

The Move to Fairfax

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When, in December 1981, Jim Buchanan first mentioned to me that he might be interested in moving to GMU, I thought he was joking. Since we were at a cocktail party at the AEA meetings, it was not unlikely that we were just engaging in idle cocktail party chatter. I couldn't imagine that Jim could seriously contemplate moving to such an undistinguished University as we were then. GMU was new, only having achieved University status in 1972, it was poorly funded and so out of favor with the State Council of Higher Education that we were unlikely to get richer from state subsidies, its faculty was not exactly at the forefront of academic research, teaching loads were four courses a semester, and University service was almost as important a category for faculty evaluation as published research. The economics department, from my estimation, was a notch above the rest of the university, or at least we had aspirations to be so. Nevertheless, we were bottom heavy in newly minted PH.D.'S. Only a handful of faculty were actively publishing in academic journals. On the other hand, those of us who did strive to be research economists were all sympathetic to either the public choice agenda or to Jim's subjectivist side. It may have been this obvious sympathy that led Jim to think GMU might be a place to relocate the PCC, or maybe he really was just chit chatting as in, things are so bad at Virginia Tech that we might even consider moving to a place like GMU!

Whether Jim had been serious or not, after discussing his comment with a few colleagues, we decided to take him seriously, and I was sent to Blacksburg to sell our school and our program. After what I have said about the university, you might wonder what I had to sell. Apparently, Jim's beef was that the economics department at VPI was getting too conventional and hiring too many people trained in mathematics but with little appreciation of economic reasoning. Jim's advice to academics was always "Dare to be different," and in his opinion, Virginia Tech was falling woefully short. Worse, it had an administration that backed up the department chairman in his striving to make the economics department more conventional. Hence, my pitch to him was basically this: GMU is young, the economics department will have a brand new Ph.D. program to structure, and there are no entrenched interest groups to oppose the Public Choice agenda. Indeed, the department already had faculty mostly eager to embrace it and Jim in particular. In sum, the Center would be a very big fish in a very little pond, and they could pretty much run the place as they so chose. Those arguments seemed to resonate with Jim, because after much negotiations back and forth, a memorandum of understanding between Jim and our president, George Johnson was signed in May of 1982 stating the terms under which the entire public choice center including seven faculty members would relocate to Fairfax.

In looking back at the improbable circumstances of the move to Fairfax, it occurs to me that GMU was not quite so preposterous a choice for Jim as I originally imagined. I think Jim was genuinely intrigued by the prospect of putting his stamp on a young and growing department. Furthermore, Jim liked the fact that we already had a Center for the Study of Market Processes that was interested in pursuing the Austrian agenda.

Jim liked the Austrians (at least the relatively non-dogmatic ones as we viewed ourselves) because they were interested in ideas rather than mathematics. He was, after all the author of *Cost and Choice* and "What Should Economists Do?" So, as young as we may have been, there were existing faculty who valued both aspects of his research agenda. And finally, because we were growing, we were able to create room for seven faculty at once - a thirty per cent increase in the size of our department in one fell swoop. The set of school to which Jim would have been willing to move and which would take all seven faculty at once was probably smaller than I realized at the time.

It is not clear that in August 1983 when the center arrived in force to take up residence in George's Hall that Jim was altogether please with his decision to move. The potential was great, but the actual experience of GMU was something of a major culture shock to people used to a more established institution. His first shock came when he learned that the library did not own about three quarters of the books that he wanted to assign to his first class. We existing faculty were used to dealing with a library with few books, a low budget and a cumbersome acquisitions process, but Jim, understandable, was outraged. One could feel him wondering what he had gotten himself into. Further, the renovations to George's Hall were not complete by move-in time (again, a circumstances we GMU veterans would have expected but he did not) making settling in difficult, and the renovations themselves were shoddy. I'll never forget the morning shortly after the semester started when I stopped by Jim's office to see how things were going only to find him sitting in the midst of a pile of books all over the floor. The bookshelves that had recently been bolted to his wall had collapsed under the weight of his books leaving him in the middle of the mess and canceling out

most of a day's unpacking. As he sat there with a look of despair on his face, he calmly informed me that had he been a few feet closer to the wall he could have been killed!

