

Summer Reading Program, 2013
Schedule and Reading Plan
Organized by John Garen

The reading program will begin meeting Tuesday, June 11 at 3:00 to 4:30 pm in BE 324. We will meet for 7 consecutive Tuesdays at that time and place. The last meeting will be Tuesday, July 23.

As noted in my previous email in this regard, the readings/discussions are to give people a sense of the confluence of economic thought, economic history, and economic policy.

Many of the readings are from Lawrence H. White, *The Clash of Economic Ideas: The Great Policy Debates and Experiments of the Last Hundred Years*, Cambridge University Press, 2012. The book discusses many of the important debates in economic thought over the 20th century and how it has played out in history and policy. I have ordered copies of the book and it will be provided free of charge to participants. Pdfs of other readings also will be provided.

Refreshments (e.g, soft drinks, snacks, munchies, pizza) also will be provided at each of our meetings.

I have selected readings to supplement the White book. Some are complementary to the White chapters, and some are on additional, but broadly related, topics.

Below is the initial plan. We will revise as needed, depending on the progress of discussion and participant interests.

June 11

Book and Related Readings

White, "Introduction" and Ch. 1, "The Turn Away From Laissez Faire."

Keynes, John Maynard, "The End of Laissez Faire," Hogarth Press, 1926,
<http://www.panarchy.org/keynes/laissezfaire.1926.html>

Supplemental Readings: Economic Analysis and the Nature of Humans

Sowell, Thomas, *A Conflict of Visions*, New York: Basic Books, 2007, Ch. 1, "The Role of Visions," pgs. 3-8, and Ch. 2, "Constrained and Unconstrained Visions," pgs. 9-35.

Smith, Adam, *The Theory of Moral Sentiments*, 1759, sections from pt. I, sect. I, ch. I, Of Sympathy; pt. I, sect. 1, ch. II, Of the Pleasure of Mutual Sympathy; pt. I, sect. I, ch. III, Of the Manner . . . ; pt. II, sect. II, ch. II, Of the Sense of Justice, of Remorse, . . . ; pt. III, ch. III, Of the Influence and Authority of Conscience, and pt. VI, sect. II, ch. II, "Of the order in which Societies are Recommended in our Beneficence."

(A different perspective from Smith's is Godwin, William, *An Enquiry Concerning Political Justice*, 1793, Volume I, Chapter III, "The Moral Character of Men Originate in Their Perceptions." Supplied upon request.)

June 18

Book and Related Readings

White, Ch. 3, “The Bolshevik Revolution and the Socialist Calculation Debate.”

Hayek, Friedrich, “The Use of Knowledge in Society,” *American Economic Review*, 35(4), September 1945.

Supplemental Readings: More on Economic Analysis and the Nature of Humans

Jensen, Michael and Meckling, William, “The Nature of Man,” in Jensen, Michael, *Foundations of Organizational Strategy*, Cambridge, Mass.: Harvard University Press, 1998, pp. 11-38.

Hayek, Friedrich, *The Fatal Conceit*, Chicago: The University of Chicago Press, Ch. 1, “Between Instinct and Reason,” pgs. 11-28.

June 25

Book and Related Readings

White, Ch. 4, “The New Deal and Institutional Economics” and Ch. 5, “The Great Depression and Keynes’ General Theory.”

Tugwell, Rexford, *The Battle for Democracy*, New York: Columbia University Press, 1935, Ch. I, “Design for Government” and Ch. II, “The Senior Partner.”

Supplemental Readings

To be determined.

July 2

Book and Related Readings

White, Ch. 7, “Postwar British Socialism and the Fabian Society.”

Supplemental Readings: Some Marxism

Magee, Bryan, “Marx: History Tries to Become a Science,” *The Story of Philosophy*, New York: Dorling Kindersley, 2001.

Marx, Karl and Engels, Friedrich, sections from *The Manifesto of the Communist Party*, 1848, reprinted in Cohen, Carl (ed.), *Communism, Fascism, and Democracy*, 2nd Edition, New York: Random House, 1972.

July 9

Book and Related Readings

White, Ch. 9, “The Postwar German ‘Wonder Economy’ and Ordoliberalism” and Ch. 10, “Indian Planning and Development Economics.”

Friedman, Milton, “A Memorandum to the Government of India,” 1955,

<http://www.docseek.net/mwhhvr/a-memorandum-to-the-goi-1955-milton-friedman.html>.

Supplemental Readings: The Foundations of Trade and Markets

Smith, Adam, *The Wealth of Nations*, New York: The Modern Library, 1937 (1776): Book I, Ch. I, “Of the Division of Labour,” pgs. 3-12; Book I, Ch. II, “Of the Principle Which Gives Occasion to the Division of Labour,” pgs. 13-16; Book IV, Ch. II, “Of Restraints Upon the Importation From Foreign Countries . . .,” pgs. 420-424.

