt a pang in remembering that he had persistently blinded himself to them always before, and had as persistently seen only faults and flaws in the poor boys. The minister related many a touching incident in the lives of the departed, too, which illustrated their sweet, generous natures, and the people could easily see, now, how noble and beautiful those episodes were, and remembered with grief that at the time they occurred they had seemed rank rascalities, well deserving of the cowhide.

> The congregation became more and more moved, as the pathetic tale went on, till at last the whole company broke down and joined the weeping mourners in a chorus of anguished sobs, the preacher himself giving way to his feelings, and crying in the pulpit. (Twain 1876, chap. 17)

It was at that point that the three missing lads, having entered the rear of the church, walked down the center aisle, much to the amazement of the preacher and everyone else in the assembled congregation. So here I am, grateful to the contributors to this volume and for the overly generous thoughts that emerged in the discussion of the drafts of the papers.

The Festschrift highlights the importance of institutions, economic incentives, regulation, and the interplay of economic agents in the nation's political economy. These concepts characterize my work and interests, so here I consider these same notions in the context of economics itself. What about economics, broadly considered? How has the subject matter changed over my career? How might we assess the process that brings new economic learning to bear on public policy? Can we find some Bootleggers/Baptists influence in the process?

In this paper, to illustrate how economics has changed, I first offer some thoughts on the content of economics I encountered as an undergraduate college student. The struggle over how economics becomes applied to public policy follows this discussion. I then share some thoughts on the production of economic knowledge and how that has been influenced by the rise of high-powered computing. This discussion is followed by a section that examines the tournament of ideas that can cause older conventional wisdom to be dislodged and perhaps replaced by newer, more robust theories. Throughout the discussion that follows, I suggest how Bootleggers/Baptists activity affects which theories—new or old—will be used politically to justify action.

EARLY ENCOUNTERS WITH ECONOMICS AND THE PRODUCTION OF IDEAS

Word about the Festschrift caused me to think about my first formal encounter with economics in 1951, when I took principles of economics at Young Harris College, a small school located in the northern Georgia mountains. I retrieved the textbook we used that semester. It was Paul F. Gemmill's *Fundamentals of Economics*, 5th ed. (New York: Harper and Brothers, 1949). The contents included strong micro coverage, lots of supply and demand, and heavy treatment of the firm. There was also a surprisingly strong discussion of monetary theory and the equation of exchange, but there were no chapters on macroeconomics and nothing on GDP and national income accounting. Remember, those measurements were first provided routinely in 1947 (Bureau of Economic Analysis 2017). There was also no discussion of public-sector economics, and nothing on antitrust, government regulation, and what might be called legal foundations that affect market transactions.

Of course, and as might be expected, Gemmill's book held no treatment of natural resources and external effects, and it contained no discussion of rent-seeking behavior. Indeed, there was hardly any comment on political economy, because, in truth and relative to now, there wasn't much political economy at the time. Not only that, there was little in the way of abstract analytical engines other than the equation of exchange, and only limited use of data that might relate to a theoretical topic. At the time, the cost of doing empirical work was extraordinarily high. After all, this was 67 years ago. The typical economist was working with a manual typewriter and a 10-key calculator. Economic debate rested heavily on anecdotes and hardheaded theoretical reasoning.

What economists do, and perhaps economics itself, changed dramatically over the intervening years for two important reasons. First, government policy making and activity, the traditional object of economic analysis, grew rapidly; the public sector itself became a larger entangled part of the economy. Second, because of the rapidly falling costs of information retrieval and data processing, economics became an empirical science. Both the scale and scope of economic research expanded.

Continuing this journey into the past, I recalled the wonderful course I had as a senior at Mercer University in 1954 when Professor Victor Heck assembled five of us students around a table to discuss Robert Heilbroner's gracefully written *The Worldly Philosophers* (New York: Simon & Schuster), just published in 1952. By the way, the book is now counted as the second most popular book in economics; Samuelson's *Principles* is number one, at least according to Wikipedia. The course was history of economic thought. The stories in the book were so inspiring that they caused me to make several rare visits to the university library to read some economic treatises. I became smitten. At least the seeds of interest were planted then; it took a while for them to germinate and blossom.

