Time and place: Wednesdays, 2:30pm - 5:30pm  
216 Tier (Term 1)

Instructors:  
Professor Fletcher Baragar  
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Professor A. M. C. Waterman  
306 St. John’s College  
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Office Hours: Prof. Baragar (First Term): Tuesdays: 12:00noon – 1:00pm  
Fridays: 9:30am - 10:30am  
or by appointment

Recommended Textbook:


Evaluation and Grading:

Those seeking credit for this course will be required to write one essay in each term, and an examination in April. The final grade for the course will be determined as follows:

**term mark:** Each essay will receive a letter grade. The term mark will be the median of these grades; or, if there are two medians (or no median), the higher of the two. [Examples: C+ and B+ gives term mark of B; B and B+ gives term mark of B+]

**examination:** Candidates will attempt 3 questions in 3 hours. Each answer will receive a letter grade. The final examination grade will be the grade awarded for the best answer of the three unless any other answer receives a C or less in which case the grade for the best question will be lowered by one step for each level below C+ of the worst answer. [Examples: best answer A, worst answer C, exam grade B+; best answer A, worst answer D, exam grade B]

**final grade:** The median between the term mark and the final examination will be the final grade. If there are 2 medians, or no median, the final grade will be the one nearer the examination grade. [Examples: term mark B, examination A gives final grade of B+; term mark B+, examination A gives a final grade of A; term mark B, examination grade A+ gives final exam grade of A]
Instruction and Examination:
Professor Baragar will instruct and evaluate essays in Term 1. Professor Waterman will instruct and evaluate essays in Term 2. The final examination will be jointly set and marked. A detailed outline for Term 2 will be issued in January 2003.

Students should familiarize themselves with the University’s policy of plagiarism and cheating, located on pp 27-28 of the 2005-2006 Undergraduate Calendar.

General Outline:
This course is divided chronologically into the “Classical” and “Modern” periods. ‘Classical’ political economy is adumbrated in the work of Quesnay, Turgot, Adam Smith and their contemporaries and immediate predecessors in the 18th century; and is canonized in the work of Malthus, Ricardo, J.S. Mill, Marx and their contemporaries in the 19th century. Most of the work in the first term will be concerned with these authors. ‘Modern’ political economy, increasingly known as ‘economics’, began roughly in the 1870's with the so-called ‘Marginal Revolution’. It was codified by Marshall, challenged by Keynes, popularised and greatly extended by Samuelson and in the last half-century has exploded in a bewildering array of highly specialized and highly technical sub-disciplines, each with its own association, journal and pecking order. (‘History of Economic Thought’ itself is one such sub-discipline.) It is obviously impossible in second term to study the history as a chronological sequence of ‘canonical’ authors. Instead the approach will be to consider the development in turn of a number of important theoretical topics such as general equilibrium, welfare, macroeconomics, institutional economics and growth. Where necessary, the starting point will be taken back to the 18th century, and in most cases the story will continue until the 1980s.

In each term the reading, discussion and assignments will have as an important theme one of the central questions in the historiography of economics: How far is it correct to say that the economics we do today is intellectually continuous with, and represents a necessary development of the political economy of the Classics?

Seminars and Readings: First Term

September 13  
1. Introduction

September 20  
2. Ancient and Medieval Economic Thought

September 27  
3. Mercantilism

October 5

4. Harbingers of Adam Smith

October 12

5. Adam Smith I: Value Theory

October 19

6. Adam Smith II: Growth and Income Distribution

October 26

7. Adam Smith III: Political Economy and Ideology

November 2

8. Malthus and Ricardo I: Population and Scarcity

November 9

9. Malthus and Ricardo II: The Theory of Value and Distribution

November 16

10. Malthus and Ricardo III: Accumulation and Gluts
- Ricardo, David. Correspondence: Selected Letters.

**November 23**  
**11. Karl Marx I: Value Theory**  

**November 30**  
**12. Karl Marx: Accumulation, Growth and Crises**  

**December 7**  
**13. Review and Summary**
Essay Topics: First Term

1. Cantillon, Turgot and Condillac on Value
   - Cantillon, *Essai* Part I, Ch.I,X,XI,XIV; Part II, Ch.I and II.

2. Barbon, Massie, Hume and Turgot on Interest
   - Barbon, *Discourse on Trade*, pp. 16-21.
   - Massie, *The Natural Rate of Interest*.

3. Petty, Cantillon, Quesnay and Turgot on the Surplus
   - Petty, *Economic Writings*, passages identified in the notes on p.lxxiii-iv.
   - Cantillon, *Essai*, Part I, Ch. I, II and XII;

4. Smith, Cantillon, Paley, and Malthus on Population
   - Smith, *Wealth of Nations*, Bk.I Ch.VIII.
   - Cantillon, *Essai*, Part I, Ch. XV.
   - Paley, *Moral and Political Philosophy*, Part VI, Ch.XI.
   - Malthus, *Essay* (1798), Ch. 1-VIII.

5. Mandeville, Hume and Smith on Spontaneous Order
   - Mandeville, *Fable of the Bees*, remarks G, P.
   - Smith, *The Wealth of Nations*, Bk.IV, Ch.II.
   - Stewart, *Life and Writings of Adam Smith*, sec.IV and note I.

6. Oresme, Galiani, Cantillon, Hume and Smith on Money
   - Galiani, Della Moneta, in Monroe, ed. *Early Economic Thought*, Ch.XII
   - Smith, *Wealth of Nations*, Bk.I, Ch.IV.

