

THE SYLLABUS FOR THE PROGRAM

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UNIT 1. INTRODUCTION

Procapitalist Economic Thought, Past and Present

Pseudoeconomic Thought

Marshallian Neoclassical Economics: The Monopoly Doctrine and Keynesianism

Mathematical Economics

Overview of *Capitalism: A Treatise on Economics*

READINGS/LECTURES

Reisman, *Capitalism*, pp. 1–12

Ludwig von Mises, *The Historical Setting of the Austrian School of Economics*

Ludwig von Mises, *Planning for Freedom*, 4th ed., pp. 224–280

Adam Smith, *The Wealth of Nations*, Book 4, Chapters 1–8, on the mercantilists, and Chapter 9, on the physiocrats.

Eugen von Böhm-Bawerk, *Capital and Interest*, Huncke and Sennholz translation, Vol. 1, *History and Critique of Interest Theories*

A history of economic thought text, simply to learn which authors came when and, very roughly, what they said. Two possible choices, neither of which can be recommended strongly, are: Frank A. Neff, *Economic Doctrines*, 2d ed., and Eduard Heimann, *History of Economic Doctrines* (New York: Oxford University Press, 1964).

UNIT 2. ECONOMICS AND CAPITALISM

THE NATURE AND IMPORTANCE OF ECONOMICS

Economics, the Division of Labor, and the Survival of Material Civilization

Further Major Applications of Economics

Solving Politico-Economic Problems

Understanding History

Implications for Ethics and Personal Understanding

Economics and Business

Economics and the Defense of Individual Rights

CAPITALISM

The Philosophical Foundations of Capitalism and Economic Activity

Capitalism and Freedom

Freedom and Government

Freedom as the Foundation of Security

The Indivisibility of Economic and Political Freedom

The Rational Versus the Anarchic Concept of Freedom

The Decline of Freedom in the United States

The Growth of Corruption as the Result of the Decline of Freedom

Capitalism and the Origin of Economic Institutions

Capitalism and the Economic History of the United States

Why Economics and Capitalism Are Controversial

The Assault on Economic Activity and Capitalism

The Prevailing Prescientific Worldview in the Realm of Economics

Economics Versus Unscientific Personal Observations

GEORGE REISMAN'S PROGRAM OF SELF-EDUCATION IN THE
ECONOMIC THEORY AND POLITICAL PHILOSOPHY OF CAPITALISM

Economics Versus Altruism

Economics Versus Irrational Self-Interest

Economics Versus Irrationalism

Economics and Capitalism: Science and Value

READINGS/LECTURES

Reisman, *Capitalism*, pp. 15–38

Lecture: Reisman, “The Nature and Value of Economics” on disk 1 of “Lectures and Speeches on Economics and Politics”

Ludwig von Mises, *Human Action*, pp. 1-10, 279–287, 734–736, 862-885

Ludwig von Mises, *Socialism*, pp. 395-403, 452-453

Ludwig von Mises, “Economic Teaching at the Universities,” in *Planning for Freedom*, pp. 161–172

Ludwig von Mises, *The Anticapitalistic Mentality*

Ludwig von Mises, *Epistemological Problems of Economics*, pp. 27–30, 99–102 in the Van Nostrand edition, 28-32 and 107-111 in the 3rd edition, published by the Mises Institute.

For a firsthand glimpse of what the United States started out to be and for most of its history substantially was: “The Declaration of Independence” and “The Constitution and Bill of Rights of the United States”

For learning the essential meaning and application of America’s founding documents: Ayn Rand, “Man’s Rights,” “Collectivized Rights,” “The Nature of Government,” and “Government Financing in a Free Society” in Ayn Rand, ed., *The Virtue of Selfishness*

For an indication of the previous judicial protection of economic freedom and its subsequent loss: Bernard Siegan, *Economic Liberties and the Constitution*, Chapters 1 and 2

For the essential moral/political meaning of government economic intervention: Frederic Bastiat, *The Law*

For the essential character of modern intellectual history: Ayn Rand, *For the New Intellectual*, title essay

For a knowledge of what can and cannot be changed: Ayn Rand, “The Metaphysical Versus the Man-Made” in

Ayn Rand, *Philosophy: Who Needs It*

Ayn Rand, “Faith and Force: The Destroyers of the Modern World” and “Censorship: Local and Express” in

Ayn Rand, *Philosophy: Who Needs It*

Ayn Rand, “The Age of Envy” in Ayn Rand, ed., *The New Left: The Anti-Industrial Revolution*

For the whole of the underlying philosophy of capitalism, in the form of the world’s most exciting plot novel:

Ayn Rand, *Atlas Shrugged*

UNIT 3. WEALTH AND ITS ROLE IN HUMAN LIFE

Wealth and Goods

Economics and Wealth

The Limitless Need and Desire for Wealth

Human Reason and the Scope and Perfectibility of Need Satisfaction

Progress and Happiness

The Objectivity of Economic Progress: A Critique of the Doctrines of Cultural Relativism and Conspicuous Consumption

The Objective Value of a Division-of-Labor, Capitalist Society

The Law of Diminishing Marginal Utility and the Limitless Need for Wealth

Applications of the Law of Diminishing Marginal Utility

Resolution of the Value Paradox

Determination of Value by Cost of Production

Determination of Consumer Spending Patterns

Say’s Law

“Scarcity” and the Transformation of Its Nature Under Capitalism

Time Preference and the Scarcity of Capital

The Foundations of Time Preference

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The Scarcity of Capital
A Word on Capital Accumulation and the Rate of Return
Time Preference, Rationality, and Freedom

Wealth and Labor

The Scarcity of Labor and Its Ineradicability

READINGS/LECTURES

Reisman, *Capitalism*, pp. 39–62

Lecture: Reisman, “Wealth, Natural Resources, and the Environment and the Political Concept of Monopoly,”
Lecture 1

Lecture: Reisman, “Education and the Racist Road to Barbarism,” on disk 1 of “Lectures and Speeches on Economics and Politics”

Ludwig von Mises, *Human Action*, pp. 11–142

Ayn Rand, “What Is Capitalism?” in Ayn Rand, ed., *Capitalism: The Unknown Ideal*

On the subject of marginal utility, including its relationship to cost of production: Eugen von Böhm-Bawerk, *Capital and Interest*, Vol. 2, Book 3, pp. 121–183; “The Ultimate Standard of Value” in *Shorter Classics of Böhm-Bawerk*; Carl Menger, *Principles of Economics*.

