



**FREE MARKET
INSTITUTE**

TEXAS TECH
Research & Innovation

Political Economy Reading Program

Principles of Applied Political Economy

Reading Schedule

Session 1 – Opportunity Cost

- Hazlitt, Henry. (1946). “The Lesson.” In *Economics in One Lesson*. New York, NY: Harper & Brothers. 15-19.
- ——— (1946). “The Broken Window.” 23-24.
- ——— (1946). “The Blessings of Destruction.” 25-30.
- Quiggin, John. (2019). “Introduction.” In *Economics in Two Lessons: Why Markets Work So Well, and Why They Can Fail So Badly*. Princeton, NJ: Princeton University Press. 1-10.
- ——— (2019). “Market Prices and Opportunity Costs.” 13-29.
- ——— (2019). “The Opportunity Cost of Destruction.” 114-129.

Session 2 – Gains from Trade

- Hazlitt, Henry. (1946). “Who’s ‘Protected’ by Tariffs?” In *Economics in One Lesson*. New York, NY: Harper & Brothers. 74-89.
- ——— (1946). “The Drive for Exports.” 85-97.
- Quiggin, John. (2019). “Markets, Opportunity Cost, and Equilibrium.” In *Economics in Two Lessons: Why Markets Work So Well, and Why They Can Fail So Badly*. Princeton, NJ: Princeton University Press. 30-49.
- ——— (2019). “Lesson One: How Opportunity Cost Works in Markets.” 69-84.

Session 3 – Property Rights and Incentives

- Baetjer Jr., Howard. (2013). “Free Market Incentives Foster Service to Others.” In *Free Our Markets: A Citizens’ Guide to Essential Economics*. Thornton, NH: Jane Philip Publications, LLC. 75-97.
- ——— (1946). “Ownership Matters.” 98-114.
- Quiggin, John. (2019). “Property Rights and Income Distribution.” In *Economics in Two Lessons: Why Markets Work So Well, and Why They Can Fail So Badly*. Princeton, NJ: Princeton University Press. 134-149.
- ——— (2019). “Market Failure: Externalities and Pollution.” 196-213.



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Session 4 – Prices and Knowledge

- Hazlitt, Henry. (1946). “How the Price System Works.” In *Economics in One Lesson*. New York, NY: Harper & Brothers. 103-109.
- ——— (1946). “‘Stabilizing’ Commodities.” 110-116.
- Quiggin, John. (2019). “Time, Information, and Uncertainty.” In *Economics in Two Lessons: Why Markets Work So Well, and Why They Can Fail So Badly*. Princeton, NJ: Princeton University Press. 50-66.
- Baetjer Jr., Howard. (2013). “Prices Communicate Knowledge.” In *Free Our Markets: A Citizens’ Guide to Essential Economics*. Thornton, NH: Jane Philip Publications, LLC. 11-42.

Session 5 – Profit and Innovation

- Hazlitt, Henry. (1946). “The Curse of Machinery.” In *Economics in One Lesson*. New York, NY: Harper & Brothers. 49-66.
- ——— (1946). “The Function of Profits.” 159-163.
- Baetjer Jr., Howard. (2013). “Profit and Loss Guide Innovation.” In *Free Our Markets: A Citizens’ Guide to Essential Economics*. Thornton, NH: Jane Philip Publications, LLC. 43-74.
- Nelson, Richard R. (1996). “Science, Economic Growth, and Public Policy.” *Challenge*, 39 (2), 9-21. Accessed at <https://www.jstor.org/stable/40721841>.

Session 6 – Labor Markets

- Hazlitt, Henry. (1946). “Spread-The-Work Schemes.” In *Economics in One Lesson*. New York, NY: Harper & Brothers. 61-66.
- ——— (1946). “Disbanding Troops and Bureaucrats.” 67-70.
- ——— (1946). “Do Unions Really Raise Wages.” 140-151.
- ——— (1946). “Enough to Buy Back the Product.” 152-158.
- Quiggin, John. (2019). “Income Distribution: Predistribution.” In *Economics in Two Lessons: Why Markets Work So Well, and Why They Can Fail So Badly*. Princeton, NJ: Princeton University Press. 237-254.
- ——— (2019). “Policy for Full Employment.” 288-307.



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Session 7 – Just Prices

- Hazlitt, Henry. (1946). “Government Price-Fixing.” In *Economics in One Lesson*. New York, NY: Harper & Brothers. 117-126.
- ——— (1946). “Minimum Wage Laws.” 134-139.
- Quiggin, John. (2019). “Lesson One and Economic Policy.” In *Economics in Two Lessons: Why Markets Work So Well, and Why They Can Fail So Badly*. Princeton, NJ: Princeton University Press. 85-111.
- Baetjer Jr., Howard. (2013). “Market Forces Regulate.” In *Free Our Markets: A Citizens’ Guide to Essential Economics*. Thornton, NH: Jane Philip Publications, LLC. 144-163.

Session 8 – Competition and Regulation

- Hazlitt, Henry. (1946). “Parity’ Prices.” In *Economics in One Lesson*. New York, NY: Harper & Brothers. 90-97.
- ——— (1946). “Saving the X Industry.” 98-102.
- Quiggin, John. (2019). “Monopoly and the Mixed Economy.” In *Economics in Two Lessons: Why Markets Work So Well, and Why They Can Fail So Badly*. Princeton, NJ: Princeton University Press. 308-327.
- Baetjer Jr., Howard. (2013). “Government Regulation Gets Captured by Special Interests.” In *Free Our Markets: A Citizens’ Guide to Essential Economics*. Thornton, NH: Jane Philip Publications, LLC. 115-143.

Session 9 – Recession

- Hazlitt, Henry. (1946). “The Fetish of Full Employment.” In *Economics in One Lesson*. New York, NY: Harper & Brothers. 71-73.
- Baetjer Jr., Howard. (2013). “Boom, Bust, and Turmoil.” In *Free Our Markets: A Citizens’ Guide to Essential Economics*. Thornton, NH: Jane Philip Publications, LLC. 199-206.
- ——— (2013). “Why Housing Boomed.” 207-223.
- ——— (2013). “Why the Boom Got So Big.” 224-228.
- ——— (2013). “Why the Housing Bust Led to Financial Crisis.” 253-276.



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Session 10 – Democracy

- Whitman, Donald. (1989). “Why Democracies Produce Efficient Results.” *Journal of Political Economy*, 97 (6), 1395-1424. Accessed at <https://www.jstor.org/stable/1833245>.
- Baetjer Jr., Howard. (2013). “Special Interests versus Democracy.” In *Free Our Markets: A Citizens’ Guide to Essential Economics*. Thornton, NH: Jane Philip Publications, LLC. 164-173.
- Pennington, Mark. (2011). “Introduction’.” In *Robust Political Economy: Classical Liberalism and the Future of Public Policy*. Cheltenham, UK: Edward Elgar. 1-12.
- ——— (2011). “Market Failures ‘Old’ and ‘New’.” 15-49.