July 16

Book and Related Readings

White, Ch. 13, “The Growth of Government: Public Goods and Public Choice.”

Gwartney, James and Wagner, Richard, “The Public Choice Revolution,” *The Intercollegiate Review*, Spring 1988.

Supplemental Readings: Trade, Institutions, and Historical Growth²

Ridley, Matt, *The Rational Optimist*, New York: HarperCollins, 2010, Ch. 1, “A Better Today: The Unprecedented Present.”

(For a more date intense, technical discussion of world historical growth, see Maddison, Angus, “The West and the Rest in the World Economy: 1000 – 2030,” *World Economics*, 9(4), October – December 2008, http://www.relooney.fatcow.com/00_New_2733.pdf.)

Rosenberg, Nathan and Birdzell, L.E., *How the West Grew Rich*, Basic Books, 1986:

Introduction, pgs. 3-36 and;

Ch. 4, “The Evolution of Institutions Favorable to Commerce,” pgs.113-143.

Acemoglu, Daron and Robinson, James, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, New York: Crown Publishing Group, 2012, Ch. 1, “So Close and Yet So Different.”

July 23

Book and Related Readings

White, Ch. 15, “From Pleasant Deficit Spending to Unpleasant Sovereign Debt Crisis.”

Supplemental Readings: More on Trade, Institutions, and Growth . . . and Culture

McCloskey, Deirdre, *Bourgeois Dignity: What Economics Can't Explain the Modern World*, Chicago: University of Chicago Press, 2010. preface and Ch. 1, “The Modern World Was an Economic Tide, But Did Not Have Economic Causes.”

Bowles, Samuel, “Machiavelli’s Mistake: Why Good Law Are No Substitute For Good Citizens,” 2010 (summary).

Brooks, Arthur, *The Road to Freedom*, New York: Basic Books, 2012, Ch. 2, “A System That Allows Us To Earn Our Success,” pp. 19-41.

(There is a large and growing literature on institutions, culture, and growth. Here’s just a few:

Hall, Robert and Jones, Charles, "The Productivity of Nations," NBER Working Paper #5812, November 1996, http://www.nber.org/papers/w5812.pdf?new_window=1.

Gwartney, James; Holcombe, Randall; and Lawson, Robert, "The Scope of Government and the Wealth of Nations," *Cato Journal*, 18(2), Fall 1998, <http://www.cato.org/sites/cato.org/files/serials/files/cato-journal/1998/11/cj18n2-1.pdf>

Fukuyama, Francis, "Social Capital and Civil Society," IMF Working Paper WP/00/74, April 2000.

Greif, Avner and Tabellini, Guido, "Cultural and Institutional Bifurcation: China and Europe Compared," *American Economic Review, Papers & Proceedings*, May 2010.)

Other Possible Topics to Discuss, Time Permitting

Legal Underpinnings of Markets

Yandle, Bruce, *Common Sense and Common Law for the Environment*, New York: Rowan & Littlefield, 1997, Ch. 4, "Common Law Protection of Environmental Rights," pgs. 87-118.

Barnett, Randy, *Contracts: The Oxford Introduction the U.S. Law*, New York: Oxford University Press, 2010, Ch. 4, "Enforceability," pp. 127-147.

Debates on Behavioral Economics and Policy

Cass Sustein, et. al. and their critics.

Political Philosophy and Economics

Locke, John, "Of Property and Government", sections from *Second Treatise of Government*, 1690, reprinted in Boaz, David (ed.), *The Libertarian Reader*, New York: The Free Press, 1997.

Mill, John Stuart, *On Liberty*, 1859, Ch. I, Introduction and Ch. IV, "Of the Limits to the Authority of Society Over the Individual."

Rousseau, Jean Jacques, sections from *On the Social Contract*, 1762, reprinted in Cohen, Carl (ed.), *Communism, Fascism, and Democracy*, 2nd Edition, New York: Random House, 1972.

Owen, Robert, "An Address from the Association of All Classes of All Nations to the Governments and People of All Nations," 1837, reprinted in Cohen, Carl (ed.), *Communism, Fascism, and Democracy*, 2nd Edition, New York: Random House, 1972.

Mussolini, Benito, selected writings, Ch. 28, "Fascism: Doctrine and Institutions," from Love, Nancy (ed.), *Dogmas and Dreams: A Reader in Modern Political Ideologies*, New York: Chatham House, 1998.

Hayek, Friedrich, *The Road to Serfdom* (abridged), 1945
<http://www.iea.org.uk/sites/default/files/publications/files/upldbook351pdf.pdf>.

Markets and Morality

Heyne, Paul, *Are Economists Basically Immoral?*, Indianapolis, Indiana: Liberty Fund, 2008, Ch. 9, "The Concept of Economic Justice in Religious Discussion," pgs. 151-170.