

Bus 308 / Econ 384
Public Control of Economic Activity

George J. Stigler
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READING LIST

Marginal Notations:

R - Required reading
P - In packet

Recommended texts:

G.J. Stigler, The Citizen and the State, University of Chicago Press, paperback.

Anthony Downs, An Economic Theory of Democracy, Harper & Row, paperback.

1. CLASSICAL THEORIES OF THE STATE: EXTERNALITIES

A.C. Pigou, The Economics of Welfare (4th ed.), Part II, Ch's. 2, 9, 11, 20.

RP R. Coase, "The Problem of Social Cost," Journal of Law & Economics, Oct. 1960.

RP H. Demsetz, "Why Regulate Utilities?" JLE, 1968.

John Crepine, O. Davis, and J. Jackson, "Urban Property Markets," JLE, 1967.

S.M. Maser, W.H. Riker, and R.N. Rosett, "The Effects of Zoning and Externalities on the Price of Land," JLE, April 1977.

S. Cheung, D. Johnson, and J.R. Gould, three articles on bees and orchards, JLE, April 1973.

2. CLASSICAL THEORIES OF THE STATE: PUBLIC GOODS

R P. Samuelson, "Diagrammatic Exposition of a Theory of Public Expenditure," Review of Economics and Statistics, Nov. 1985. Also in Readings in Welfare Economics, ed. Arrow and Scitovsky.

C.M. Tiebout, "A Pure Theory of Local Expenditures," Journal of Political Economy, Oct. 1956.

3. THE SPECIAL CASE OF KNOWLEDGE

K. Arrow, "Economic Welfare and the Allocation of Resources for Invention," in The Rate and Direction of Inventive Activity (National Bureau of Economic Research, 1962).

H. Demsetz, "Information and Efficiency: Another Viewpoint," JLE, April 1969.

G. Stigler, "The Economics of Information," JPE, 1961; also in Organization of Industry.

G. Akerlof, "The Market for 'Lemons'," Quarterly Journal of Economics, 1970.

P K.B. Leffler, "Persuasion or Information: The Economics of Prescription Drug Advertising," JLE, April 1981.

W.K. Viscusi and W.A. Magat, Learning about Risk (Harvard University Press, 1987).

4. ECONOMIC THEORIES OF THE POLITICAL PROCESS: THE THEORY OF REGULATION

J. Buchanan and G. Tullock, The Calculus of Consent, Ch's. 2, 6, 7, 8, 10.

R A. Downs, An Economic Theory of Democracy, Parts I, IV.

D. Friedman, "A Theory of the Size and Shape of Nations," JPE, Feb. 1977.

G. Becker, "Competition and Democracy," JLE, Oct. 1958.

M. Olson, Logic of Collective Action.

Y. Barzel and E. Silberberg, "Is the Act of Voting Rational?" Public Choice, Fall 1973.

RP G. Becker, "A Theory of Competition among Pressure Groups for Political Influence," QJE, Aug. 1983.

RP W. Allen Wallis, "Political Entrepreneurship and the Welfare Explosion," in Welfare Programs: An Economic Appraisal, ed. Tobin and Wilson (American Enterprise Institute, 1969).

J.B. Kau and P.H. Rubin, "Self-Interest, Ideology, and Log-rolling in Congressional Voting," JLE, Oct. 1979.

RP G. Stigler, "Director's Law of Public Income Redistribution," JLE, April 1970.

- P G. Stigler, "Economic Competition and Political Competition," Public Choice, Aug. 1972.
- W. Niskanen, Bureaucracy and Representative Government, Ch's. 4-7.
- RP B.R. Weingast, K.A. Shepsle, and G. Johnson, "The Political Economy of Benefits and Costs," JPE, Aug. 1981.
5. THE INDUSTRY IN POLITICS: THE "FREE" RIDER PROBLEM
- T.N. Tideman and G. Tullock, "A New and Superior Method of Making Social Choices," JPE, Dec. 1976.
- RP G. Stigler, "The Theory of Economic Regulation," Bell Journal, Spring 1971; also in The Citizen and the State.
- RP S. Peltzman, "Toward a More General Theory of Regulation," JLE, Aug. 1976.
- J.Q. Wilson, ed., The Politics of Regulation, Ch. 10.
6. THE QUALITATIVE STUDY OF POLICIES
- A. Smith, The Wealth of Nations, Bk. IV, Ch. 11, "Of Restraints upon the Importation..."
- R. Coase, "The Federal Communications Commission," JLE, 1959.
7. THE SOURCES AND EFFECTS OF REGULATORY POLICIES
- H. Marvel, "Factory Regulation: A Reinterpretation of Early English Experience," JLE, Oct. 1977.
- RP G. Stigler and C. Friedland, "What Can Regulators Regulate?" JLE, 1962.
- RP G. Jarrell, "The Demand for State Regulation of the Electric Utility Industry," JLE, Oct. 1978. See also JLE, Dec. 1981.
- W. Jordan, "Producer Protection, Prior Market Structure and the Effects of Government Regulation," JLE, April 1972.
- G. Stigler, "Public Regulation of the Securities Market," Journal of Business, April 1964; and subsequent denunciations, Oct. 1964.
- G.W. Schwert, "Public Regulation and the Securities Market," Bell J.

- Spring 1977.
- W. Landes and L. Solomon, "Compulsory Schooling Legislation," J. Economic History, March 1972.
- P R.W. Crandall and J.D. Graham, "The Effects of Fuel Economy Standards on Automobile Safety," JLE, April 1989.
- P N.L. Rose, "The Incidence of Regulatory Rents in the Motor Carrier Industry," Rand Journal, Autumn 1985.
- N.L. Rose, "Labor Rent Sharing and Regulation: Evidence from the Trucking Industry," Journal of Political Economy, Dec. 1987.
- R. Ippolito, "The Effects of Price Regulation in the Automobile Insurance Industry," JLE, Apr. 1979.
- G. Daly and T. Mayor, "Estimating the Value of a Missing Market: The Economics of Directory Assistance," JLE, Apr. 1980.
- G.A. Jarrell, "Change at the Exchange: The Causes and Effects of Deregulation," JLE, Oct. 1984.
- P Chief Economist, S.E.C., "Stock Trading before the Announcement of Trader Offers," Washington: Office of S.E.C., February 1987.
- R.E. Baldwin, The Political Economy of U.S. Import Policy, Ch. 1, pp. 142-74.
- B. Gardner, "Causes of U.S. Farm Commodity Programs," JPE, April 1987.
8. PRODUCT AND JOB SAFETY
- P W. Kip Viscusi, "Consumer Behavior and the Safety Effects of Product Safety Regulation," JLE, Oct. 1985.
- R W. Landes and R.A. Posner, "A Positive Economic Analysis of Products Liability," and P.L. Danzon, "Comments on Landes and Posner," JLS, Dec. 1985.
- P G. Jarrell and S. Peltzman, "The Impact of Product Recalls on the Wealth of Sellers," JPE, June 1985.
- P S. Peltzman, "The Effects of Automobile Safety Regulation," JPE, Aug. 1975.
- J. Chelius, "Liability for Industrial Accidents," J. Legal Studies, June 1976.

- p W. K. Viscusi, "The Impact of Occupational Safety and Health Regulations," Bell J., Spring 1979.
- A.P. Bartel and L.G. Thomas, "Direct and Indirect Effects of Regulation: A New Look at OSHA's Impact," JLE, April 1985.
- S. Peltzman, "An Evaluation of Consumer Protection Legislation: 1962 Drug Amendments," JPE, Sept./Oct. 1973.
9. THE ENFORCEMENT OF REGULATIONS
- p G.S. Becker, "Crime and Punishment," JPE, March/April 1968.
- G. Stigler, "The Optimum Enforcement of Laws," JPE, May/June 1970.
- R.A. Posner, "Taxation by Regulation," Bell J., Spring 1971.
- RP G. Becker and G. Stigler, "Law Enforcement, Malfeasance, and Compensation of Enforcers," JLS, Jan. 1974.
- W.L. Landes and R.A. Posner, "The Private Enforcement of Law," JLS, Jan. 1975.
- RP W.L. Landes and R.A. Posner, The Economic Structure of Tort Law, Harvard University Press, 1987, Chs. 1 and 10.
- R. Smith, "The Legal and Illegal Markets for Taxed Goods," JLE, Aug. 1976.
- O. Ashenfelter and R. Smith, "Compliance with the Minimum Wage Law," JPE, April 1979.
- M.K. Block, F.C. Nold, and J.E. Sidak, "The Deterrent Effect of Antitrust Enforcement," JPE, June 1981.
- C.C. Cox, "The Enforcement of Public Price Controls," JPE, Oct. 1980.
- R.G. Ehrenberg and P.L. Schuman, "Compliance with the Overtime Pay Provisions of the Fair Labor Standards Act," JLE, April 1982.
- Y. Chang and I. Ehrlich, "On the Economics of Compliance with the Minimum Wage Law," JPE, Feb. 1985.