Welcome to GMU.

Eventually, Jim came to terms with GMU's limitations and settled in to be a vital part of the program. (At one meeting of the PCC faculty, he put the situation thus: We have to remember that we are now in a poor university so we have to be self sufficient and not rely on the administration for anything. From what I can gather, this is still good advice here at GMU thirty years later.)

I don't know if Jim ultimately thought he made a good decision coming to GMU; I certainly hope he did. He definitely got the enthusiastic support of the department and the administration that had been my main selling point. He also was to remark that he found our students to be particularly interesting. After winning the Nobel prize he was treated like resident royalty which, despite his disclaimers to the contrary, he seemed to relish. However, there is no doubt in my mind that whatever benefits Jim enjoyed here at GMU, it was the university that got the better of the deal. Clearly, the economics department was the big winner. Almost overnight it was catapulted into the limelight. Before the coming of the Public Choice Center, people would say to me "So where are you again, George Washington University?" Too frequently, our mail went there as well. Because of the PCC, overnight we went from a total unknown to a ranked Ph.D program which, among other salutary effect, enabled our students to actually get jobs. Our total faculty publication rate zoomed qualifying us to score respectably in the SEJ ranking of academic departments. The administration, for a time, loved us. But more to the point, our intellectual life zoomed even more. Jim brought with him not only

accomplished faculty, but an environment of intellectual curiosity and excitement. In addition to our already existing Market Process Center colloquium, we now had the PCC weekly seminar which engaged us with cutting edge research that often went beyond public choice. There was a visitor's program that brought scholars from around the world to interact with us. At one point Jim worried that we weren't working hard enough, so he instituted a weekly in-house brown bag lunch seminar to give us the opportunity to present papers-in-progress and critique each others' work. The highlight for me personally, though, were the week long summer Liberty Fund Conferences which brought academics from different disciplines to engage in in-depth discussion of new and often provocative ideas - in other words, pretty much whatever Jim found new and interesting. Indeed, we were all of a sudden enjoying more intellectual stimulation than most of us could handle!

The university as a whole, obviously, gained recognition from the Center and from Jim's Nobel Prize. (Perhaps almost as much recognition as having our basketball team make the final four!) But I suspect that bringing the center to GMU had an even greater impact than we normally realize, that it provided our then president, George Johnson, with a template on how to grow the university. George Johnson had great aspirations for George Mason University and, as I emphasized, very little budget to accomplish his goals. Hiring the Public Choice Center with its seven high priced faculty (high priced for GMU. I'm not sure the Public Choice faculty thought of themselves in that light) meant that a big chunk of the university personnel budget would be absorbed by one department at the expense of all other academic departments. George Johnson was gambling that bringing an established group of scholars all at once would provide a

core of excellence that would have great spill-over effects on the rest of the University. While in retrospect, his reasoning now seems obvious, at the time it was a gamble. Fortunately, it was a gamble that paid off handsomely. In fact, George was so pleased with the impact of bringing seven established faculty to the economics department that he soon repeated the experiment by bringing Andy Sage and a group from UVA to form the new school of information technology. Further, when the school received its first major gift from the Robinson family, George strove to create another core group in the Robinson Professors to spark interdisciplinary excellence in the university. It should also be mentioned that Jim's influence also helped bring Henry Manne to head up the newly acquired law school.

Recognition feeds on itself, and the recognition Jim brought to our unknown institution was the catalyst for much of the subsequent explosion of growth both in size and in prestige. George Mason University has come a long way from those humble days of relative obscurity. I have no doubt that in any case it would have flourished, but to have done so so quickly and to such good result must surely be largely because Jim Buchanan was willing to take a gamble on an obscure but promising university.