EVOLUTION of ECONOMIC THOUGHT

Reading Requirements:
The majority of our readings are online.
http://www.jstor.org, http://oll.libertyfund.org (please use the facsimile pdf),

Even if the texts are online, I would encourage the purchase of the following from
www.libertyfund.org:
    Indianapolis: Liberty Fund.

Other materials are available on blackboard.

Course Objective:
This course addresses vital micro- and macro-economic questions that concern us today and
examines how economic thinking has evolved over time to answer them. The course
complements the mechanical problem solving skills that students have. It allows students to
develop a broader perspective based on the wide-ranging background and views of the
economists of past ages. The course will benefit students who want to have a better
understanding of modern economics and economic problems. Some of the questions we will
look at are: How does an economist distinguish a man from a rat, given that they are both
maximizers? Are our preferences fixed or does exchange change our preferences? Under what
conditions is paper money preferred to commodity money? Under what condition is public
debt the preferred form of public financing? Why do we observe differences in wage rates?
Why is economics dismal? The course is topical, not chronological.
Grading:
The class aims at a dialogue. You are expected to have done the readings for that day and to contribute actively to the discussion.
Before every class, you are expected to write one or two pages with your thoughts on the material for that class.
A research paper on a topic of your choice is due at the end of the semester.

Your total grade will be based on the following:

Class participation 33%
1-2 page paper 33%
Research paper 33%

I will use the standard grading scale (A>90%, B>80%, C>70% ...) and I do not intend to curve the grading.
Tentative Schedule

GENERAL BACKGROUND

What is economics?

  On blackboard.

INFLUENCE OF COMMERCE

  At: http://oll.libertyfund.org

- Smith, Adam. *From Lectures on Jurisprudence.*
  On Blackboard.

  On Blackboard.

Suggested readings:

  At http://oll.libertyfund.org/


  At http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/
HOW DOES COOPERATION MATTER?


Suggested readings:


WHO IS THIS ADAM SMITH?


Additional reading:

What do we do with Adam Smith today?


MONEY


Suggested readings:


TRADE

Mercantilism

- Viner, Jacob. 1930. “English Theories of Foreign Trade Before Adam Smith”  

  At http://oll.libertyfund.org

  At http://oll.libertyfund.org

PUBLIC CREDIT


LABOR: human homogeneity and heterogeneity


- “Dismal” on the OED. At http://dictionary.oed.com


• Pictures on backboard

The wrong dismal story…


  On blackboard.
KNOWLEDGE and PERCEPTION


- Plato. *The Republic.* Book VI § 514a-521b
  At http://www.perseus.tufts.edu/cgi-bin/ptext?doc=Perseus%3Atext%3A1999.01.0168
  (or go to: http://www.perseus.tufts.edu/cache/perscoll_Greco-Roman.html#text1 and then scroll down until you find Plato’s Republic)
APPLICATIONS

The lottery puzzle: Milton Friedman v. Adam Smith


  


- Bentham, Jeremy. “LETTER XIII. To Dr. Smith, on Projects in Arts, &c.” in Defence of Usury.

  
  On blackboard.

Disperse knowledge.


  
  On blackboard.

- Smith. Search Liberty Fund electronic edition for “invisible hand”

Additional readings: