

Econ 209: History of Economic Thought

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Instructor

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Coordinates

Wed. & Fri., 1:00-2:30pm, UPSE Encarnacion Hall 301.

Content

The course is organized around seminal works in economics. Each week features one or two towering figures, focusing on key selections from their oeuvres. Secondary sources provide interpretation and context. The capstone is a filmed debate between followers of Keynes and followers of Hayek on the origins of the financial crisis of 2008 and the appropriate policy response.

Resources

All resource materials are posted on UVLe.

Weekly Summaries

As preparation for class, students are required to submit a 500±50 word summary of the week's original work(s) by Monday night (11:59pm). These summaries are to rely on the student's own reading of the works, without reference to the interpretations of others. One or two quotes from the works may optionally be appended. The summaries will be posted on UVLe on Tuesday mornings.

Assessment

Assessment will be based 30 percent on a midterm exam, 30 percent on a final exam, 30 percent on the weekly summaries, and 10 percent on class contribution.

Schedule

Week	Date	Resources
1a	Aug 10	Intro <ul style="list-style-type: none"> • Summers (2011), 6:00-14:38.
1b	Aug 12	Pre-Adam Smith <ul style="list-style-type: none"> • Niehans (1990), Ch 3. • Blaug (1996), Ch 1.
2	Aug 17/19	Adam Smith <ul style="list-style-type: none"> • Smith (1776), Book I, Chs 1-7; Book IV, Ch 2. • Blaug (1996), Ch. 2 . • O'Brien (1975). • Viner (1927).
3	Aug 24/26	Jean-Baptiste Say; Thomas Malthus <ul style="list-style-type: none"> • Say (1821), Book I, Ch XV. • Malthus (1798), Chs 1-2. • Malthus (1821), Ch VII, Sections I-III, IX. • Schumpeter (1954), pp 615-625. • Rima (2009), Ch 6.
4	Aug 31 /Sep 2	David Ricardo <ul style="list-style-type: none"> • Ricardo (1821), Chs 1, 4, 7, 17, 20, 21, 30. • Blaug (1996), pp 106-132. • Marshall (1895), pp 557-565. • Dorfman (1989).
5	Sep 7/9	John Stuart Mill <ul style="list-style-type: none"> • Mill (1844), Essay II. • Mill (1909), Intro (Ashley), Book V, Chs I, VIII, X, XI. • Mill (1859), Ch I. • Spiegel (1991), Ch 16. • Dobb (1973), Ch 5.
6	Sep 14/16	Karl Marx <ul style="list-style-type: none"> • Marx (1887), Chs IV, VI, XXV. • Marx & Engles (1906), pp 11-32. • Niehans (1990), Ch 2. • Robinson (1982), Chs I-VII. • Dobb (1973), Ch 6.
7	Sep 21/23	William Stanley Jevons; Alfred Marshall <ul style="list-style-type: none"> • Jevons (1871), Ch III. • Marshall (1895), Book III, Chs III-VI; Book IV, Ch XIII; Book V, Chs II, III, V. • Niehans (1990), Ch 13. • Spiegel (1991), Ch 22.
8	Sep 28/30	Leon Walras; Vilfredo Pareto <ul style="list-style-type: none"> • Walras (1954), Lessons 5-6, 11-12. • Pareto (1971), Ch III. • Blaug (1996), Ch 13, pp 549-570. • Friedman (1955). • Spiegel (1991), pp 556-561.

9	Oct 5/7	Antoine Cournot; Joan Robinson <ul style="list-style-type: none"> • Cournot (1897), Ch VII (Ch IV honorable mention). • Robinson (1933), pp 47-59, 113-116, 215-231. • Blaug (1996), pp 301-303. • Rima (2009), Ch 15.
10	Oct 12/14	Midterm Exam
11	Oct 19/21	David Hume; Irving Fisher <ul style="list-style-type: none"> • Hume (1752), Discourses III-V. • Fisher (1896), Chs I-VI. • Fisher (1926), Chs I-III. • Niehans (1990), pp 52-56, Ch 23.
12	Oct 26/28	John Mills; Arthur Pigou <ul style="list-style-type: none"> • Mills (1867). • Pigou (1927), Chs IV, VIII. • Schumpeter (1954), pp 738-750, 1117-1135. • Wiemer (2015).
13	Nov 2/4	Walter Bagehot <ul style="list-style-type: none"> • Bagehot (1910), Chs I-II. • Spiegel (1991), pp 404-407. • DeLong (2012). • Summers (2000). • Summers (2011), 58:00-1:00:30.
14	Nov 9/11	John Maynard Keynes <ul style="list-style-type: none"> • Keynes (1936), Chs 1-3, 8-9, 11-15. • Hansen (1953), Ch 1. • Hicks (1937). • Snowden & Vane (2005), Ch 1, pp 91-100, 148-162.
15	Nov 16/18	Ludwig von Mises; Friedrich Hayek <ul style="list-style-type: none"> • Mises (1998), Ch XX. • Hayek (1944), Chs 7-8. • Garrison (2005).
16	Nov 23/25	Hyman Minsky <ul style="list-style-type: none"> • Minsky (2008), Chs 5, 8-9. • Kindleberger & Aliber (2011), Ch 2. • Economist (2016).
17	Nov 30 /Dec 2	Keynes v Hayek <ul style="list-style-type: none"> • LSE (2011), youtube.