MR. KEYNES ENTERS THE DISCUSSION

Heilbroner's introduction contained a quotation from John Maynard Keynes that is often partially repeated by those who wish to flatter themselves about the importance of economic ideas. The expanded quotation, with the less familiar part shown in boldface, offers a theory of idea germination and perhaps explains why even today in 2019, when arguing about the possible harmful environmental effects of expanding industrialization, economists, more often than not, resort to recommendations based on thinking that prevailed in the 1930s. Yes, the policy proposals of A. C. Pigou still seem to hold sway (Pigou 1920).

> The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. **I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas. Not, indeed, immediately, but after a certain interval; for in the field of economic and political philosophy there are not many who are influenced by new theories after they are twenty-five or thirty years of age, so that the ideas which civil servants and politicians and even agitators apply to current events are not likely to be the newest. But, soon or late, it is ideas, not vested interests, which are dangerous for good or evil.** (Keynes 1936, 383–84, emphasis added)

Put differently, we should expect to find a lag between newly hatched theories and their acceptance in the policy-making arena. Perhaps fascinated by the development and gradual transmission of ideas, Keynes addressed the topic in the introduction to *The General Theory*: "The difficulty lies, not in the new ideas, but in escaping from the old ones, which ramify, for those brought up as most of us have been, into every corner of our minds" (Keynes 1936, vii).

We might put this yet another way: there are rents associated with the possession and use of specialized knowledge by practitioners as well as lobbyists for government favors. New theory can be rent disruptive and therefore resisted. Eventually, however, new interpretations of how the world works, if superior to the old, can break through; at least we want to think that is the case.

But there is more to story. For example, current White House occupants—and some of their economic advisers—have proven once again that what some may have thought to be obsolete and costly theories of mercantilism can rise full blown from the grave and become the basis for regulating the economy. Interestingly enough (at least to me), the fact that popular fallacies from the past can become prevalent in a future period—in spite of what bright and articulate economists might say—indicates the power of Bootleggers/Baptists forces that play through the political economy. Yes, there is a choice process at play when politicians select theoretical justifications for their actions, and some theories serve their purposes better than others.

When industry bootleggers who find protectionism to be rewarding combine effectively with Baptist nationalists who are inspired by America First slogans, discarded policy tools from the past can become the toast of the town. And let us not stop here. Bootlegger/Baptist logic helps explain outcomes for environmental policy, health care, and education, to mention just three policy topics. Even though known to be costly and less effective than market-based regulation, Bootleggers/Baptists–preferred command-and-control, technology-based regulation tends to prevail.

THE PRODUCTION OF IDEAS

Imagine a production process—an economics workshop—where scholars seek to discover and measure economic relationships. They hope to add to the stock of knowledge. To simplify, we might think of the workshop's products as reports on various aspects of the national economy and political decision-making. Researchers in the workshop produce competing papers. The technology they apply, their capital, includes machinery for retrieving knowledge and for organizing data and doing statistical modeling as well. At various times—from early to recent times—the technology applied includes books, pen and paper, chalk and blackboards, then libraries, journals, guides to literature, computers, and ultimately digital retrieval methods and instantly available statistical treatment capabilities for almost unlimited amounts of data.

As we think about the production relationship, we picture isoquants that denote levels of output associated with combinations of labor and capital. We can imagine changing relative prices of labor and capital and how capital becomes substituted for labor when the cost of using digital computing capabilities falls. In early stages, when technology is crude, researchers apply lots of labor and not so much capital. There is theory without much data and statistical modeling. With technical progress, statistical testing becomes commonplace, and as larger, seemingly almost unlimited datasets become available, substitution of capital for labor becomes so pronounced that data analysis tends to overwhelm theorizing. Meanwhile, output expands markedly and specialization flourishes.

Along these lines, we may forecast that soon, workshop scholars will be able to voice questions to smart technology and almost instantly receive highly technical answers. For example, one might ask the smart cloud's Alexa to provide a multivariate estimate of the demand for SUVs, using 20 years' cross-sectional data, taking account of price, weight of vehicle, fuel efficiency, consumer age, gender, income, educational attainment, and the price of energy and competing modes of transportation, accompanied by appropriate statistical diagnostics and treatments.

