

ECONOMICS 407: A01

TOPICS IN THE HISTORY OF ECONOMIC THOUGHT

(Market and Government in the History of Economic Thought)

Spring 2014

MALCOLM RUTHERFORD

Office: BEC 340

Office Hours:

Or by arrangement

Phone: x6481

e-mail: rutherford@uvic.ca

Seminar Participation: This course is a seminar course dealing with selected topics in the History of Economic Thought. Currently the course deals with views of capitalism from Adam Smith to the present day, focusing on the respective roles of business enterprise, markets, and government. Students are required to read a substantial amount of material and to be prepared to engage in discussion in class. Students are expected to attend discussion sessions with a set of reading notes made up from the assigned readings for each session. Reading notes must be handed in and will form part of the grade. Students will also write two short essays.

Texts:

Several books have been ordered for this class. These are:

Adam Smith, *The Wealth of Nations*, 1776

Karl Marx, *The Communist Manifesto*, 1888

Thorstein Veblen, *The Theory of Business Enterprise*, 1904

Joseph Schumpeter, *Capitalism, Socialism, and Democracy*, 1942

F. A. Hayek, *The Road to Serfdom*, 1944

Milton Friedman, *Capitalism and Freedom* 1982

James Galbraith, *The Predator State*, 2009

Some of these books are favorable towards capitalism and free markets, some are critical. Selections from these books will be read and discussed in detail along with some additional material. The additional material consists of selections from:

J. S. Mill, *Principles of Political Economy*, 1848

A. C. Pigou, *The Economics of Welfare*, 1920

Frank Knight, "The Ethics of Competition," *Quarterly Journal of Economics*, 1923, pp. 579-624

J. M. Keynes, *The End of Laissez Faire*, 1926

J. M. Keynes, *The General Theory*, 1936, Ch 24.

Students without a previous background in the history of economic thought should also purchase a copy of Robert Heilbroner's *The Worldly Philosophers*, 7th edition, 1999. This book contains excellent short chapters on Smith, Marx, Veblen, Schumpeter, and Keynes.

The following material is available online.

Smith: <http://www.econlib.org/library/Smith/smWN.html>
 Mill: <http://www.econlib.org/library/Mill/mlP.html>
 Marx: <http://www.gutenberg.org/ebooks/61>
 Pigou: <http://www.econlib.org/library/NPDBooks/Pigou/pgEW.html>
 Veblen : http://www.brocku.ca/MeadProject/Veblen/Veblen_1904/Veblen_1904_toc.html
 Schumpeter: <http://www.scribd.com/doc/8676091/J-a-Schumpeter-Capitalism-Socialism-and-Democracy>
 Keynes: <http://www.panarchy.org/keynes/laissezfaire.1926.html>
<http://www.marxists.org/reference/subject/economics/keynes/general-theory/>

The article by Frank Knight can be found on JSTOR <http://library.uvic.ca/>
 There are no online versions of the books by Hayek, Friedman, or Galbraith. The Friedman book is available as a Kindle edition.

Course Web Page:

There is a course web page at: <http://web.uvic.ca/~rutherford/econ407.html>
 This page contains the course outline, links to the books and to other material of interest.

Course Outline:

The term contains 13 weeks including reading break week, and there are two sessions a week. The first session of the course will be devoted to dealing with the course outline, proposed conduct of the seminars, and grading. The class by class outline is as follows:

Jan 6: Introduction to the course

Jan 9: Smith, *Wealth of Nations*, Book, 1 Chs 1-3.

Jan 13: Smith, *Wealth of Nations*, Book 1, Chs 6 and 7.

Jan 16: Smith, *Wealth of Nations*, Book 1, Chs 8, 9, and 11, pp. 284-288 only (Conclusion of the Chapter)

Jan 20: Smith, *Wealth of Nations*, Book 2, Introduction and Ch 3, Book 3, Ch 1, and Book 4, Ch 9, pp. 744-746 only (Last three pages of the chapter).

Jan 23: Smith, *Wealth of Nations*, Book 5, Ch 1.

Jan 27: Mill, *Principles of Political Economy*, Book 2, Chapter 1, and Book 5, Chapter 9.

Jan 30: Marx, *Communist Manifesto*, Chs 1, 2, and 4.

Feb 3: Veblen, *Business Enterprise*, Ch 3.

Feb 6: Veblen, *Business Enterprise*, Ch 6.

Feb 10-14: No class—Family Day and Reading Break

Feb 17: Veblen, *Business Enterprise*, Ch 7

Feb 20: Knight, “The Ethics of Competition.”

Feb 24: Pigou, *The Economics of Welfare*, Part 2, Ch 9.

Feb 27: Keynes, *The End of Laissez Faire*

March 3: Keynes, *General Theory*, Ch 24.

March 6: Schumpeter, *Capitalism, Socialism, and Democracy*, Chs 6 and 8.

March 10: Schumpeter, *Capitalism, Socialism, and Democracy*, Chs 10-13.

March 13: Hayek, *The Road to Serfdom*, Ch 1-4.

March 17: Hayek, *The Road to Serfdom*, Chs 7-9.

March 20: Friedman, *Capitalism and Freedom*, Chs 1-2.

March 24: Friedman, *Capitalism and Freedom*, Chs 6-12 (pick any 3 chapters).

March 27: Galbraith, *The Predator State*. Introduction and Chs 1-4.

March 31: Galbraith, *The Predator State*, Chs 7-10.

April 3: Wrap up.

Grading:

The course grade will be based seminar preparation, participation, and two short essays. The reading notes and participation of each student in discussion sessions will be marked out of 100 points. Students who miss discussion sessions due to documented illness will not be penalized. Each essay will be marked with out of 100 points. The first essay topic will be written by all students and will consist of a critical discussion of the System of Natural Liberty as found in *The Wealth of Nations*. The essay should be about 2500-3000 words long. The second essay can deal with any topic dealt with in the course and should be of similar length. These essays should focus on your own reactions and thoughts on the material you have read and should refer to only a limited number of secondary sources (maximum of 5). The first essay is due immediately after reading break, and the second essay by the end of exam period. There are no exams.

The total score out of 300 points will be converted to a percentage mark and this will be converted to a letter grade using the following equivalences.

90-100	A+	77-79	B+	65-69	C+	0-49	F
85-89	A	73-76	B	60-64	C		
80-84	A-	70-72	B-	50-59	D		

The standards and reputation of a University are the shared responsibility of its faculty and student body. Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. Plagiarism and cheating are considered to be a most serious breach of academic integrity and shall be dealt with as such by the Department of Economics. Refer to the Policy on Academic Integrity in the University Calendar.

Department policies respecting undergraduate courses are available at:

http://web.uvic.ca/econ/undergraduate/course_policies.php

The University of Victoria is committed to providing an environment that affirms and promotes the dignity of human beings of diverse backgrounds and needs.