Resources

General

Original Works

Internet Archive. <https://archive.org/about/>

- page images from historic texts
- expansive coverage beyond economics and even beyond books
- limited to major works no longer under copyright

McMaster University Archive for the History of Economic Thought.

<http://socserv2.socsci.mcmaster.ca/econ/ugcm/3ll3/>

- continuous text with no page formatting; figures missing; notes awkwardly placed
- convenient indexing by author
- material still under copyright included

Interpretive Works

Blaug, Mark, 1996. *Economic Theory in Retrospect*, Fifth Edition (Cambridge, UK: Cambridge University Press).

- reader's guides to major works by Smith, Ricardo, Mill, Marx, Marshall, Wicksteed, Wicksell, Walras, and Keynes

Dobb, Maurice Herbert, 1973. *Theories of Value and Distribution Since Adam Smith: Ideology and Economic Theory* (University Press).

Henderson, David R., ed., *The Concise Encyclopedia of Economics* (Library of Economics and Liberty). <http://www.econlib.org/index.html>

- biographies of renowned economists
- explanations of concepts and theories by experts

Niehans, Jürg, 1990. *A History of Economic Theory: Classic Contributions, 1720-1980* (Baltimore, MD: Johns Hopkins University Press).

Rima, Ingrid, 2009. *Development of Economic Analysis*, Seventh Edition (Oxon, UK: Routledge).

- multi-page excerpts from major works anchor the narrative

Schumpeter, Joseph A., 1954. *History of Economic Analysis* (New York: Oxford University Press).

- encyclopedic, at times to the point of tediousness
- cut short by the author's untimely demise
- very opinionated, even iconoclastic (no fan of Adam Smith)
- draws from original French and German works

Snowdon, Brian and Howard R. Vane (eds.), 2005. *Modern Macroeconomics: Its Origins, Development and Current State* (Cheltenham, UK: Edward Elgar).

Spiegel, Henry William, 1991. *The Growth of Economic Thought*, Third Edition (Durham, NC: Duke University Press).

- 220 pages on pre- Adam Smith
- 160 pages of bibliographical notes

Summers, Larry, 2011. w Martin Wolf: Keynote at INET's Bretton Woods Conference.
<https://www.youtube.com/watch?v=Vgg5DoPkgYc>

Pre-Adam Smith

Interpretive Works

Blaug, 1996. Ch. 1: "Pre-Adamite Economics", pp. 10-32.

Niehans, 1990. Ch. 3: "Antecedents: Supply and Demand", pp. 14-24.

Classical

Original Works

Malthus, Thomas, 1798. *An Essay on the Principle of Population, As It Affects the Future Improvement of Society* (London: J. Johnson).
<https://archive.org/details/essayonprincipl00malt>

Malthus, Thomas, 1821. *Principles of Political Economy Considered with a View to Their Practical Application* (Boston: Wells and Lilly).
<https://archive.org/details/principlesofpoli01malt>

Mill, John Stuart, 1909[1848]. *Principles of Political Economy*, edited and annotated by W.J. Ashley (London: Longmans, Green).
<https://archive.org/details/principlesofpol100mill>

Mill, John Stuart, 1844. *Essays on Some Unsettled Questions in Political Economy* (London: John W. Parker).
<https://archive.org/details/essaysonsomeuns01millgoog>

Mill, John Stuart, 1859. *On Liberty* (London: John W. Parker and Son).
<https://archive.org/details/onliberty03millgoog>

Ricardo, David, 1821[1817]. *On the Principles of Political Economy and Taxation*, Third Edition (John Murray, Albemarle-Street).
<https://archive.org/details/onprinciplespol00ricagoog>

Say, Jean-Baptiste, 1821. *A Treatise on Political Economy; or the Production, Distribution, and Consumption of Wealth*, Translated from the Fourth Edition of the French by C.R. Prinsep (London: Longman, Hurst, Rees, Orme, and Brown).