More on the subject of time preference: Böhm-Bawerk, *Capital and Interest*, Vol. 2, pp. 259–273

UNIT 4. NATURAL RESOURCES AND THE ENVIRONMENT

NATURAL RESOURCES

The Limitless Potential of Natural Resources

The Energy Crisis

The Law of Diminishing Returns

The Law of Diminishing Returns and the Limitless Potential of Natural Resources

Diminishing Returns and the Need for Economic Progress

Conservationism: A Critique

THE ECOLOGICAL ASSAULT ON ECONOMIC PROGRESS

The Hostility to Economic Progress

The Claims of the Environmental Movement and Its Pathology of Fear and Hatred

The Actual Nature of Industrial Civilization

The Environmental Movement’s Dread of Industrial Civilization

The Toxicity of Environmentalism and the Alleged Intrinsic Value of Nature

The Alleged Pollution of Water and Air and Destruction of Species

The Alleged Threat from Toxic Chemicals, Including Acid Rain and Ozone Depletion

The Dishonesty of the Environmentalists’ Claims

The Alleged Threat of “Global Warming”

Why Economic Activity Necessarily Tends to Improve the Environment

The Collectivist Bias of Environmentalism

Environmentalism and Irrational Product Liability

Environmentalism and the Externalities Doctrine

The Economic and Philosophic Significance of Environmentalism

Environmentalism, the Intellectuals, and Socialism

Environmentalism and Irrationalism

The Loss of the Concept of Economic Progress

Irrational Skepticism

The Destructive Role of Contemporary Education

The Cultural Devaluation of Man

READINGS/LECTURES

Reisman, *Capitalism*, pp. 63–120
Lecture: Reisman, “Wealth, Natural Resources, and the Environment and the Political Concept of Monopoly,”
Lecture 2
Lecture: Reisman, “Resource Economics,” on disk 1 of “Lectures and Speeches on Economics and Politics”
Lecture: Reisman, “The Toxicity of Environmentalism,” on disk 1 of “Lectures and Speeches on Economics
and Politics”
Lectures: Reisman, “Wealth, Natural Resources, and the Environment and the Political Concept of Monopoly,”
Lectures 3 and 4
Ludwig von Mises, *Human Action*, pp. 654-663
Ludwig von Mises, *Socialism*, pp. 404–429
Ayn Rand, *The New Left: The Anti-Industrial Revolution*
Ayn Rand, “The Intellectual Bankruptcy of Our Age” and “Apollo 11” “Who Is the Final Authority in Ethics?”
in Ayn Rand, *The Voice of Reason*
Ayn Rand, “The Establishing of an Establishment” in Ayn Rand, *Philosophy: Who Needs It*
Jay Lehr, ed., *Rational Readings on Environmental Concerns*

UNIT 5. THE DIVISION OF LABOR AND PRODUCTION

The Division of Labor and the Productivity of Labor

The Multiplication of Knowledge
The Benefit from Geniuses
Concentration on the Individual’s Advantages
Geographical Specialization
Economies of Learning and Motion
The Use of Machinery

The Division of Labor and Society

Rebuttal of the Critique of the Division of Labor

Universal Aspects of Production

READINGS/LECTURES

Reisman, *Capitalism*, pp. 123–134
Reisman, Lecture: “Essentials of Capitalism,” Lecture 1
Ludwig von Mises, *Human Action*, pp. 143–193
Ludwig von Mises, *Socialism*, pp. 289–313
Adam Smith, *The Wealth of Nations*, Book 1, Chapters 1–4

UNIT 6. THE DEPENDENCE OF THE DIVISION OF LABOR ON CAPITALISM I

THE NATURE OF THE DEPENDENCIES

Dependence of the Division of Labor on Private Ownership of the Means of Production

Socialism and Collectivism Versus Economic Planning
Capitalist Planning and the Price System

The Dependence of the Division of Labor on Saving and Capital Accumulation

The Dependence of the Division of Labor on Exchange and Money

The Dependence of the Division of Labor on Economic Competition

The Dependence of the Division of Labor on the Freedom of Economic Inequality

Egalitarianism and the Abolition of Cost: The Example of Socialized Medicine
Government Intervention, Democracy, and the Destruction of the Individual’s Causal Role

READINGS/LECTURES

Reisman, *Capitalism*, pp. 135–151
Reisman, Lecture: “Essentials of Capitalism,” Lecture 2

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Ludwig von Mises, *Human Action*, pp. 194–231, 821–832

Ludwig von Mises, *Planning for Freedom*, pp. 36–49

Ayn Rand, “The Meaning of Money,” ““From Each According to His Ability to Each According to His Need,”” and “The Forgotten Man of Socialized Medicine” in Ayn Rand, *Atlas Shrugged*, reprinted in Ayn Rand, *For The New Intellectual*

Carl Menger, “The Nature and Origin of Money,” in Carl Menger, *Principles of Economics*

ELEMENTS OF PRICE THEORY: DEMAND, SUPPLY, AND COST OF PRODUCTION

The Meaning of Demand and Supply

The Law of Demand

The Concept of Elasticity of Demand

Seeming Exceptions to the Law of Demand

The Derivation of Supply Curves

Limitations of Geometrical Analysis

Confusions Between Supply and Cost

The Circularity of Contemporary Economics’ Concept of Demand

READINGS/LECTURES

Reisman, *Capitalism*, pp. 151–171

Böhm-Bawerk, *Capital and Interest*, Vol. 2, pp. 207–256; Vol. 3, pp. 78–123

**UNIT 7. THE DEPENDENCE OF THE DIVISION OF LABOR ON CAPITALISM II:
THE PRICE SYSTEM AND ECONOMIC COORDINATION**

UNIFORMITY PRINCIPLES

The Uniformity-of-Profit Principle and Its Applications

Keeping the Various Branches of Industry in Proper Balance

The Power of the Consumers to Determine the Relative Size of the Various Industries

The Impetus to Continuous Economic Progress

Profits and the Repeal of Price Controls

The Effect of Business Tax Exemptions and Their Elimination

Additional Bases for the Uniformity-of-Profit Principle

Permanent Inequalities in the Rate of Profit

The Tendency Toward a Uniform Price for the Same Good Throughout the World

Why the Arab Oil Embargo Would Not Have Been a Threat to a Free Economy

Tariffs, Transportation Costs, and the Case for Unilateral Free Trade

The Tendency Toward Uniform Prices Over Time: The Function of Commodity Speculation

Rebuttal of the Charge That the Oil Shortages of the 1970s Were “Manufactured” by the Oil Companies

The Tendency Toward Uniform Wage Rates for Workers of the Same Degree of Ability

Equal Pay for Equal Work: Capitalism Versus Racism

Prices and Costs of Production

READINGS/LECTURES

Reisman, *Capitalism*, pp. 172–201

Lectures: Reisman, “Inflation and Price Controls,” Lectures 3 (second half) and 4

Lecture: Reisman, “Capitalism: The Cure for Racism,” on disk 1 of “Lectures and Speeches on Economics and Politics”

Ludwig von Mises, *Human Action*, pp. 232–256, 646–654

Ludwig von Mises, *Socialism*, pp. 525–543

Ludwig von Mises, *Planning for Freedom*, pp. 1–17, 108–150

GEORGE REISMAN'S PROGRAM OF SELF-EDUCATION IN THE
ECONOMIC THEORY AND POLITICAL PHILOSOPHY OF CAPITALISM

Henry Hazlitt, *Economics in One Lesson*, Chapters 13–18 and 22
Eugen von Böhm-Bawerk, *Capital and Interest*, Vol. 2, pp. 168–176, 248–256; Vol. 3, pp. 97–115
John Stuart Mill, *Principles of Political Economy*, Book 2, Chapter 11, Section 1; Book 3, Chapters 2–4
David Ricardo, *Principles of Political Economy and Taxation*, Chapters 4 and 30
Adam Smith, *The Wealth of Nations*, Book 1, Chapters 5 and 10

