

Loyola University New Orleans
Department of Economics and Finance
Economics B350-001

Professor Walter Block
Fall 2003
Industrial Organization & Public Policy

I. Prerequisites: Econ B201

II. Class Schedule: Mon, Wed 9:30 a.m. – 10:45 a.m.

III. Room: 324 Miller Hall

IV. Office Hours: Mon 11:00 p.m. - 12:00 noon; 2:00p.m. - 5 p.m.
Tue 9:00 a.m. - 12:00 noon., 2:00 p.m. - 5 p.m.

In addition to these formal office hours, I will usually be available all weekdays 9 a.m. – 12 noon, and 2- 5 p.m. I am very accessible for student consultation and willing to give as much time as is needed for questions, discussion, dialogue. My office is 321 Miller Hall. My telephone number is 505 864 7934; e mail: WBLOCK@LOYNO.EDU

V. Grades: Your term grade will be determined on the basis of total points scored

Midterm	100
Edit Term Paper (of buddy)	50
Term Paper	100
Class Presentation I	30
Class Presentation II	30
Movie Homework I	10
Movie Homework II	10
Final exam	150

Total	480

VI. Brief Course Description:

The goal of this course will be to explore the various schools of thought of economic philosophy and to compare and contrast their public policy implications regarding business firms, monopoly, anti trust, business regulation, profit, private property, etc. We will consider in this regard Marxism, left liberalism (e.g., Democratic Party), conservatism (e.g., Republican Party) and libertarianism.

VII. Required Readings (S = supplemental readings; HO = handouts):

1. Economic Theory of Monopoly:

Block, Walter. A Response to the Framework Document for Amending the Combines Investigation Act, Vancouver: The Fraser Institute, 1982. (HO)

Block, Walter. 1994. "Total Repeal of Anti-trust Legislation: A Critique of Bork, Brozen and Posner, Review of Austrian Economics, Vol. 8, No. 1, pp. 31-64.
http://www.mises.org/journals/rae/pdf/rae8_1_3.pdf

Block, Walter. 1977. "Austrian Monopoly Theory -- a Critique," The Journal of Libertarian Studies: An Interdisciplinary Review, Vol. I, No. 4, fall, pp. 271-279;
http://www.mises.org/journals/jls/1_4/1_4_1.pdf

DiLorenzo, Thomas. 1996. "The Myth of Natural Monopoly," The Review of Austrian Economics 9(2), pp. 43-58. http://www.mises.org/journals/rae/pdf/rae9_2_3.pdf

Rothbard, Murray N., Man, Economy and State, Auburn AL: Mises Institute, 1993, ch. 10 (S)

2. Economic History of Monopoly:

Kolko, Gabriel, Triumph of Conservatism, Chicago: Quadrangle Books, 1963

Armentano, Dominick. 1999. Antitrust: The Case for Repeal. Revised 2nd ed., Auburn AL: Mises Institute

Armentano, Dominick, Antitrust and Monopoly: Anatomy of a Policy Failure, New York: Wiley, 1982 (S)

Armentano, Dominick, The Myths of Antitrust, New Rochelle, N.Y.: Arlington House, 1972 (S)

Anderson, William, Walter Block, Thomas J. DiLorenzo, Ilana Mercer, Leon Snyman and Christopher Westley. 2001. "The Microsoft Corporation in Collision with Antitrust Law," The Journal of Social, Political and Economic Studies, Vol. 26, No. 1, Winter, pp. 287-302. (HO)

3. Ethics and Philosophy of Monopoly:

Rand, Ayn. 1957. Atlas Shrugged, New York, Random House.