If we were to visit the research workshop today, we might find three kinds of specialized labor. There would be some idea people—theorizers and storytellers—who specify models. There would be other specialists who translate the first group's more general models into sophisticated mathematical statements that are ready for statistical testing. And there would be a third group who access big data and use the data to estimate statistical relationships. Lower-cost retrieval mechanisms and data access lead to relatively more second and third category workers and fewer storytellers and theorizers. But as the substitution occurs, the theorizers, at the margin, become more valuable. Imagine what it will feel like to be the last storyteller standing. Meanwhile, the workshop produces new ideas and empirically based research products. Whether and how those ideas are used in the policy-making process is another matter.

TRANSMITTING OUTPUT TO POLICYMAKERS

We now return to Keynes and the larger all-encompassing world economics workshop. As Keynes pointed out, there is resistance to acceptance of the flow of new economic knowledge in the marketplace for ideas. There are also political elements that influence the pace of change. The new ideas can be disruptive to expert purveyors of existing knowledge, which includes public-sector agents. Some ideas accommodate rent-seekers; others erode rents. There are differential effects. Keynes, however, did not address the extent to which data and empirical work might accelerate acceptance of disruptive ideas. Nor, as discussed earlier, did he consider how political demand for policy ideas might be affected by coalitions of interest groups that influence the political process and policy shops engaged in that process. In a way, Keynes's brief theory of idea generation was like his theory of the macroeconomy. The government sector was exogenous to the economy; it was in a box by itself, not an integral part of the whole. The theoretical and actual outcome changes when government becomes endogenous.

To illustrate these points, let us now consider a few idea tournaments where champion placeholders were dislodged or at least influenced by competitors in idea dominance.

CHAMPION AND CONTENDER TOURNAMENTS FOR ECONOMIC THEORIES

In this section, I discuss four idea tournaments where an idea champion, what might be called the conventional wisdom, was dislodged by a contender. There are others that I might mention, but these four will suffice to illustrate how I see the noted idea competition occurring. I note that when I indicate that a previously prevailing idea has been dislodged, I do not mean that the former champion disappears from the scene entirely. Quite the contrary, the former champion sticks around and may, depending on the forces of political demand and supply, which is to say Bootleggers/Baptists activity, reemerge and may again become dominant. I note that some of the tournaments that led to changed dominance were driven by empirical analysis; others rested on historical or anecdotal analysis.

Here are my four examples of champions and contenders, where the contender won the intellectual tournament but perhaps failed to win the political battle. I list the champion that was nudged away first and give the names of leading scholars involved. For most items, I note the dominant form of argument, whether theoretical, anecdotal, or empirical, and I also offer a cryptic identification of an associated shock or crisis. I leave some less identified and in doing so appeal to others for their interpretations:

1. Keynesian (Heller) versus Monetarist (Friedman) explanations of the macroeconomy (Friedman and Heller 1968). This was an empirical contest that occurred in the mid to late 1960s. Slow growth and inflation were conditions that encouraged the scholarly debate. The accumulation of large amounts of empirical work facilitated the discussion. The result: the role of money in the economy could no longer be disregarded. However, rent-seeking bankers and populist politicians place pressure on the Fed to minimize the role of money in policy making and to emphasize Keynesian ideas and regulation.
2. Normative Public Finance (Musgrave) versus Public Choice (Buchanan and Tullock).[1] This intellectual struggle also took place in the 1960s; it was

initially a theoretical and anecdotal debate, supported later by extensive empirical work. Public Choice took a positive approach when analyzing public-sector behavior as opposed to the public interest—normative—approach previously applied. High public debt and low public-sector performance put a spotlight on the problem addressed by the contender. Result: Public decision-making is now understood using the same economic logic as private decision-making. However, Bootleggers/Baptists coalitions still emphasize a public interest argument for political actions that in turn favor organized private rent-seekers.

3. Externalities (Pigou) versus Property Rights (Coase).[2] This is largely a theoretical and anecdotal debate that started in 1960 and continues to this day. The environmental saga and misinterpretations of Pigou's remedy inspired the debate. Result: institutions and incentives were seen to be important for those who wish to understand public-sector institution building. It must be emphasized that Pigou's externality theory continues to command the attention of environmentalist-Baptists and industrialist-bootleggers who both prefer the Pigovian remedy to Coase's property rights, common law, remedy.