ALLOCATION PRINCIPLES

The General Pricing of Goods and Services in Limited Supply
The Pricing and Distribution of Consumers' Goods in Limited Supply
The Pricing and Distribution of Factors of Production in Limited Supply
The Free Market's Efficiency in Responding to Economic Change
 A Rational Response to the Arab Oil Embargo
The Economic Harmonies of Cost Calculations in a Free Market
 More on the Response to the Oil Embargo

Appendix to Chapter 6: The Myth of "Planned Obsolescence"

READINGS/LECTURES

Reisman, *Capitalism*, pp. 201–218
Lecture: Reisman, "Inflation and Price Controls," Lecture 5
Ludwig von Mises, *Human Action*, pp. 257–279, 287–357, 391–397

**UNIT 8. THE DEPENDENCE OF THE DIVISION OF LABOR ON CAPITALISM III:
PRICE CONTROLS AND ECONOMIC CHAOS**

PRICE CONTROLS AND SHORTAGES

Price Controls and Inflation
 Price Controls No Remedy for Inflation
 Inflation Plus Price Controls
Shortages
Price Controls and the Reduction of Supply
The Supply of Goods Produced
The Supply of Goods in a Local Market
 The Natural Gas Crisis of 1977
 The Agricultural Export Crisis of 1972–73
 Price Controls as a Cause of War
The Supply of Goods Held in Storage
 Hoarding and Speculation Not Responsible for Shortages
 Rebuttal of the Accusation That Producers Withhold Supplies to "Get Their Price"
 Price Controls and the "Storage" of Natural Resources in the Ground
The Supply of Particular Types of Labor and Particular Products of a Factor of Production
Price Controls and the Prohibition of Supply
 The Destruction of the Utilities and the Other Regulated Industries
Ignorance and Evasions Concerning Shortages and Price Controls
 Inflation and the Appearance of High Profits
 The Destructionist Mentality
 A Defense of Inventory Repricing
 The Campaign Against the Profits of the Oil Companies
 How the U.S. Government, Not the Oil Companies, Caused the Oil Shortage
 The Conspiracy Theory of Shortages

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Rebuttal of the Charge That Private Firms “Control” Prices

READINGS/LECTURES

Reisman, *Capitalism*, pp. 219–238

Lecture: Reisman, “Inflation and Price Controls,” Lecture 6

Ludwig von Mises, *Human Action*, pp. 758–769

FURTHER EFFECTS OF PRICE CONTROLS AND SHORTAGES

Consumer Impotence and Hatred Between Buyers and Sellers

How Repeal of Rent Controls Would Restore Harmony Between Landlords and Tenants

The Impetus to Higher Costs

The Administrative Chaos of Price Controls

Chaos in the Personal Distribution of Consumers’ Goods

Chaos in the Geographical Distribution of Goods Among Local Markets

Chaos in the Distribution of Factors of Production Among Their Various Uses

Hoarding

Shortages and the Spillover of Demand

Why Partial Price Controls Are Contrary to Purpose

How Price Controls Actually Raise Prices

The Absurdity of the Claim That Price Controls “Save Money”

Applications to Rent Controls

How Repeal of Our Price Controls on Oil Reduced the Price Received by the Arabs

READINGS/LECTURES

Reisman, *Capitalism*, pp. 238–256

Lecture: Reisman, “Inflation and Price Controls,” Lecture 7

UNIVERSAL PRICE CONTROLS AND THEIR CONSEQUENCES

The Tendency Toward Universal Price Controls

Universal Price Controls and Universal Shortages

Excess Demand and Controlled Incomes

The Destruction of Production Through Shortages

The Prosperity Delusion of Price Controls: The World War II “Boom”

Socialism on the Nazi Pattern

READINGS/LECTURES

Reisman, *Capitalism*, pp. 256–266

Lecture: Reisman, “Inflation and Price Controls,” Lecture 8

Ludwig von Mises, *Planning for Freedom*, pp. 18–35, 72–82

Ayn Rand, “The Roots of War” in Ayn Rand, ed., *Capitalism: The Unknown Ideal*

**UNIT 9. THE DEPENDENCE OF THE DIVISION OF LABOR ON CAPITALISM IV:
SOCIALISM, ECONOMIC CHAOS, AND TOTALITARIAN DICTATORSHIP**

THE CHAOS OF SOCIALISM

Socialism

The Essential Economic Identity Between Socialism and Universal Price Controls

The Myth of Socialist Planning—The Anarchy of Socialist Production

The Soviet Quota System

Shortages of Labor and Consumers’ Goods Under Socialism

Further Economic Flaws of Socialism: Monopoly, Stagnation, Exploitation, Progressive Impoverishment

Socialism’s Last Gasp: The Attempt to Establish a Socialist Price System and Why It Is Impossible

THE TYRANNY OF SOCIALISM

The Tyranny of Socialism
The Necessity of Evil Means to Achieve Socialism
The Necessity of Terror Under Socialism
The Necessity of Forced Labor Under Socialism
 Forced Labor in the Soviet Union
 The Imposition of Forced Labor in the United States
Socialism as a System of Aristocratic Privilege and a Court Society
From Forced Labor to Mass Murder Under Socialism
From Socialism to Capitalism: How to Privatize Communist Countries

READINGS/LECTURES

Reisman, *Capitalism*, pp. 267–295
Lecture: Reisman, “Inflation and Price Controls,” Lecture 9
Ludwig von Mises, *Human Action*, pp. 689–715, 812–820
Ludwig von Mises, *Socialism*, pp. 1–277, 511–521, 543–592 (Note: pp. 114–142, 196–220, and 516–521 deal specifically with the vital issue of the impossibility of economic calculation under socialism)
Ludwig von Mises, *Planning for Freedom*, pp. 195–223
Ayn Rand, “The Property Status of Airwaves,” in Ayn Rand, ed., *Capitalism: The Unknown Ideal*
Henry Hazlitt, *The Great Idea*; reprinted as *Time Will Run Back*
F. A. Hayek, *The Road to Serfdom*

UNIT 10. THE INFLUENCE OF THE DIVISION OF LABOR ON THE INSTITUTIONS OF CAPITALISM

PRIVATE OWNERSHIP OF THE MEANS OF PRODUCTION

The General Benefit from Private Ownership of the Means of Production
 The Benefit of Capital to the Buyers of Products
 The Benefit of Capital to the Sellers of Labor
 The Direct Relationship Between the General Benefit from Capital and Respect for the Property Rights of Capitalists
The Capitalists’ Special Benefit from Private Ownership of the Means of Production
 Implications for Redistributionism
 Destructive Consequences of Government Ownership
 Profit Management Versus Bureaucratic Management
 The “Successful” Nationalizations of Oil Deposits: A Rebuttal
The General Benefit from the Institution of Inheritance
 The Destructive Consequences of Inheritance Taxes
The General Benefit from Reducing Taxes on the “Rich”
Private Ownership of Land and Land Rent
 How Private Ownership of Land Reduces Land Rent
 Land Rent and Environmentalism
 The Violent Appropriation Doctrine
 The Demand for Land Reform
Private Property and Territorial Sovereignty
 A Defense of Foreign “Exploitation” of Natural Resources

