

Course Prerequisites: Economics 101 and 102.

Overview of Course & General Learning Objectives

A variety of economic ideas from the eighteenth through the twentieth centuries are presented in this course. Most of the theory presented in other economics courses has foundations in the Classical, Neoclassical and Keynesian schools of economic thought. By studying the historical context and original ideas of the founders of these schools, the student will learn to trace aspects of a mainstream economic argument to its historical origin, to recognize the fundamental underlying principles of the argument, and to critique it. In other words, the student will be able to critically evaluate an economic argument from a historical perspective and to recognize both the strengths and limitations of that thought. Throughout the history of economic thought, many non-orthodox economists contributed fascinating ideas to the discipline, the vast majority of which are ignored in mainstream economic thought; the work of men such as John A. Hobson, and Thorstein Veblen (the father of institutionalism) are examples. This course will provide exposure to the historical background, ideas, and the writings of non-orthodox thinkers to expand the intellectual horizons of the undergraduate studying economics.

The following learning objectives form the pedagogical foundation for this course:

1. The student will be exposed to a variety of perspectives in economics. The student will learn about and ideally develop an appreciation for the richness and diversity of economic thought.
2. Through close reading of original texts, the student will view the world from “the shoulders of giants,” providing perspectives on economic questions previously inaccessible. As a corollary, it is my hope that the student will develop an appreciation for the rich literary styles of past economists.
3. Through historical analysis, the student will learn many economic concepts and theories.
3. The student will be exposed to the historical context associated with the development of many economic ideas and will learn to evaluate economic theories from an historical perspective.
5. Reading, writing, and speaking skills will be exercised and improved during the course of the semester. Reading original texts can be challenging. Patience and perseverance will refine the student’s reading and comprehension skills. Through the course portfolio, the student’s writing skills will also be refined. The course portfolio is a mechanism to promote involved class discussions of course material; all students will be encouraged to participate.
6. Finally, this course will encourage creative and independent thought by requiring students to phrase questions and respond to questions about the doctrines studied and through class discussion. This activity will exercise students’ skills of analysis, synthesis, interpretation and evaluation.

Course Requirements

1. The course outline below gives a preliminary description of the topics, readings and dates of coverage of the material for this course. You are required to keep up with the reading for this course. With the exception of the first day of class, all the required material should be read prior to its coverage in class. Any changes made to the outline (e.g., topics covered, dates covered or changes in assigned readings) will be announced in class.
2. Completion of a History of Economic Thought Portfolio and class discussion constitute 25% of your final grade. Project details are provided on a separate handout.
4. Two midterm exams are scheduled on Wednesday, October 10, 2001 and Monday, November 12, 2001. Each exam counts as 25% of your course grade. Missing an exam without a VALID excuse will result in a zero. Excuses for missing an exam must be given in writing to me with appropriate written verification (from doctor, judge, etc.)
5. In addition to the midterms, a final exam will be held during the regularly scheduled exam period: Friday, December 14, 2001 from 10:15 a.m. – 12:15 p.m. All students in this course are required to take the final at this scheduled time. This exam counts as 25% of your course grade.

Course Readings

Required Readings

You are required to purchase the following book, available at the University Bookstore:

Heilbroner, Robert L. (1999) *The Worldly Philosophers: The Lives, Times and Ideas of the Great Economic Thinkers* (7th ed.) New York: Simon & Schuster.

The remainder of the required readings for this course are original sources. A rationale for reading the original texts is neatly elaborated in the following quote:

Literature surveys of complex issues tend not just to oversimplify, more often than not they flat out misrepresent....Most history of thought textbooks remind me of the children's game in which a specific message is whispered from one person to another down a line only to emerge at the end twisted beyond all recognition. Paradoxically, I guess the point is, we each need to study the history of economic thought on our own, because we certainly cannot trust each other to do it for us (Petur Jonsson, History of Economics Society internet archives, 1/7/97).

To this rationale I must add a caveat; individually, each of us can only trust our own reading and interpretations in relation to the amount of concentration, time, and mental effort we give the material. Put in the necessary time and energy and the reward will be mental growth!