<https://archive.org/details/atreatiseonpoli01unkngoog>

Smith, Adam (1776). *An Inquiry into the Nature and Causes of the Wealth of Nations*, (London: Strahan & Cadell).

Vol I. https://archive.org/details/inquiryintonatur01smit_0

Vol II. https://archive.org/details/inquiryintonatur02smit_0

Interpretive Works

Blaug, 1996. “Reader’s Guide to the Principles of Political Economy”, pp. 106-132.

Dobb, 1973. Ch. 5: “John Stuart Mill”, pp. 121-136.

Dorfman, Robert, 1989. “Thomas Robert Malthus and David Ricardo”, *Journal of Economic Perspectives*, 3(3), pp. 153-164.

O’Brien, D.P., 1975. Ch. 2: “The Roots of Classical Economics”, *The Classical Economists* (Oxford: Clarendon Press), pp. 21-52.

Marshall, Alfred, 1895 [1890]. “Note on Ricardo’s Theory of Value”, *Principles of Economics*, Third Edition (New York: MacMillan), pp. 557-565.

<https://archive.org/details/principlesofecon01marsrich>

Rima, 2009. Ch. 6: “Thomas Malthus and J.B. Say: The Political Economy of Population Behavior and Aggregate Demand”, 123-144.

Samuelson, Paul A., 1978. “The Canonical Classical Model of Political Economy”, *Journal of Economic Literature*, Vol. XVI (Dec.), pp. 1415-1434.

https://www.jstor.org/stable/2723556?seq=1#page_scan_tab_contents

Schumpeter, 1954. Ch. 6, Section 4: “Say’s Law of Markets”, pp. 615-625.

Spiegel, 1991. Ch. 16: “John Stuart Mill: Liberalism Redeemed”, pp. 367-394.

Viner, Jacob, 1927. “Adam Smith and Laissez-Faire”, *Journal of Political Economy*, 35(2), PP 198-232.

Radical

Original Works

Marx, Karl, 1887. *Capital: A Critical Analysis of Capitalist Production*, English translation edited by Fredrick Engels (London: Swan Sonnenschein, Lowrey, & Co.).

Vol. I [1867]: <https://archive.org/details/capitalcriticala00marxrich>

Vol. II [1885]: <https://archive.org/details/capitalcriticala02marxrich>

Marx, Karl and Friedrich Engels, 1906[1848]. *Manifesto of the Communist Party* (Chicago: Charles H. Kerr).

<https://archive.org/details/manifestocommun00engegoog>

Interpretive Works

Dobb, 1973. Ch. 6: “Karl Marx”, pp. 137-165.

Niehans, 1990. Ch 2: “The Leitmotiv of Classical Economics”, pp. 9-14.

Robinson, Joan, 1982[1942]. Chs. I-VII, *An Essay on Marxian Economics* (London: Macmillan), pp. 1-62.

Micro

Original Works

Cournot, Augustin, 1897[1838]. *Researches into the Mathematical Principles of the Theory of Wealth*, translated by Nathaniel T. Bacon (New York: Macmillan).

https://archive.org/details/bub_gb_AGoGpyJY_SAC

Jevons, William Stanley, 1871. *Theory of Political Economy* (London: Macmillan).

<https://archive.org/details/theoryofpolitica00jevouoft>

Marshall, Alfred, 1895 [1890]. *Principles of Economics*, Third Edition (New York: Macmillan).

<https://archive.org/details/principlesofecon01marsrich>

Pareto, Vilfredo, 1971[1906]. *Manual of Political Economy*, Translated and Edited from the French Edition of 1927 by Ann S. Schweir and Alfred N. Page (London: Macmillan).

Robinson, Joan, 1933. *The Economics of Imperfect Competition* (London: Macmillan).

Walras, Leon, 2014 [1871,1874]. *Elements of Theoretical Economics or the Theory of Social Wealth*, Translated and edited by Donald A. Walker and Jan Van Daal (Cambridge, UK: Cambridge University Press).

Interpretive Works

Blaug, 1996. Ch. 8: “Other Forerunners”, Sections 14&15, pp. 301-303. Ch. 13: “General Equilibrium [and Welfare Economics]”, pp. 549-570.

Friedman, Milton, 1955. “Leon Walras and His Economic System”, *American Economic Review*, Vol. 45, No. 5 (Dec.), pp. 900-909.