READINGS/LECTURES

Reisman, *Capitalism*, pp. 296–326
Lectures: Reisman, “Essentials of Capitalism,” Lectures 3-5
Lecture: Reisman, “Everyone’s Stake in Capitalism,” on disk 1 of “Lectures and Speeches on Economics and

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Politics”

Lecture: Reisman, “Everyone’s Stake in Capitalism II,” on disk 1 of “Lectures and Speeches on Economics and Politics”

Ludwig von Mises, *Human Action*, pp. 635–645, 804–811

Ludwig von Mises, *Socialism*, pp. 37–42

Ludwig von Mises, *Bureaucracy*

Ludwig von Mises, *Omnipotent Government*

David Ricardo, *Principles of Political Economy and Taxation*, Chapter 2

ECONOMIC INEQUALITY

Economic Inequality Under Capitalism

Critique of the Marxian Doctrine on Economic Inequality

Economic Inequality and the Law of Diminishing Marginal Utility

Economic Inequality and the Normal Curve

The “Equality of Opportunity” Doctrine: A Critique

Education and the Freedom of Opportunity

Everyone’s Interest in the Freedom of Opportunity

READINGS/LECTURES

Reisman, *Capitalism*, pp. 326–343

Lectures: Reisman, “Essentials of Capitalism,” Lectures 5(last part)-6

ECONOMIC COMPETITION

The Nature of Economic Competition

The Short-Run Loss Periods

The Enemies of Competition as the True Advocates of the Law of the Jungle

Economic Competition and Economic Security

The Law of Comparative Advantage

International Competition and Free Labor Markets

Comparative Advantage Versus the Infant-Industries Argument

How the Less Able Can Outcompete the More Able in a Free Labor Market

The Pyramid-of-Ability Principle

Freedom of Competition and the General Gain from the Existence of Others

The Population Question

Worldwide Free Trade

Free Trade and the Economic Superiority of the United States Over Western Europe

International Free Trade and Domestic Laissez Faire

The Birth Rate

Free Immigration

Refutation of the Arguments Against Free Immigration

Free Immigration and International Wage Rates

Capital Export

The Harmony of Interests in the Face of Competition for Limited Money Revenues

READINGS/LECTURES

Reisman, *Capitalism*, pp. 343–374

Lectures: Reisman, “Essentials of Capitalism,” Lectures 7-8

Lecture: Reisman, “Why I’m for Free Enterprise,” on disk 1 of “Lectures and Speeches on Economics and Politics”

Lecture: Reisman, “Some Fundamental Insights into the Benevolent Nature of Capitalism,” on disk 2 of “Lec-

tures and Speeches on Economics and Politics”

Ludwig von Mises, *Human Action*, pp. 664–688, 737–757, 833–866

Ludwig von Mises, *Socialism*, pp. 281–358, 395–453

Ludwig von Mises, *Liberalism*

Ayn Rand, “The Moral Meaning of Capitalism” in Ayn Rand, *Atlas Shrugged*, reprinted in Ayn Rand, *For The New Intellectual*

UNIT 11. MONOPOLY VERSUS FREEDOM OF COMPETITION

THE POLITICAL CONCEPT OF MONOPOLY

The Meaning of Freedom and of Freedom of Competition

High Capital Requirements as an Indicator of Low Prices and the Intensity of Competition

The Political Concept of Monopoly and Its Application

Monopoly Based on Exclusive Government Franchises

Licensing Law Monopoly

Tariff Monopoly

The Monopolistic Protection of the Inefficient Many Against the Competition of the More Efficient Few

Monopoly Based on Minimum-Wage and Prounion Legislation: The Exclusion of the Less Able and the Disadvantaged

Government-Owned and Government-Subsidized Enterprises as Monopoly

The Antitrust Laws as Promonopoly Legislation

Socialism as the Ultimate Form of Monopoly

Further Implications of the Political Concept of Monopoly: High Costs Rather Than High Profits

Patents and Copyrights, Trademarks and Brandnames, Not Monopolies

All Monopoly Based on Government Intervention; Significance of Monopoly

The Economic Concept of Monopoly

The Alleged Tendency Toward the Formation of a Single Giant Firm Controlling the Entire Economic System: A Rebuttal

Incompatibility With the Division of Labor—Socialism as the Only Instance of Unlimited Concentration of Capital

Inherent Limits to the Concentration of Capital Under Capitalism

Government Intervention as Limiting the Formation of New Firms

The Incentives for Uneconomic Mergers Provided by the Tax System

In Defense of “Insider Trading”

Economically Sound Mergers

The Trust Movement

The Predatory-Pricing Doctrine

More Than One Firm in an Industry as the Normal Case

“Predatory Pricing” in Reverse: The Myth of Japanese “Dumping”

The Chain-Store Variant of the Predatory-Pricing Doctrine

Contract Pricing

The Predatory-Pricing Doctrine and the Inversion of Economic History

The Myth of Predation With Respect to Suppliers

The Myth of Standard Oil and the South Improvement Company

Marginal Revenue and the Alleged “Monopolistic Restriction” of Supply

Competitors’ and Potential Competitors’ Costs—Ultimately, Legal Freedom of Entry—as

Setting the Upper Limit to Prices in a Free Market

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Ricardo and Böhm-Bawerk on Cost of Production Versus the Elasticity of Demand
Pricing Under Patents and Copyrights
Contract Pricing and Radical Privatization
Private Streets
Eminent Domain

Cartels

Cartels and Government Intervention
“Monopoly” and the Platonic Competition of Contemporary Economics
The Doctrine of Pure and Perfect Competition
Implications of Marginal-Cost Pricing
The Alleged Lack of “Price Competition”

A Further Word on Cost of Production and Prices

READINGS/LECTURES

Reisman, *Capitalism*, pp. 375–440

Lectures: Reisman, “Wealth, Natural Resources, and the Environment and the Political Concept of Monopoly,”
Lectures 5 and 6

Lecture: Reisman, “Capitalism vs. Anticapitalism: Reason vs. Muscle Mysticism,” on disk 2 of “Lectures and
Speeches on Economics and Politics” (the second half of this lecture contains extensive material dealing with
the “economic concept” of monopoly)

Ludwig von Mises, *Human Action*, pp. 357–391

Ludwig von Mises, *Socialism*, pp. 361–392

Ayn Rand, “America’s Persecuted Minority: Big Business,” “Notes on the History of American Free Enter-
prise,” and “Patents and Copyrights” in Ayn Rand, ed., *Capitalism: The Unknown Ideal*

Ayn Rand, “Antitrust: The Rule of Unreason” in Ayn Rand, *The Voice of Reason*

UNIT 12. THE DIVISION OF LABOR AND THE CONCEPT OF PRODUCTIVE ACTIVITY

THE ROLE OF MONEYMAKING IN PRODUCTIVE ACTIVITY

The Division of Labor and Productive Activity

The Doctrine That Only Manual Labor Is Productive

Productive Activity and Money-making

Consumptive Production

Productive Expenditure and Consumption Expenditure

Capital Goods and Consumers’ Goods

Classification of Capital Goods and Consumers’ Goods Not Based on Physical Characteristics

Government a Consumer

Producers’ Labor and Consumers’ Labor

Producers’ Loans and Consumers’ Loans

Government Borrowing

Capital Goods and Consumers’ Goods Internally Produced; Other Revenues

Capital and Wealth

Capital Value and Investment

Productive Expenditure and Capital Value

Common Confusions About Capital Goods

Answers to Misconceptions of the Concepts Presented

Adam Smith on “Productive and Unproductive Labor”

