

The Fund for American Studies  
Institute on Business and Government Affairs  
“Business, Government, and Public Policy”  
Summer 2010

Professor: Eric Daniels, Ph.D.

**Overview:**

The relationship between the government and the business community has been one of the most important throughout American history. In each of the major eras of our history, one can aptly define that era by the major approach to business-government relations.

This course investigates the history and philosophy of business-government relations and government regulation. It focuses on the changes that have occurred in the past that have directed and redirected the course of American economic development. It will incorporate an investigation of the wide-ranging history of antitrust regulations as well as the growth and development of the modern regulatory state.

**Texts:**

- Dominick Armentano, *Antitrust and Monopoly: Anatomy of a Policy Failure*, Second Edition (ISBN: 0945999623)
- Cindy Skrzycki, *The Regulators: Anonymous Power Brokers in American Politics* (ISBN: 0742519082)
- Some additional short readings may be distributed in class.

**Graded Assignments:**

There will be two tests, a mid-term and a final (each covering approximately one half of the course’s material).

**“Office” Hours:**

I will make myself available on Thursday evenings for “office” hours with students. Although I do not have a physical office in Washington, I believe we can make do with local restaurants, bars, parks, etc. Since student schedules are busy during their time in DC, I think it best to meet by request as needed. If there is enough demand, I will make a more regular place and time available. I am more than happy to discuss not only issues related to class and assignments, but also career questions, basic philosophic issues, contemporary politics, or the latest developments in this year’s World Cup.

**Class Outline:**

Wednesday, June 9: Introduction

- Background history of business-government relations

Friday, June 11: The Long History of Antitrust

- More general background; the legal and political origins of antitrust
- Reading: Armentano, 1–48

Wednesday, June 16: Economic Theory and Practice of Antitrust

- What is competition? How do we know? Does it matter? How do we enforce the antitrust laws?

Reading: Armentano, 49–132

Friday, June 18: Legislative Intent versus Legal Enforcement

- What is a price? What should prices be? How should they be determined?

Reading: Armentano, 133–229

Wednesday, June 23: Contemporary Antitrust

Friday, June 25: Wrap up and Summary of Antitrust

Wednesday, June 30: MIDTERM EXAM

Friday, July 2: NO CLASS

Wednesday, July 7: NO CLASS

Reading: Skrzycki, 1–52

Friday, July 9: NO CLASS

Reading: Skrzycki, 53–132

Tuesday, July 13: Regulation, A Primer

- What is it? How does it work? What processes are there in both passing and enforcing regulations?

Reading: Skrzycki, 133–178

Wednesday, July 14: Theories of Regulation

- Cost-benefit analysis, Nudge regulations, market failure, equity concerns, individual rights

Friday, July 16: More Theory of Regulation

Reading: Skrzycki, 179–210

Wednesday, July 21: Banking and Financial Regulation

- Moral hazard and adverse selection, distortion effects

Reading: Skrzycki, 211–240

Friday, July 23: Banking and Financial Regulation (cont.)

Monday, July 26: Final Exam

**Additional Resources for further study:**

Gary Hull, ed., *The Abolition of Antitrust*

William Shughart, *Antitrust Policy and Interest Group Politics*

Jonathan Hughes, *The Governmental Habit: Economic Controls from Colonial Times to the Present*

Hans Thorelli, *The Federal Antitrust Policy: Origination of an American Tradition*

Yale Brozen, *Is Government the Source of Monopoly?*

Bernard Siegan, *Economic Liberties and the Constitution*

A. D. Neale, *The Antitrust Laws of the USA: A Study of Competition Enforced by Law*

William Letwin, *Law and Economic Policy in America*

Walter Oleszek, *Congressional Procedures and the Policy Process*

Barbara Sinclair, *Unorthodox Lawmaking: New Legislative Processes in the U.S. Congress*

Tibor Machan and M. Bruce Johnson, eds., *Rights and Regulation: Ethical, Political, and Economic Issues*

Alan Stone, *Regulation and its Alternatives*

Cass Sunstein, Stephen Breyer, Richard B. Stewart, and Matthew Spitzer,  
*Administrative Law and Regulatory Policy*

James Q. Wilson, *Bureaucracy: What Government Agencies Do and Why They Do It*

Susan Dudley, *Primer on Regulation*

Cornelius Kerwin, *Rulemaking: How Government Agencies Write Law and Make Policy*

Cato Institute's *Regulation* magazine

<http://www.cato.org/pubs/regulation/>

American Enterprise Institute's Center for Regulatory and Market Studies

<http://www.reg-markets.org/>

Resources for Economists

<http://rfe.org/>

Ayn Rand Center for Individual Rights

<http://aynrandcenter.org/>

Competitive Enterprise Institute

<http://cei.org/>