4. Antitrust Concentration Doctrine (everyone else) versus Market Behavior Model (Demsetz and Bork).[3] This debate emerged in the 1970s and relied on theoretical, anecdotal, and empirical analyses. Growing global competition in US markets provided a market-based remedy to domestic monopolization. Threat of entry brought competitive-like behavior to firms that appeared to hold a monopoly position. Only government-sanctioned monopolies should be of concern. However, populist special interest groups who still show deep concern about bigness or what may actually be the result of earlier successful rent-seeking are joined by industrialists who prefer regulation to antitrust breakup and international antitrust actions. Bootleggers and Baptists continue to ride the antitrust trail.

These four policy tournaments may illustrate how new thinking and insights can push aside or at least influence the treatment of older and more established theories in the process of developing an improved understanding of how the world works. As noted, however, policy actions, which can be justified on the basis of theories, are driven by politics, and purposeful politicians, who like other normal people, predictably seek success and good fortune in their work. That being the case, institutional change that may be justified by newly developed theories does not occur smoothly or permanently. Indeed, it is possible for the old to become new, and the new, old. Actions taken by bootleggers/Baptists in the political arena affect public policy production.

FINAL THOUGHTS

Let us now return to Mark Twain's account of the funeral:

> There was a rustle in the gallery, which nobody noticed; a moment later the church door creaked; the minister raised his streaming eyes above his handkerchief, and stood transfixed! First one and then another pair of eyes followed the minister's, and then almost with one impulse the congregation rose and stared while the three dead boys came marching up the aisle, Tom in the lead, Joe next, and Huck, a ruin of drooping rags, sneaking sheepishly in the rear! They had been hid in the unused gallery listening to their own funeral sermon!
>
> Aunt Polly, Mary, and the Harpers threw themselves upon their restored ones, smothered them with kisses and poured out thanksgivings, while poor Huck stood abashed and uncomfortable, not knowing exactly what to do or where to hide from so many unwelcoming eyes. He wavered, and started to slink away, but Tom seized him and said: "Aunt Polly, it ain't fair. Somebody's got to be glad to see Huck." "And so they shall. I'm glad to see him, poor motherless thing!" And the loving attentions Aunt Polly lavished upon him were the one thing capable of making him more uncomfortable than he was before. Suddenly the minister shouted at the top of his voice: "Praise God from whom all blessings flow—SING!—and put your hearts in it!"
>
> And they did. Old Hundred swelled up with a triumphant burst, and while it shook the rafters Tom Sawyer the Pirate looked around upon the envying juveniles about him and confessed in his heart that this was the proudest moment of his life. (Twain 1876, chap. 17)

Yes, this Festschrift and the reunion it generated has made this one of the happiest moments in my life.

NOTES

1. I select Musgrave (1959) as representing the conventional wisdom and Buchanan and Tullock (1962) as the challenging document.
2. This contest is typically framed by referring to Pigou (1920) and to Coase (1960).
3. I oversimplify here by saying "everyone else." My point is that antirust action was triggered on the basis of relative bigness, market concentration, and this was the prevailing doctrine. Two key contenders are Demsetz (1973) and Bork (1978).

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BRUCE YANDLE is a teacher, writer, speaker, and consultant on economics and political economy. He has worked in industry, academia, and government, serving in many roles and interacting with a variety of audiences. These experiences have directly impacted his scholarship on regulation and macroeconomic policy.

Policy making is complex. It is not simply the result of high-minded reformers seeking to do good, nor is it only the pernicious influence of special interest groups seeking to exploit the power of government. Rather, it is an often odd and unintentional combination of the two. In the early 1980s, Yandle aptly named this theory of regulation "Bootleggers and Baptists" to describe how seemingly opposing forces join together in support of similar government policies.

This theory, as well as Yandle's other scholarly contributions, has inspired generations of academics and policy analysts by advancing a nuanced yet approachable analysis of regulation. This impact is magnified by his gracious, humble, and purposeful demeanor.

In honor of Yandle's 85th birthday in 2018, a gathering of colleagues and students convened to reflect on and honor his productive career and to advance research inspired by his work. This Festschrift, edited by Donald J. Boudreaux and Roger Meiners, includes original essays and reflections, drafted for and discussed at the 2018 symposium, that pay tribute to Yandle, a scholar of unusual ability as a teacher and researcher. The volume concludes with an essay by Yandle himself, looking back on his career and the state of economics and policy making today and issuing a call to action for the next generation of scholars and teachers in political economy.

The Legacy of Bruce Yandle should be of interest to anyone inspired by Yandle's research as well as students, scholars, and policymakers interested in the real-world application of economic analysis to regulation and other policies.

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