Critique of the Concept of Imputed Income

Critique of the Opportunity-Cost Doctrine

READINGS/LECTURES

Reisman, *Capitalism*, pp. 441–462

Lectures: Reisman, “A Theory of Productive Activity, Profit, and Saving,” Lecture 1

THE PRODUCTIVE ROLE OF BUSINESSMEN AND CAPITALISTS

The Productive Functions of Businessmen and Capitalists

Creation of Division of Labor

Coordination of the Division of Labor

Improvements in the Efficiency of the Division of Labor

The Productive Role of Financial Markets and Financial Institutions

The Specific Productive Role of the Stock Market

The Productive Role of Retailing and Wholesaling

The Productive Role of Advertising

READINGS/LECTURES

Reisman, *Capitalism*, pp. 462–473

Lecture: Reisman, “A Theory of Productive Activity, Profit, and Saving,” Lecture 5

**BUSINESSMEN AND CAPITALISTS: CLASSICAL ECONOMICS VERSUS
THE MARXIAN EXPLOITATION THEORY**

The Association Between Classical Economics and the Marxian Exploitation Theory

Correcting the Errors of Adam Smith: A Classical-Based Critique of the Conceptual

Framework of the Exploitation Theory

Smith’s Confusion Between Labor and Wage Earning

The Conceptual Framework of the Exploitation Theory

Smith’s Failure to See the Productive Role of Businessmen and Capitalists and of the

Private Ownership of Land

The Primacy-of-Wages Doctrine

A Rebuttal to Smith and Marx Based on Classical Economics: Profits, Not Wages, as
the Original and Primary Form of Income

Further Rebuttal: Profits Attributable to the Labor of Businessmen and Capitalists Despite

Their Variation With the Size of the Capital Invested

A Radical Reinterpretation of “Labor’s Right to the Whole Produce”

Implications for the Incomes of “Passive” Capitalists

Acceptance of the Conceptual Framework of the Exploitation Theory by Its Critics

Necessary Revisions in Classical Economics

The Labor Theory of Value of Classical Economics

Harmonization of the Labor Theory of Value With Supply and Demand and the Productive
Role of Businessmen and Capitalists

Other Classical Doctrines and the Rise in Real Wages

Classical Economics’ Limitations on the Labor Theory of Value

The Actual Significance of Quantity of Labor in Classical Economics

The “Iron Law of Wages” of Classical Economics

Diminishing Returns and the Malthusian Influence

Ricardo’s Reservations

Adam Smith’s Mistaken Belief in the Arbitrary Power of Employers Over Wage Rates

Ricardo’s Confusions Concerning the “Iron Law of Wages”

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The Actual Meaning Ricardo Attached to “A Fall in Wages”

Classical Economics’ Mistaken Denial of the Ability to Tax Wage Earners

Marxian Distortions of Classical Economics; The Final Demolition of the Exploitation Theory

READINGS/LECTURES

Reisman, *Capitalism*, pp. 441–500, 603–613

Lecture: Reisman, “A Theory of Productive Activity, Profit, and Saving,” Lectures 2 and 4

Eugen von Böhm-Bawerk, “Unresolved Contradiction in the Marxian Economic System” in *Shorter Classics of Böhm-Bawerk*. This essay is better known under the title “Karl Marx and the Close of His System.”

Eugen von Böhm-Bawerk, “The Exploitation Theory” in *Capital and Interest*, Vol. 1, *History and Critique of Interest Theories*, 241–321

Adam Smith, *The Wealth of Nations*, Book 1, Chapters 6–9

David Ricardo, *Principles of Political Economy and Taxation*, Chapters 1, 5, and 6

“The Martyrdom of the Industrialists” in Ayn Rand, *Atlas Shrugged*, reprinted in Ayn Rand, *For The New Intellectual*

UNIT 13. MONEY AND SPENDING

The Quantity Theory of Money

The Quantity Theory of Money as the Explanation of Rising Prices

The Origin and Evolution of Money and the Contemporary Monetary System

The Potential Spontaneous Remonetization of the Precious Metals

The Government and the Banking System

The Quantity of Money and the Demand for Money

Changes in the Quantity of Money as the Cause of Changes in the Demand for Money

The Demand for Money: A Critique of the “Balance of Payments” Doctrine

The Balance of Payments Doctrine and Fiat Money

The Balance of Payments Doctrine Under an International Precious Metal Standard

Inflation as the Cause of a Gold Outflow

Unilateral Free Trade and the Balance of Trade

Invariable Money

Invariable Money and the Velocity of Circulation

The Contribution of the Concept of Invariable Money to Economic Theory

READINGS/LECTURES

Reisman, *Capitalism*, pp. 503–541

Lecture: Reisman, “Introduction to Money,” on disk 2 of “Lectures and Speeches on Economics and Politics”

Ludwig von Mises, *Human Action*, pp. 398–478, 780–803

Ludwig von Mises, *The Theory of Money and Credit*, pp. 9–410

Adam Smith “Of the Principle of the Commercial or Mercantile System” in *The Wealth of Nations*, Book 4, Chapter 1

UNIT 14. PRODUCTIONISM, SAY’S LAW, AND UNEMPLOYMENT

PRODUCTIONISM

Productionism Versus the Anti-Economics of Consumptionism

Depressions and Alleged “Overproduction”
Machinery and Unemployment
Alleged Inherent Group Conflicts Over Employment
Make-Work Schemes and Spread-the-Work Schemes
War and Government Spending
Population Growth and Demand
Imperialism and Foreign Trade
Parasitism as an Alleged Source of Gain to Its Victims
Advertising as Allegedly Fraudulent but Economically Beneficial
Misconception of the Value of Technological Progress
Increases in Production and Alleged Deflation
Consumptionism and Socialism

READINGS/LECTURES

Reisman, *Capitalism*, pp. 542–559
Lecture: Reisman, “An Introduction to Procapitalist Macroeconomics,” Lecture 1
Henry Hazlitt, *Economics in One Lesson*, Chapters 1–12
Frederic Bastiat, *Economic Sophisms*
John R. McCulloch, *The Principles of Political Economy*, Part 1, Chapter 7

SAY’S (JAMES MILL’S) LAW

Monetary Demand and Real Demand
The Referents of Say’s Law and Its Confirmation by Cases Apparently Contradicting It
Partial, Relative Overproduction
Say’s Law and Competition
Say’s Law and the Average Rate of Profit
Production and the Fallacy of Composition
Falling Prices Caused by Increased Production Are Not Deflation
The Anticipation of Falling Prices
Economic Progress and the Prospective Advantage of Future Investments Over
Present Investments
Falling Prices and Accumulated Stocks
Falling Prices Resulting from a Larger Supply of Labor

READINGS/LECTURES

Reisman, *Capitalism*, pp. 559–580
Lecture: Reisman, “An Introduction to Procapitalist Macroeconomics,” Lecture 2
Ludwig von Mises, *Planning for Freedom*, pp. 64–71
James Mill, “Consumption” and “Of the National Debt” in *Commerce Defended*, reprinted in *James Mill Selected Economic Writings*

