

Economics 265: Readings in Twentieth Century Political Economy
Professor McMahon
Spring 2006

Course description: Some of the most interesting and important political economists and social critics of the twentieth century focused on the relationship between economic institutions and individual liberty. This course involves extensive reading and discussion of the works by and about such authors as Ludwig von Mises, Friedrich Hayek, Milton Friedman, Thomas Sowell, Joseph Schumpeter, and Ayn Rand. At the end of the course, students should have clarified their understanding of the issues that concerned these authors and their own position on these issues as well as the positions taken by the authors on these issues.

It is my hope that you will learn as much from our readings and discussions about economics and liberty as I expect to. Your cooperation in this endeavor will play a large part in determining your grade: you will need to show up at every class on time and fully prepared to engage in informed discussion. If we are all to gain from this experience, it is absolutely necessary to do the readings, to devote plenty of time to thinking about the readings and preparing the weekly papers, and to participate fully in class.

Readings: Preliminary reading assignments are indicated below. Since there will be heavy reliance on student participation, you need to have read and thought about the material before class. If you do not do so, you will cheat yourself and your classmates. In addition to these readings, there will also be assignments to read articles and/or excerpts handed out in class, on reserve in the library, on the fileserver, or accessible through the internet.

The required texts include:

- F. A. Hayek, *The Road to Serfdom*, Univ. of Chicago, ISBN 0-226-32061-8 (50th anniversary edition)
- F. A. Hayek, *The Constitution of Liberty*, Univ. of Chicago, ISBN 0-226-32084-7
- Henry Hazlitt, *Economics in One Lesson*, Laissez Faire Books, ISBN 0-930073-19-3 (50th anniversary edition)
- Milton Friedman, *Capitalism and Freedom*, Univ. of Chicago, ISBN 0-226-26421-1 (40th anniversary edition)
- Ayn Rand, *Atlas Shrugged*, Plume, ISBN 0-452-01187-6
- Joseph A. Schumpeter, *Capitalism, Socialism and Democracy*, Harper Perennial, ISBN 0-061-33008-6
- Thomas Sowell, *A Conflict of Visions*, Basic Books, ISBN 0-465-08142-8
- Thomas Sowell, *A Personal Odyssey*, Free Press, ISBN 0-684-86465-7

It is also required that you subscribe to, and read, two daily emails, one from the Foundation for Economic Education (FEE) and the other from the Mises Foundation (Mises). To subscribe to the FEE newsletter (FEE—In brief) go to <http://www.fee.org/newsletter/>. To subscribe to the Mises news letter, go to <http://www.mises.org/content/elist.asp>, and subscribe to the Mises Daily Article. You will be pleased with the monetary cost of these subscriptions: there is none. More will be said about these subscriptions at our first meeting.

In addition to the required texts and newsletters, I encourage you to read and use *Instant Access: The Pocket Handbook for Writers* by Michael L. Keene & Katherine H. Adams, for help with the papers you write in this class. It is impossible to separate form and content; if there are errors in form, the content will inevitably be adversely affected, as will your grade on the paper. My recommendation is that you review pages 130 – 298 immediately and then consult *Instant Access* frequently while writing the assigned papers.

Class performance and papers: “Although it’s been said many times, many ways,” here’s one more: In this class, we will rely on discussion and presentations by the students as well as the instructor, with heaviest emphasis on student participation. You are, of course, expected to attend and make a positive contribution to every class session. If you miss one class, the best grade you can hope for in class performance is a “C,” unless you have a compelling reason for missing. I will be the sole judge of whether or not your excuse qualifies as a compelling reason, and very few will. You are responsible for all material covered, announcements, assignments, and changes in assignments made in class whether you are present or not. If you miss a second class you will receive a grade of “F” in the course.

