

# Principles of Economics, Economics 11

## Santa Clara University, Fall 2002, Professor Daniel Klein

### Contents of Course Packet

Readings 1-25 follow the sequence for the course lectures.

1. Robert Higgs, "The Myth of War Prosperity," *Liberty* magazine, March 1991, pp. 23f.
2. Dwight R. Lee, "Costs Should Be Revealed, Not Concealed," *The Freeman*, May 1999, pp. 42-43.
3. Adam Smith on the "invisible hand," from *The Wealth of Nations* (1776).
4. Adam Smith on spontaneous order and the woollen coat, from *The Wealth of Nations*.
5. Robert Higgs, "Results of a Fifty-Year Experiment in Political Economy," *The Independent Review*, V(1), Summer 2000, p. 153.
6. Bryan T. Johnson and Thomas P. Sheehy, "Economic Development and Economic Freedom," *The Revolution in Development Economics* (Cato Institute 1998), pp. 289-99.
7. John Tierney, "Betting the Planet," (the Ehlich-Simon bet), *New York Times Magazine*, December 2, 1990, pp. 52ff.
8. Adam Smith on the division of labor (in the pin factory), from *The Wealth of Nations*.
9. Daniel Klein, "Transaction Costs: Contributions of Ronald Coase, 1991 Nobel Laureate in Economics," *Econ Update*, published by the Knowledge Network Foundation, November 1991, pp. 8-9.
10. Thomas W. Hazlett, "Hostage Rescue: Another Reason to Liberate the Schools," *Reason*, July 1999, p. 66.
11. C.D. Peterson, "Franchises: An Introduction to Turnkey Entrepreneurship," Chap. 15 in *On Your Own: Discovering Your New Life and Career Beyond the Corporation* (New York: John Wiley & Sons, 1997), pp. 243-49.
12. Daniel B. Klein, "How Trust Is Achieved in Free Markets," *Issues in Ethics*, Markkula Ethics Center, Santa Clara University, Summer 1997, pp. 6-9.
13. Letter from Kenneth Walker, President of Meineke, to Daniel Klein, April 22, 1999.
14. Daniel B. Klein, "Discovery and Economic Freedom," *The Freeman*, September 1997, 532-537.
15. Linda Gorman, "Minimum Wages," *The Fortune Encyclopedia of Economics*, pp. 499-503.

16. Walter Block, "Rent Control," *The Fortune Encyclopedia of Economics*, pp. 421-425.
17. David Boaz, "The Consequences of Prohibition," in *The Crisis of Drug Prohibition*, edited by David Boaz (Washington: Cato Institute, 1990), pp. 1-8.
18. S. David Young, "Occupational Licensing," *The Fortune Encyclopedia of Economics*, pp. 409-413.
19. Virginia I. Postrel, "Hair-Raising Laws," *Reason* magazine, April 1997, p. 15.
20. Kelly Barron, "Illegal Builders New Plague for Laguna Beach," *Orange County Register*, November 17, 1993, two pages.
21. Robert Higgs, "A Carnival of Taxation," *The Independent Review*, Winter 1999, 433-40.
22. Garret Hardin, "The Tragedy of the Commons," *The Fortune Encyclopedia of Economics*, pp. 88-91.
23. Paul Heyne, Peter J. Boettke, David L. Prychitko, pp. 281-287 on "The Distribution of Income," from *The Economic Way of Thinking*, 10<sup>th</sup> ed. (Upper Saddle River, NJ: Prentice Hall, 2003).
24. Jeffrey Friedman, "Public Ignorance and Democracy," *Cato Policy Report*, July/August 1999, pp. 1, 10-12.
25. Donald Boudreaux, "Losing Touch," *The Freeman*, June 1994, pp. 297-99.

**Readings 26-30 are articles that are assigned for a colloquium but not for the course lectures.**

26. Jeffrey Tucker, "Notes from the Underground: America's Sprawling Informal Economy," *Policy Review*, Heritage Foundation, Summer 1993, pp. 76-79. NOTE: the Higgs reading is also required for this colloquium.
27. John Tierney, "What a Waste: Recycling is Garbage," *New York Times Magazine*, June 30, 1996, pp. 23f. NOTE: The earlier Tierney reading is also required for this colloquium.
28. Milton & Rose Friedman, "A Voucher Plan for Elementary and Secondary Schooling," in *Free to Choose: A Personal Statement* (New York: Harcourt Brace Jovanovich, 1980), pp. 150-160.
29. National Center for Policy Analysis, "Hidden Demand for School Choice," *Daily Policy Digest*, Aug. 28, 2001.
30. ABCNews, "Supreme Court Oks Vouchers," June 27, 2002.
31. Daniel B. Klein, "Fencing the Airshed: Using Remote Sensing to Police Auto Emissions," abridged version of Chapter 5 of *The Half-Life of Policy Rationales: How New Technology*

*Affects Old Policy Issues*, F. E. Foldvary and D. B. Klein, eds. (New York University Press, 2003).