Niehans, 1990. Ch. 13: “The Leitmotif of Marginalism”, pp. 159-163.

Rima, 2009. Ch. 15: “Chamberlin, Robinson, and Other Price Theorists”, pp. 349-372.

Spiegel, 1991. Ch. 22: “Economics Restructured: Marginalism and Optimization”, pp. 504-528. “Pareto”, pp. 556-561.

Macro

Original Works

Bagehot, Walter, 1910[1874]. *Lombard Street: A Description of the Money Market* (New York: E.P. Dutton).

<https://archive.org/details/lombardstreetd00bage>

Hayek, Friedrich, 1944. *The Road to Serfdom* (Chicago: University of Chicago Press).

Hume, David, 1752. *Political Discourses* (Edinburgh: R. Fleming).

<https://archive.org/details/McGillLibrary-125702-2590>

Fisher, Irving, 1896. *Appreciation and Interest* (New York: Macmillan).

<https://archive.org/details/appreciationinte00fish>

Fisher, Irving, 1926[1911]. *The Purchasing Power of Money: Its Determination and Relation to Credit, Interest and Crises* (New York: Macmillan).

<https://archive.org/stream/purchasingpower00fish#page/n5/mode/2up>

Keynes, John Maynard, 1936. *The General Theory of Employment, Interest, and Money*.

<https://archive.org/details/TheGeneralTheoryOfEmploymentInterestAndMoney>

Mills, John, 1867. “On Credit Cycles and the Origin of Commercial Panics”, *Transactions of the Manchester Statistical Society*, Session 1867-68, pp. 5-40.

Minsky, Hyman P., 2008[1986]. *Stabilizing an Unstable Economy* (New York: McGraw Hill).

Mises, Ludwig von, 1998[1949]. *Human Action: A Treatise on Economics* (Auburn, AL: Ludwig von Mises Institute).

<https://mises.org/profile/ludwig-von-mises>

Pigou, Arthur C., 1927. *Industrial Fluctuations* (London: MacMillan).

Interpretive Works

DeLong, J. Bradford, 2012. “This Time, It Is Not Different: The Persistent Concerns of Financial Macroeconomics”.

<http://delong.typepad.com/20120411-russell-sage-delong-paper.pdf>

Economist, 2016. “Minsky’s Moment”, 30 July. <http://www.economist.com/news/economics-brief/21702740-second-article-our-series-seminal-economic-ideas-looks-hyman-minskys?frsc=dg%7Cc>

Garrison, Roger W., 2005. Ch. 9: “The Austrian School” in Snowdon and Vane (eds.), pp. 474-516.

Hansen, Alvin H., 1953. Ch. 1: “The Postulates of Classical Economics and the Principle of Effective Demand [General Theory, Chapters 1-3]”, *A Guide to Keynes* (New York: McGraw Hill), pp. 3-35.

Hicks, John R., 1937. "Mr. Keynes and the ‘Classics’: A Suggested Interpretation”, *Econometrica* 5(2), pp. 147–159.

Kindleberger, Charles P. and Robert Z. Aliber, 2011[1978]. Ch.2: “The Anatomy of a Typical Crisis”, *Manias, Panics, and Crashes: A History of Financial Crashes*, Sixth Edition (London: Palgrave Macmillan), pp. 26-38.

London School of Economics and Political Science, 2011. “Keynes v Hayek”.
<https://www.youtube.com/watch?v=PLBOKq4On7k>

Niehans, 1990. “David Hume”, pp. 52-56. Ch. 23: “Irving Fisher”, pp. 267-279.

Schumpeter, 1954. Ch. 7(6): “The Business Cycle”, pp. 738-750. Ch.8(8): “Crises and Cycles: The Monetary Theories”, pp. 1117-1122. Ch. 8(9): “Non-Monetary Cycle Analysis”, pp. 1122-1135.

Snowden & Vane, 2005. Ch. 1: “Understanding Modern Macroeconomics”, pp. 1-35.
“Interview with Robert Skidelsky”, pp. 91-100. “Interview with James Tobin”, pp. 148-162.

Spiegel, 1991. “Bagehot”, pp. 404-407.

Summers, Lawrence H., 2000. “International Financial Crises: Causes, Prevention, and Cures”, *American Economic Review*, Vol. 90, No. 2 (May), pp. 1-16.

Summers, 2011. 58:00-1:00:30.

Wiemer, Calla, 2015. Ch 9: “Business Cycles”, *Macroeconomics for Emerging East Asia*.