UNEMPLOYMENT

The Free Market Versus the Causes of Mass Unemployment
Full Employment, Profitability, and Real Wages
Government Interference
Unemployment and the 1929 Depression
Unemployment, the New Deal, and World War II
Why Inflation Cannot Achieve Full Employment
Inflation Plus Price and Wage Controls
World War II as the Cause of Impoverishment in the United States

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Prosperity Based on the Return of Peace
A Rational Full-Employment Policy
Appendix to Chapter 13: Inventories and Depressions
Inventories and Capital
“Excess” Inventories, Malinvestment, and the Deficiency of Inventories
Inflation and Credit Expansion as the Cause of Malinvestment in Inventories
Why “Excess” Inventories and Monetary Contraction Are Associated

READINGS/LECTURES

Reisman, *Capitalism*, pp. 580–602
Lecture: Reisman, “An Introduction to Procapitalist Macroeconomics,” Lecture 3

UNIT 15. THE PRODUCTIVITY THEORY OF WAGES

THE MARXIAN EXPLOITATION THEORY

The Influence of the Exploitation Theory
Marx’s Distortions of the Labor Theory of Value
Implications for Value Added and Income Formation
Marx’s Version of the Iron Law of Wages
The Rate of Exploitation Formula
Implications of the Exploitation Theory

READINGS/LECTURES

Reisman, *Capitalism*, pp. 603–613

THE PRODUCTIVITY THEORY OF WAGES

The Irrelevance of Worker Need and Employer Greed in the Determination of Wages
Determination of Real Wages by the Productivity of Labor
The Foundations of the Productivity of Labor and Real Wages: Capital Accumulation and Its Causes
Saving as a Source of Capital Accumulation
Technological Progress as a Source of Capital Accumulation
The Reciprocal Relationship Between Capital Accumulation and Technological Progress
The Economic Degree of Capitalism, the Wage “Share,” and Real Wages
Other Factors, Above All Economic Freedom and Respect for Property Rights, as Sources of Capital Accumulation
The Undermining of Capital Accumulation and Real Wages by Government Intervention
The Nonsacrificial Character of Capital Accumulation Under Capitalism
Appendix to Section 3: An Analytical Refinement Concerning the Rate of Economic Progress
The Productivity Theory of Wages and the Interpretation of Modern Economic History
The Cause of Low Wages and Poor Working Conditions in the Past
How Real Wages Rose and the Standard of Living Improved
A Rise in the Productivity of Labor as the Only Possible Cause of a Sustained, Significant Rise in Real Wages
The Futility of Raising Money Wage Rates by Means of an Increase in the Quantity of Money or Decrease in the Supply of Labor
The Futility of a Rise in the Demand for Labor Coming at the Expense of the Demand for Capital Goods
The Futility of Raising the Demand for Labor by Means of Taxation
The Limited Scope for Raising Real Wages Through a Rise in the Demand for Labor

Critique of Labor and Social Legislation

Redistributionism

Labor Unions

Minimum-Wage Laws

Maximum-Hours Legislation

Child-Labor Legislation

Forced Improvements in Working Conditions

The Employment of Women and Minorities

The Productivity Theory of Wages and the Wages-Fund Doctrine

The Productivity Theory of Wages Versus the Marginal-Productivity Theory of Wages

The Productivity Theory of Wages and the Effect of Diminishing Returns

READINGS/LECTURES

Reisman, *Capitalism*, pp. 613–672

Lectures: Reisman, “An Introduction to Procapitalist Macroeconomics,” Lectures 4–6

Lecture: Reisman, “A Theory of Productive Activity, Profit, and Saving,” Lecture 6

Lecture: Reisman, “Capital, the Productive Process, and the Rate of Profit,” Lecture 2

Ludwig von Mises, *Human Action*, pp. 479–523, 587–634, 716–734, 769–779

Ludwig von Mises, *Socialism*, pp. 457–515

Ludwig von Mises, *Planning for Freedom*, pp. 94–107, 195–214

Henry Hazlitt, *Economics in One Lesson*, Chapters 19–21, 24–26

James Mill, “Consumption” and “Of the National Debt” in *Commerce Defended*, reprinted in *James Mill Selected Economic Writings*

Nassau W. Senior, *Political Economy*, portion titled “Development of the Third Elementary Proposition”

Eugen von Böhm-Bawerk, “Control or Economic Law,” in *Shorter Classics of Böhm-Bawerk*

F. A. Hayek, ed., *Capitalism and the Historians*

Robert Hessen, “The Effects of the Industrial Revolution on Women and Children” in Ayn Rand, ed., *Capitalism: The Unknown Ideal*

UNIT 16. AGGREGATE PRODUCTION, AGGREGATE SPENDING, AND THE ROLE OF SAVING IN SPENDING

Spending Not a Measure of Output

Shortcomings of Price Indexes

Gross National Product and the Issue of “Double Counting”: $A \text{ Is } A$ Versus $A \text{ Is } A +$

The Role of Saving and Productive Expenditure in Aggregate Demand

The Demand for A Is the Demand for A

The Demand for Consumers’ Goods and the Demand for Factors of Production as Competing Alternatives

Compatibility With the Austrian Theory of Value

Application to the Critique of the Keynesian Multiplier Doctrine

Saving Versus Hoarding

Saving as the Source of Most Spending

The “Macroeconomic” Dependence of the Consumers on Business

Saving as the Source of Increasing Aggregate Demand, Both Real and Monetary

Saving as the Source of Rising Consumption

Aggregate Economic Accounting on an Aristotelian Base

The Consumption Illusion of Contemporary National-Income Accounting

Gross National Revenue

More on the Critique of the Multiplier

Importance of Recognizing the Separate Demand for Capital Goods for the Theory of

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Capital Accumulation and the Theory of National Income

The Inverse Relationship Between National Income and Economic Progress in an Economy
With an Invariable Money
Overthrow of the Keynesian Doctrines of the Balanced-Budget Multiplier and the
Conservatives' Dilemma

READINGS/LECTURES

Reisman, *Capitalism*, pp. 441–447 (review), 673–718

Lecture: Reisman, “Capital, the Productive Process, and the Rate of Profit,” Lecture 1

Lecture: Reisman, “A Theory of Productive Activity, Profit, and Saving,” Lecture 6

Adam Smith, “Of the Accumulation of Capital, or of Productive and Unproductive Labour” in *The Wealth of Nations*, Book 2, Chapter 3

John Stuart Mill, *Principles of Political Economy*, Book 1, Chapters 3–5

UNIT 17. THE NET-CONSUMPTION/NET-INVESTMENT THEORY OF PROFIT AND INTEREST

THE POSITIVE THEORY

The Nature and Problem of Aggregate Profit

The Treatment of Interest

The Rate of Profit Not Based on Demand and Supply of Capital, but on the Difference
Between the Demand for Products and the Demand for Factors of Production

Determinants of the Average Rate of Profit in the Economic System Different from Deter-
minants of the Rate of Profit of the Individual Company or Industry

Critique of the Doctrine That the Interest Rate on Government Bonds Expresses the Pure
Rate of Return to Which Risk Premiums Are Added

The Path of Explanation: Net Consumption and Net Investment

The Problem of Aggregate Profit: Productive Expenditure and the Generation of Equivalent
Sales Revenues and Costs

