This course examines a few questions about markets: One subject is property rights: their origins and impact on the international system in which we live. This course also covers some basic ground about the “naturalness” of the capitalist property rights system. The leading exponent of a “natural” capitalist system was Adam Smith; his *Wealth of Nations* has never been equaled as a statement of this position. We then consider the Marxist attitude towards property rights in Engels’ *Origin of the Family, Private Property, and the State*. Hernando de Soto’s *Mystery of Capital* will be considered as a modern restatement of Smithian principles.

Having established the basis of the “natural” system of capitalism, we will then explore the dynamics of real world financial markets and how they contribute to disequilibrium and crisis. For this part of the course we have an eclectic mix of authors, including Grosvenor (1885) and Schwartz (2009). At the end of the class we will briefly consider the Islamic theory of interest and whether it would affect the propensity to crisis.

Course grading will be based upon an in-class essay style midterm (nominally 40% of the grade) and an in-class essay final (nominally 60% of the grade) with a substantial participation component that will typically affect the final letter grade on a sliding scale. There will be occasional in-class quizzes designed to assess the extent to which you are keeping up with the reading and serve as an index of participation. These assessment quizzes will be used to evaluate your efforts to keep up with the class. There will be no make-ups for these quizzes and they will not be announced in advance. Letter grades will be assigned to completed work (A, A-, B+, etc.) and their numeric values (4.0, 3.7, 3.3, etc.) used to calculate the final course average. The final course average will in turn receive a letter grade corresponding to the range of the numeric values. Thus a 2.0 to 2.14 is a C, 2.15 to 2.49 is a C+, and 2.50 is a B-, and so on, up to the grade of A (3.85 to 4.0).

The rule for missed midterms and exams is that you have to have a valid medical excuse.

*Parachute paper:* If you wish to improve upon your midterm grade you have the option of writing on a topic (which will be assigned) a paper of 3 to 5 pages in length. The grade on this paper will be substituted for your midterm paper. If the paper is not turned in when it is due it means you have turned down the option. Therefore, there is no such thing as a late parachute paper. Ever.

*Joining the class web site (Blackboard) is required.* This will allow for announcements and graded exam questions (which I give out in advance) to be delivered on a timely basis. It is also your backup copy of the syllabus, which will be posted on the site.
The academic objectives of this class include:

1. An introduction to liberal or “free market” capitalism as a theory of world politics and economics that has been challenged by a variety of dissenting traditions, both pro- and anti-capitalist.

2. Learning to read and analyze sophisticated analytic texts, both classic and contemporary, oral participation, satisfactory academic mastery of the topics in #1.

3. The assignments: two in-class exams, plus in-class quizzes.

The format of the class will usually be a lecture presentation on the assigned reading.

Assigned materials for this class include the works in the class bibliography.

4. Students who complete this class will have (a) learned basic vocabulary and concepts necessary to understanding competing theories of capitalist markets and property rights; (b) conceptual linkage of theory to case studies and (c) to apply broad theoretical constructs to contemporary political economy.

Absences, disabilities, and other matters. Long multi-week absences can have a negative influence on your grade and you may need to consider dropping the course. Attendance may be taken on a randomized basis. If you miss the midterm or final the instructor will administer an oral exam makeup, if the absence has been cleared through the dean’s office. Disabilities: normal disability arrangements will be made where required. Students who require special accommodations consistent with university policy (such as extended time in a different location) and are registered with the disability office must state their needs at the beginning of the semester. If you have any questions about your circumstances, please ask.

**BOOKS TO BUY**

(an asterisk * means on-line line copies available)


NOTE ON SMITH: don’t buy any old edition on a used web site. If you can’t get the Cannan edition use the on line edition. (See week-by-week and bibliography for links)

Week-by-week schedule

Week 1

Tuesday Jan 23rd, 1st day of class
Thursday Jan 25th

In the Cannan edition for the printed copy:

Smith – Wealth of Nations  read v. 1, bk 1, pp. 1-33, v. 1, books 3 and 4, pp. 401-524, v. 2, bk 4, pp 159-181. Note that pagination for v. 2 starts over again from page one.

To use Internet copies:

The Seligman edition is just below. Use it to read v. 1, bk 1, pp. 1-25; v. 1, books 3 and 4, pp. 336- 441:

For volume two: Selgiman Smith W of N https://archive.org/details/thewealthofnation00smituoft

There are other editions both on the Internet and in print.

Week 2

Tues Jan 30, Thursday Feb 1

Assigned reading from Week 1.

Week 3

Tues Feb 6, Thursday Feb 8

Discussion of Smith’s critique of the mercantile system
Seligman v. 2 pp. 137-156  https://archive.org/details/thewealthofnatio00smituoft

Seligman v. 2's print is a bit faded, you may prefer The Cannan edition (only v. 2 is on archive.org) is below. The same pages are v. 2, bk 4, pp. 141-160:  
https://archive.org/details/inquirynature02smituoft

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**Week 4**  
Tuesday Feb 13, Thursday Feb 15  
Engels *Origins of the Family*  (chapters 1-3) pp. 87-160 (paginations vary)  
https://archive.org/details/originoffamilypr00fred

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**Week 5**  
Tuesday Feb 20, Thursday Feb 22  
Engels *Origins of the Family*  pp. 162-237 (chapters 4-9)  
https://archive.org/details/originoffamilypr00fred

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**Week 6**  
Tuesday Feb 27, Thursday March 1  
Hernando de Soto, *Mystery of Capital*, pp. 1-135

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**Week 7**  
Tues March 6, Thursday March 8  
**Midterm questions posted**

Hernando de Soto, *Mystery of Capital*, pp. 136-270

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**Week 8**  
Tues March 13, Thurs March 15  
**SPRING BREAK NO CLASSES**

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**Week 9**  
Tues March 20, Thurs March 22  
Tuesday: in class review for mid-term
MIDTERM THURSDAY March 23

Week 10  Tues March 27, Thurs March 29
What an extreme protectionist economy can look like

Tenenbaum National Socialism vs. International Capitalism (pdf)

Week 11 Tues April 3, Thurs April 5

Tenenbaum National Socialism vs. International Capitalism (pdf)

Week 12  Tues April 10, Thurs April 12
Read on JSTOR:


Week 13

Tues April 17, Thurs April 19

Schwartz Subprime Nation  Chapters 1, 2, 3

Week 14  Tues April 24, Thurs April 26

Chapters 4, 5, 6  Schwartz Subprime Nation

Parachute paper topic assigned

Week 15  Tues May 1, Thurs May 3

Chapters 7, 8  Schwartz Subprime Nation

A non-western critique: Islamic finance
Parachute paper DUE THURSDAY

Kettell *Islamic Finance in a Nutshell*

Week 16: Tuesday May 8

Tuesday Last day of class - Discussion of final exam

Exam questions posted

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**Course Bibliography**

(this is not a to-buy list)


http://www.archive.org/stream/originoffamilypr00enge#page/n5/mode/2up

http://archive.org/stream/americansecuriti00grosuoft#page/n5/mode/2up


v. 1 (Seligman edition) is here:  https://archive.org/details/wealthofnationss01smituoft

http://archive.org/stream/wealthofnationss01smituoft#page/n5/mode/2up

v.2 is here  http://archive.org/stream/aninquiryintona00canngoog#page/n6/mode/2up