Tucker, Jeff vs. Ken Elzinga, "Are Anti-Trust Laws Immoral? Debate," The Journal of Markets and Morality, Vol. 1, No. 1, 1998, pp. 75-94;
http://www.acton.org/publicat/m_and_m/1998_mar/

4. Insider Trading:

McGee, Robert W. and Walter Block. 1989. "Information, Privilege, Opportunity and Insider Trading," Northern Illinois University Law Review, December, Vol. 10, No. 1, pp. 1-35. (HO)

Manne, Henry A. 1966. Insider Trading and the Stock Market, New York: The Free Press. (S)

Manne, Henry A. 1966. "In Defense of Insider Trading," Harvard Business Review, 113 (S)

5. Theory of the firm

Cheung, Steven N.S., "The Contractual Nature of the Firm," Journal of Law and Economics, 26:1-21, 1983

Coase, Ronald, H., "The Nature of the Firm," Economica, November 1937, Vol. 4, pp. 386-406.

VIII. Calendar:

Abstract of term paper (50 - 100 words)	Sep 18
Movie I shown	Sep 25
Movie I Homework is due	Sep 30
Midterm Exam	Oct 2
Movie II shown	Oct 16
Movie II Homework is due	Oct 21
First draft term paper is due to editor (copy to me)	Oct 30
Editors give edited paper to me and copy to buddy	Nov 6
Final version of term paper due	Nov 18
Atlas Shrugged Presentation	Nov 20
Final Exam	Dec 11 (9-11am)

IX. Goals:

The student goals for this semester are for you to improve in various skills and capacities; mine is to help promote this process. Specifically, your objective is to enhance your abilities as an

1. economic theorist
2. economic historian
3. ethicist-philosopher
4. public speaker
5. writer
6. critical thinker

I want you, at the outset, as your first assignment for this course, to give yourself a number grade, ranging from 0 to 100, as you perceive your present abilities in each of these dimensions. On the last day of the course, I will ask you to re evaluate yourselves in these regards, solely as a function of this one class, to see if there has been any improvement (or not), again in your own estimation.

Hints for rating:

0 – 20	I do not know much about this topic.
21 -- 40	I know what this is about but not much more.
41 – 60	I can identify questions on this topic but still need assistance.
61 – 80	I can apply this topic independently and do not need assistance.
81 – 100	I can teach this material to others

X. Academic Honesty

All students are expected to practice academic honesty in and out of class. Instances of academic dishonesty can result in a student receiving a grade of F for the course and referral to University judicial organizations, for possible expulsion. Academic dishonesty includes, but is not limited to, plagiarism, cheating on exams, and obtaining unauthorized assistance in completing exams and assignments.

XI. Student Handbook

Students are urged to familiarize themselves with all policies listed in the Student Handbook. This handbook, along with the present syllabus, and other such documents, are in effect a contract between Loyola and the student; these specify the rules upon which we operate.

XII. Attendance Policy

You can have two cuts per semester with no explanations needed. Any cut past that point will cost you 5 points. Three latenesses equal one cut. You may be excused from class or from any exam for reasons sufficiently compelling to the dean. All you need do is give me a letter from him.

XIII. Make up exam Policy

No make up exams will be given. I follow this policy because it is difficult for me to assess the relative difficulties of an official exam and a make up one.

XIV. Movies

I am a big fan of the educational efficacy of movies. Part of this is because of the sheer emotional effect of this medium. If a picture is worth 1,000 words, then a moving one must be worth 10,000. And films have got lots and lots of moving pictures. If 10 or 20 years the most memorable thing about this course are the assigned movies, and if these bring back a positive experience, I shall be very pleased. Both of these will take slightly more than the regular class session, and will be scheduled right after one of our classes. Much as I hate to ruin things for you, there will be a homework attached to each of these movies. (I have to do this; I'm a professor! If I didn't, they'd kick me out of the club.) I'll arrange for a slightly lighted room, so that you can fill out the assignments as you watch the movies: Wall Street, Roger and Me.

XV. Class Presentations

You will be asked to give a speech on your term paper. I include this because it is an integral part of your education to be able to articulate your views in public. I shall expect a 5 – 7 minute talk. You may use notes, but I don't want you to read (or memorize) a speech.