Net Consumption and the Generation of an Excess of Sales Revenues Over Productive Expenditure

Net Consumption: Its Other Sources, Wider Meaning, and Relationship to the Saving of
Wage Earners

Confirming the Critique of the Exploitation Theory

The Net-Consumption Theory Further Considered

Why Businessmen and Capitalists Cannot Arbitrarily Increase the Rate of Net
Consumption and the Rate of Profit

The Net-Consumption Rate and the Gravitation of Relative Wealth and Income
Accumulated Capital as a Determinant of Net Consumption

An Explanation of High Saving Rates Out of High Incomes

Net Consumption and Time Preference

Net Investment as a Determinant of Aggregate Profit and the Average Rate of Profit

Net Investment Versus Negative Net Consumption

The Prolongation of Net Investment Under an Invariable Money

Net Investment as the Result of the Marginal Productivity of Capital Exceeding the Rate of Profit

Net Investment as a Self-Limiting Phenomenon

Capital Intensification and the Tendency Toward the Disappearance of Net Investment
Under an Invariable Money

The Process of Capital Intensification

The Addition to the Rate of Profit Caused by Increases in the Quantity of Money

The Impact of Increases in the Quantity of Money on the Net-Investment and
Net-Consumption Rates

Increases in the Quantity of Money and the Perpetuation of Net Investment

The Increase in the Quantity of Commodity Money as an Addition to Aggregate Profit
Summary Statement of the Determinants of the Rate of Profit
Increases in the Real Rate of Profit Dependent on Increases in the Production and Supply of Goods
Net Investment Without Increasing Capital Intensiveness
Capital-Saving Inventions
The Inherent Springs to Profitability
Wage Rate Rigidities and Blockage of the Springs
Capital Intensiveness and the Monetary Component in the Rate of Profit
Capital Intensiveness Under Rapid Obsolescence

THE NET-CONSUMPTION/NET-INVESTMENT THEORY AND ALTERNATIVE THEORIES

Exposition and Critique of the Productivity Theory in Its Traditional Form
Exposition and Critique of the Time-Preference Theory in Its Traditional Form
The Contradiction Between Böhm-Bawerk's "First Cause" and the Doctrine of the
Purchasing-Power Premiums
The Discounting Approach
The Disappearance of the Higher Value of Present Goods at the Margin: Böhm-Bawerk's
Abandonment of the Time-Preference Theory
The Classical Basis of the Net-Consumption Theory
Appendix to Section 3: Critique of Ricardo's Doctrine of the Falling Rate of Profit
Other Proponents of the Net-Consumption/Net-Investment Theory

READINGS/LECTURES

Reisman, *Capitalism*, pp. 719–808
Lectures: Reisman, "Capital, the Productive Process, and the Rate of Profit," Lectures 3–6
Ludwig von Mises, *Human Action*, pp. 524–537
Eugen von Böhm-Bawerk, *Capital and Interest*, Vol. 2, Introduction, pp. 3–118, 259–381; Vol. 3, pp. 1–77,
137–212

UNIT 18. APPLICATIONS OF THE INVARIABLE-MONEY/NET-CONSUMPTION ANALYSIS

The Analytical Framework
Why Capital Accumulation and the Falling Prices Caused by Increased Production Do Not
Imply a Falling Rate of Profit
Confirmation of Fact That Falling Prices Caused by Increased Production Do Not Constitute
Deflation
More on the Relationship Between Technological Progress and the Rate of Profit
Ricardo's Insights on Capital Accumulation
The Rate of Profit and the Demand for Money
Why Capital Accumulation Does Not Depend on a Continuous Lengthening of
the Average Period of Production
The Average Period of Production and the Limits to Technological Progress as a Source
of Capital Accumulation
Implications for the Doctrine of Price Premiums in the Rate of Interest
Implications for the Process of Raising Real Wages
How the Taxation of Profits Raises the Rate of Profit
The Influence of the Monetary System
How Government Budget Deficits Raise the Rate of Profit
The Need to Reduce Government Spending
The Government's Responsibility for the Emphasis of Today's Businessmen on

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Short-Term Results

Profits, the Balance of Trade, and the Need for Laissez Faire in the United States

Implications for the Theory of Saving

Net Saving and Increases in the Quantity of Money

Why the Actual Significance of Saving Lies at the Gross Level

Net Saving and the Rate of Profit

More on Saving and “Hoarding”: “Hoarding” as a Long-Run Cause of a Rise in the

Rate of Profit

Implications for the Critique of Keynesianism

Critique of the Investment-Opportunity and Underconsumption/Oversaving Doctrines

The Basic Error of Underconsumptionism

How the Demand for Capital Goods and Labor Can Radically and Permanently Exceed the Demand for Consumers’ Goods

Consumption as the Purpose of Production and the Progressive Production of Consumers’ Goods Over Time

The Ratio of Demands Between Stages

More on the Average Period of Production

A Rise in the Demand for Capital Goods and Fall in the Demand for Consumers’ Goods:

The Cross-Hatching of Production

More on Why Savings Cannot Outrun the Uses for Savings

Capital Intensiveness and Land Values

The Housing Outlet and Consumer Interest

The Automatic Adjustment of the Rate of Saving to the Need for Capital

READINGS/LECTURES

Reisman, *Capitalism*, pp. 809–862

Lectures: Reisman, “Capital, the Productive Process, and the Rate of Profit,” Lectures 4–6

David Ricardo, *Principles of Political Economy and Taxation*, Chapters 7, 8, 20, and 21

UNIT 19. KEYNESIANISM: A CRITIQUE

The Essential Claims of Keynesianism

Neo-Keynesianism

The Unemployment Equilibrium Doctrine and Its Basis: The *IS* Curve and Its Elements

The Grounds for the *MEC* Doctrine

The Keynesian Solution: “Fiscal Policy”

Critique of the *IS-LM* Analysis

The Declining-Marginal-Efficiency-of-Capital Doctrine and the Fallacy of Context Dropping

The Marginal-Efficiency-of-Capital Doctrine and the Claim That the Rate of Profit Is Lower in the Recovery from a Depression Than in the Depression

The Unemployment Equilibrium Doctrine and the Claim That Saving and Net Investment Are at Their Maximum Possible Limits at the Very Time They Are Actually Negative

The Marginal-Efficiency-of-Capital Doctrine’s Reversal of the Actual Relationship Between Net Investment and the Rate of Profit

The Contradiction Between the Marginal-Efficiency-of-Capital Doctrine and the Multiplier Doctrine

A Fall in Wage Rates as the Requirement for the Restoration of Net Investment and Profitability Along With Full Employment

Wage Rates, Total Wage Payments, and the Rate of Profit

Critique of the “Paradox-of-Thrift” Doctrine

Critique of the Saving Function

Critique of the “Liquidity-Preference” Doctrine

The Economic Consequences of Keynesianism

The Growth in Government

Budget Deficits, Inflation, and Deflation

Keynesianism and Economic Destruction

Why Keynesianism Is Not a Full Employment Policy

Keynesianism Versus the Rate of Profit: “The Euthanasia of the Rentier” and

“The Socialization of Investment”