With this perspective in mind, portions of the following texts will be assigned in this course:

Smith, Adam (1776), *An Inquiry into the Nature and Causes of the Wealth of Nations*. (You are required to purchase this book as well available at the bookstore.)

Marx, Karl (1887), *Capital*, Volume I (English translation from 3rd edition, edited by Frederick Engels according to the 4th German edition.)

Marx, Karl and Frederick Engels (1848), "The Communist Manifesto."

Keynes, John Maynard (1936), *The General Theory of Employment, Interest, and Money*. New York: Harcourt, Brace, Jovanovich.

Depending on time, we may also review portions of the original writing from some of the non-orthodox economists covered in this course, such as Thomas R. Malthus's *Essay on the Principles of Population*, Frederic Bastiat's *Economic Sophisms*, Henry George's *Progress and Poverty*, and John A. Hobson's *Imperialism*.

Smith's book is available for purchase at the University Book Store. The remainder of many of the other original writings in economics are available on the web; to spare the student wallet, we will utilize these "free" resources. Two extensive websites making historical documents in economic thought available are:

The McMaster University Archive for the History of Economic Thought,
<http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/>

The Marx/Engels Internet Archive, <http://www.ex.ac.uk/Projects/meia/>

The Library of Economics and Liberty also makes available some useful original texts at <http://www.econlib.org/>

Finally, portions of many texts not available at these sites are available at various other websites, and as warranted, I will make use of the Ganser Library electronic reserve reading program to make other readings electronically available.

Course Outline

- I. Introduction and the Economic Revolution: 8/27/01-9/5/01
Heilbroner, Chapters 1 and 2.
- II. Classical Thinkers in Economics: 9/10/01 – 10/24/01
- A. The “Father” of Economics: Adam Smith
Heilbroner, Chapter 3
Wealth of Nations, Book I “Of the Causes of Improvement in the Productive Powers of labour,...,”
**Wealth of Nations* (1776) Book III “Of the Different Progress of Opulence in Different Nations,” chs. 1-4.
- B. David Ricardo and Thomas R. Malthus
Heilbroner, Chapter 4
*Thomas R. Malthus (1798) *Essay on the Principles of Population*
- C. J.S. Mill
Heilbroner, Chapter 5
*J.S. Mill (1848) *Principles of Political Economy*

Wednesday, October 10, 2001 Exam I

- D. Karl Marx
Heilbroner, Chapter 6
“The Communist Manifesto” (1848) with Frederick Engels
**Capital* (1887) chapters 1-4, 6-8, 10.
- III. The “Victorian World and the Underworld of Economics” 10/29/01- 11/7/01
Heilbroner, Chapter 7
John A. Hobson (1902), *Imperialism*
Frederic Bastiat (1845), *Economic Sophisms*
*Henry George (1880), *Progress and Poverty*
*Alfred Marshall (1890), *The Principles of Economics*

Monday, November 12, 2001: Exam II

- IV. Twentieth Century Economists (11/14/01 – 12/5/01)
- A. Thorstein Veblen and Institutionalism
Heilbroner, Chapter 8
*Veblen (1898-99), “The Instinct of Workmanship and the Irksomeness of Labor.”
*Veblen (1898-99), “The Beginnings of Ownership.”
*Veblen (1898-99), “The Barbarian Status of Women.”
*Veblen (1909), “The Limitation of Marginal Utility.”
*Veblen (1899), *Theory of the Leisure Class*
- B. John Maynard Keynes
Heilbroner, Chapter 9
*Keynes (1936), *The General Theory of Employment, Interest, and Money*
*Keynes, (1919), *The Economic Consequences of the Peace*
- C. Joseph Schumpeter
Heilbroner, Chapter 10
*Schumpeter readings TBA
- V. Wrap-up (12/10/01)
Heilbroner, Chapter 11

Wednesday, December 5, 2001: Portfolio Due

Friday, December 14, 2001 from 10:15 a.m. – 12:15 p.m.: Final Exam

*extent of coverage depending on class interest and time