According to several opinion polls, public speaking is, second to jumping out of a plane with a parachute, the most frightening legal act respondents can think of. I am convinced that

the main reason for this is that we are not accustomed to formally addressing groups of people. I guarantee that if you gave 100 public speeches, you would likely get over this fear.

If this is a particular problem for you, I urge you to consider joining Toastmasters. There, you can practice to your heart's content. For our purposes, however, I suggest merely that you practice your speech a few times before delivering it to class. Try it out on your friends, room-mates or a few fellow classmates. If you can't exploit such people, who can you exploit?

XVI. Writing

1. College of Business Administration Student Writing and Publication Program

The College of Business Student Publication Program was inaugurated in the fall semester of 2001. All students in the program benefit, whether or not their papers are published, since this program is a process whereby the writing skills of all students are improved. The ultimate goal is to publish student term papers in refereed scholarly journals. This has proven to be a great asset for our students upon graduation, whether in job placement or for post-graduate education. Listed below are the publication results of this program as of August 2003.

Articles Forthcoming in Refereed Journals

Block, Walter, Katherine Wingfield and Roy Whitehead, "Re-Evaluating America's Failing Drug Control Laws: A Legal, Philosophical, and Economic Proposal," Oklahoma City Law Review

Whitehead, Roy, Catherine Gould and Walter Block, "The Value of Private Water Rights: From a Legal and Economic Perspective," Albany Law Environmental Outlook Journal

Delery, Jeanette and Walter Block, "Corporate Welfare," Markets and Morality

Articles Published in Refereed Journals

Clay, Megan and Walter Block. 2002. "A Free Market for Human Organs," The Journal of Social, Political and Economic Studies, Vol. 27, No. 2, Summer, pp. 227-236

Dirmeyer, Jenny, Fred Tulley and Walter Block. 2002. "Should Airlines be Subsidized in an Emergency? The Libertarian View," The Journal of Social, Political and Economic Studies, Spring, Vol. 27, No. 1, pp. 65-81

Dreuil, Emile, James Anderson, Walter Block and Michael Saliba. 2003. "The Trade Gap: The Fallacy of Anti World-Trade Sentiment," Journal of Business Ethics, Vol. 45, No. 3, July, pp. 269-281

Loyola University New Orleans Student Authors

James Anderson, BBA, Finance, 2002

Megan Clay, BA, French, 2003

Jeanette Delery, BBA, Economics, 2003
Jenny Dirmeyer, BBA, Economics, 2002
Emile Dreuil, BBA, Economics, 2002
Catherine Gould, BA, Philosophy, 2003
Fred Tulley, BBA, Economics, 2003
Katherine Wingfield, BBA, Economics, 2001

Professors

Walter Block, Ph.D., Harold E. Wirth Eminent Scholar Endowed Chair and Professor of Economics, College of Business Administration, Loyola University New Orleans

Michael Saliba, Ph.D., Associate Professor of Economics, College of Business Administration, Loyola University New Orleans

Roy Whitehead, Jr., JD, LL.M., Associate Professor of Business Law, Univ. of Central Arkansas

2. How does the process work?

This is a five-part program. First, the student writes a first draft of the term paper. Second, his buddy, or partner, edits this paper. Third, I mark the editing. Fourth, the student revises the paper based on the editing and my reaction to the editing. Fifth, I send out the paper, if I deem it worthwhile, to an editor of a journal.

3. Letter

If you want to be part of this program, you must sign and send me the following letter:

(Date)

Dear Dr. Block:

I hereby give permission that you edit my term paper for the purpose of seeking publication for it in a magazine, or as an article in a refereed scholarly journal. I realize that, at your discretion, you may add/subtract material to it and co-author it with me, and/or may combine it with the term paper(s) of other students, into a multiple authored paper. I realize that the final editorial decisions will be yours.

Yours truly,

Your signature