READINGS/LECTURES

Reisman, *Capitalism*, pp. 863–894

Henry Hazlitt, *The Failure of the “New” Economics*

Henry Hazlitt, Editor, *The Critics of Keynesian Economics*

UNIT 20. GOLD VERSUS INFLATION

INFLATION OF THE MONEY SUPPLY VERSUS ALTERNATIVE THEORIES OF RISING PRICES

The Analytical Framework of the Quantity Theory of Money

The Vital Demand/Supply Test for All Theories of Rising Prices

The Elimination of Less Supply as the Cause of an Inflationary Rise in Prices

Refutation of the “Cost-Push” Doctrine in General

Critique of the “Wage-Push” Variant

Critique of the “Profit-Push” Variant

Critique of the “Crisis-Push” Variant

Critique of the Wage-Price Spiral Variant

Critique of the “Velocity” Doctrine

Critique of the “Inflation-Psychology” Doctrine

Critique of the Credit-Card Doctrine

Critique of the Consumer-Installment-Credit Doctrine

Critique of the Consumer-Greed Doctrine

The Meaning of Inflation

READINGS/LECTURES

Reisman, *Capitalism*, pp. 895–922

Lectures: Reisman, “Inflation and Price Controls,” Lectures 1–3 (1st half)

Lecture: Reisman, “The Economics of Inflation,” on disk 2 of “Lectures and Speeches on Economics and Politics”

Ludwig von Mises, *Planning for Freedom*, pp. 150–161

THE DEEPER ROOTS AND FURTHER EFFECTS OF INFLATION

The Connection Between Inflation and Government Budget Deficits

Budget Deficits and the Monetary Unit

The Motives and Rationale for Deficits and Inflation

The Welfare State

Inflation and War Finance

Inflation and the “Easy Money” Doctrine

Inflation as the Alleged Cure for Unemployment

The Underlying Influence of the Socialist Ideology

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Inflation and Deficits Versus Representative Government and Economic Freedom

Inflation as the Cause of a Redistribution of Wealth and Income

Inflation and the Destruction of Capital

Reversal of Safety

Tax Effects

The Prosperity Delusion and Overconsumption

Malinvestment

The Withdrawal-of-Wealth Effect

Consequences of the Destruction of Capital

Reduction of the Real Rate of Return

The Gains of Debtors Less Than the Losses of Creditors

The Impoverishment of Wage Earners

The Stock Market and Inflationary Depression

Inflation as the Cause of Depressions and Deflation

Gold Clauses and Prospective Inflation of Paper as the Cause of Deflation in Gold

Inflation as the Cause of Mass Unemployment

The Inherent Accelerative Tendencies of Inflation

The Welfare-State Mentality

Inflation to Solve Problems Caused by Inflation

Recessions as Inflationary Fueling Periods

Indexing and the Wage and Interest Ratchets

The Current State of Inflation

Inflation and the Potential Destruction of the Division of Labor

READINGS/LECTURES

Reisman, *Capitalism*, pp. 922–950

Ludwig von Mises, *Planning for Freedom*, pp. 83–93

Adam Smith, “Of Public Debts” in *The Wealth of Nations*, Book 5, Chapter 3

GOLD

Freedom for Gold as the Guarantee Against the Destruction of Money

A Proper Gold Policy for the Government

The Case For a 100-Percent-Reserve Gold Standard

Falling Prices Under the 100-Percent-Reserve Gold Standard Would Not Be Deflationary

The 100-Percent-Reserve Gold Standard as the Guarantee Against Deflation

Further Virtues of the 100-Percent-Reserve Gold Standard

The Moral Virtue of the 100-Percent-Reserve Gold Standard

The Monetary Role of Silver

The 100-Percent-Reserve Gold Standard as the Means of Ending Inflation Without a Depression

The 100-Percent-Reserve Gold Standard, Liquidity, and the Dismantling of the Welfare State

READINGS/LECTURES

Reisman, *Capitalism*, pp. 951–966

Lecture: “Monetary Reform,” on disk 2 of “Lectures and Speeches on Economics and Politics”

Lecture: Reisman, “Gold: the Solution to Our Monetary Dilemma,” on disk 2 of “Lectures and Speeches on Economics and Politics”

Ludwig von Mises, *Human Action*, pp. 538–586

Ludwig von Mises, *The Theory of Money and Credit*, pp. 413–457, 461–483

Ludwig von Mises, *Planning for Freedom*, pp. 50–63, 185–194

Henry Hazlitt, *Economics in One Lesson*, Chapter 23

GEORGE REISMAN'S PROGRAM OF SELF-EDUCATION IN THE
ECONOMIC THEORY AND POLITICAL PHILOSOPHY OF CAPITALISM

Henry Hazlitt, Editor, Andrew Dickson White, *Fiat Money Inflation in France*. Irvington-on-Hudson, New York: Foundation for Economic Education, 1960.

Murray Rothbard, *What Has Government Done to Our Money?*

Charles Holt Carroll, *Organization of Debt into Currency*

UNIT 21. TOWARD THE ESTABLISHMENT OF LAISSEZ-FAIRE CAPITALISM

Introduction

The Importance of Capitalism as a Conscious Goal

The Capitalist Society and a Political Program for Achieving It

Privatization of Property: Importance of Fighting on Basis of Principles

The Freedom of Production and Trade

Appropriate Compromises

The Case for the Immediate Sweeping Abolition of All Violations of the Freedom of Production and Trade

Abolition of the Welfare State

Elimination of Social Security/Medicare

Elimination of Public Welfare

Elimination of Public Hospitals

Firing Government Employees and Ending Subsidies to Business

Escaping from Rent Control With the Support of Tenants

Abolition of Income and Inheritance Taxes

Establishment of Gold as Money

Procapitalist Foreign Policy

Freedom of Immigration

Friendly Relations With Japan and Western Europe

Separation of State from Education, Science, and Religion

Abolition of Public Education

Separation of Government and Science

Separation of State and Church

A General Campaign at the Local Level

The Outlook for the Future

READINGS/LECTURES

Reisman, *Capitalism*, pp. 969–990

Lecture: Reisman, “Interventionism,” on disk 2 of “Lectures and Speeches on Economics and Politics”

Lecture: Reisman, “Regulating Economic Growth, A Debate: George Reisman vs. Ray Catalano,” on disk 2 of “Lectures and Speeches on Economics and Politics”

Lecture: Reisman, “The Future of Liberty,” on disk 2 of “Lectures and Speeches on Economics and Politics”

Lecture: Reisman, “Toward the Establishment of a Capitalist Society,” on disk 2 of “Lectures and Speeches on Economics and Politics”

Ludwig von Mises, *Planning for Freedom*, pp. 173–184

Ayn Rand, “The Anatomy of Compromise,” “The Pull Peddlers,” “Extremism: or the Art of Smearing,” “The Obliteration of Capitalism,” and “Conservatism: An Obituary” in Ayn Rand, ed., *Capitalism: The Unknown Ideal*

Ayn Rand, “Fairness Doctrine for Education” and “What Can One Do?” in Ayn Rand, *Philosophy: Who Needs It*

Ayn Rand, “The Question of Scholarships,” “Tax Credits for Education,” “Representation Without Authorization,” and “How Not to Fight Against Socialized Medicine” in Ayn Rand, *The Voice of Reason*