You will have weekly writing assignments to be turned in to me as Word documents (using 12 point Times New Roman type with double spacing and one inch margins on all sides) attached to emails that I must receive no later than 9:00 AM on the days we meet. Since I simply will not accept papers received after 9:00 AM (yes, that includes 9:01 and everything after), regardless of reasons, you would be wise to complete the paper and submit it well before the deadline. If you turn in one weekly paper late, the best grade you can hope for on the weekly papers is a “C,” unless you have a compelling reason for missing. I will be the sole judge of whether or not your excuse qualifies as a compelling reason, and very few will. If you turn a second paper in late, you will receive a grade of “F” in the course.

Your weekly papers are to include a brief summary of and reaction to the author’s work. Your papers should be long enough to say what needs to be said but not one word longer. Your writing must be clear, coherent, and free of errors in sentence structure, spelling, punctuation, etc. In an appendix to the paper entitled “Points for clarification and discussion,” list the points you would like to clarify and the points you would like to discuss in class that day.

Instead of a final exam, you will write a paper to turn in on the day and at the time the final exam is scheduled for our class. We will discuss the exact nature of this paper closer to the time it is due.

Additional information

1. You are expected to abide by the Honor Code which covers all work submitted for a grade, and all reasons given for missing classes or deadlines. Violations will not be tolerated.
2. In determining your grade for the semester, I will compute a weighted arithmetic mean of your grades for class performance, weekly papers, and the final paper. The weights assigned will be 1/3 each. However, pay special attention to the remarks above regarding missed classes and late papers.

3. There will be times I want to contact you through electronic mail, and you need to begin reading your email daily. I will use e-mail when necessary to make or change assignments and to provide other information that you need. You are responsible for all information sent to the class by email. My email address is mcmahon@rhodes.edu.

4. I want to be available to meet with you on an individual basis as often as you need me to do so. I expect to be in my office (Buckman 331, ext. 3738) at the following times:

Tuesday and Thursday, 1:00 PM to 3:00 PM

If we cannot get together during my regular office hours, I will be glad to make an appointment to meet with you at another, mutually acceptable, time. Please feel free to call me at home before 9:00 PM if need be. My home phone number is 327-5219.

Assignments

January 11

Robert LeFevre, "The Nature of Man and His Government."

January 18

Thomas Sowell, *A Personal Odyssey*.

Ayn Rand, *Atlas Shrugged*, pages ix – 43.

January 25

Joseph Schumpeter, *Capitalism, Socialism and Democracy*, pages xii – 58, 303 – 406.

Ayn Rand, *Atlas Shrugged*, pages 44 - 88.

February 1

Henry Hazlitt, *Economics in One Lesson*.

Ayn Rand, *Atlas Shrugged*, pages 89 – 216.

February 8

F. A. Hayek, *The Road to Serfdom*.

Ayn Rand, *Atlas Shrugged*, pages 217 – 252.

February 15

Milton Friedman, *Capitalism and Freedom*.

Ayn Rand, *Atlas Shrugged*, pages 253 – 336.

February 22

F. A. Hayek, *The Constitution of Liberty*, pages v – 130.

Ayn Rand, *Atlas Shrugged*, pages 337 – 422.

March 1

F. A. Hayek, *The Constitution of Liberty*, pages 131 – 249.

Ayn Rand, *Atlas Shrugged*, pages 423 – 531.

March 8

F. A. Hayek, *The Constitution of Liberty*, pages 251 – 411.

Ayn Rand, *Atlas Shrugged*, pages 532 – 607.

March 15

No class—spring recess

March 22

Joseph Schumpeter, *Capitalism, Socialism and Democracy*, pages ix – xii, 61 – 302, 409 – 425.

Ayn Rand, *Atlas Shrugged*, pages 608 – 653.

March 29

Ludwig von Mises, *Two Essays*. (Will be made available in class.)

Ayn Rand, *Atlas Shrugged*, pages 654 – 815.

April 5

Thomas Sowell, *A Conflict of Visions*.

Ayn Rand, *Atlas Shrugged*, pages 816 – 863.

April 12

To meet or not to meet, that is the question.

April 19

Ayn Rand, *Atlas Shrugged*, pages 864 – 1168.

April 26

Time for reflection.