7. Smith, Ricardo, Wakefield, J.S. Mill and Marx on Colonies
   - Smith, *Wealth of Nations*, Bk.IV, Ch VII.
8. Political Economy and the Critique of Capitalism

9. Hume, Ricardo and Mill on Trade
   - Ricardo, David, Principles of Political Economy, Ch.7.
   - Mill, J.S., Principles of Political Economy, Ch.XVII-XX.

10. Smith and Ricardo on Taxation
    - Smith, Wealth of Nations, Bk.IV, Ch.2.
    - Ricardo, Principles of Political Economy, Ch.VIII-XVIII.

11. The Ricardian Socialists: Are they Ricardian? Are they Socialist?
    - Gray, John, A Lecture on Human Happiness.

12. On Slavery
    - Smith, Wealth of Nations, Bk.I, Ch.8, p.98-99. Book III,Ch.2., Bk IV, Ch.9, pp. 683-4.
    - Tucker, George, Political Economy for the People. 1859. Ch.8.
    - Mill, J.S., Principles of Political Economy, Book II, Ch.V.

13. Historicism and the Methodological Critique of Classical Economics

Rules for Submitting Essays: First Term
1. Topic should be chosen, in consultation with the instructor, by September 28, 2005.

2. A first draft of the essay should be delivered to the instructor by November 2, 2005. As soon as possible thereafter, the instructor will discuss the draft with the author, and may offer suggestions for revision. If a draft is not delivered by Nov.2, there will be no opportunity to submit a second draft.

3. All essays, whether revised or not, must be delivered by December 7, 2005.

4. Essays should be typed. The body of the text, excluding notes and references, must not exceed 4000 words. Longer essays will be returned, ungraded, for abbreviation.

5. Essays must be carefully checked to eliminate all spelling, grammatical and typographical errors. All quotations must be clearly identified, and all statements based on a secondary source must be vouched for by reference to that source. An essay that does not meet these requirements will be returned, ungraded, for re-writing.
Notes on Books

1. TEXTBOOKS AND OTHER BOOK-LENGTH SECONDARY MATERIAL
   [p = available in paperback; t = written as a university textbook; r = work of reference]

   The most lucid and comprehensive account of recent developments in economic theory. Almost half the book is devoted
to the period since 1939; only 64 pages to all of economics before 1870. Excellent and comprehensive bibliography.

   (Favourably reviewed in RSE LIV, Spring 1996). An 'attempt to integrate the discussion of economic history into
economic theory'. Compare with ROGIN below.

Duke U.P. 1973 [r]

   The best-known text, written with a discernibly neo-classical bias (cf. HUNT below). The author describes it as 'a study
of the logical coherence and explanatory value of what has come to be known as orthodox economic theory'. As with
BACKHOUSE, economic theory is treated as a self-contained intellectual activity, validly separated from its cultural
matrix, capable of exhibiting 'progress', or 'growth of knowledge' according to philosophically defensible criteria. [t, p]

BRENNAN, H. G. AND WATERMAN, A. M. C. (eds.) *Economics and Religion: Are They Distinct?* Boston, Dordrecht,


technical treatment by a well-known Marxian economist of the interwar generation. [r]


Fascinating and readable study of one of the most important themes in classical economics, with chapters on Quesnay,
A. Smith, Malthus, Ricardo, and Marx. The most lucid account in English of Quesnay's *Tableau Economique*.

1992. [r] Essays on Smith by Nobel Prize-Winners: Samuelson, Klein, Allais, Stone, Modigliani, Buchanan, Tobin,
Schultz, Leontief and Tinbergen; most of which are very self-referential and with little to say about Smith. Esays by
Samuelson and Allais are valuable.

GIDE, CHARLES AND RIST, CHARLES. *A History of Economic Doctrines from the Time of the Physiocrats to the Present
(Paris 1909), with more complete coverage of the Physiocrats than any other textbook.


Convenient reference, because shorter and simpler than SCHUMPETER, to economic thought in biblical and classical
literature, and in the mediaeval canonsit.

   Not a serious book. Designed for entertaining bedtime reading: contains amusing anecdotes about some of the leading
figures in History of Economic Thought

   Hollander (formerly University of Toronto) is the leading authority on 'Classical' economics and has written standard
 treatises on Adam Smith, Ricardo and J. S. Mill, and has recently completed a similar work on Malthus, and is now
working on Marx. This book is a summary of these large-scale works written for 'advanced undergraduates and
graduate students'

   The standard treatise on this topic.

   The word 'critical' here means 'radical political economy'. Useful as a reminder that BLAUG's methodological
approach to the History of Economic Thought is open to objection.


LANDRETH, HARRY AND COLANDER, DAVID C. *History of Economic Thought*. 3rd edition. Boston, Haughton Mifflin,
1994. [t] A fairly useful undergraduate textbook which covers a wider field than BLAUG but at a lower intellectual
level.


Useful for Marx’s economic ideas. [r]

MULLINEUX, A. W. The Business Cycle After Keynes, A Contemporary Analysis, Totowa NJ: Barnes & Noble, 1985 [t, p]

NEW PALGRAVE DICTIONARY OF ECONOMICS, 4 vv. [r] This 4-volume ‘dictionary’ (really an encyclopaedia) of economics is an indispensable reference tool for all economists. ‘State-of-the-art’ scholarship on all major authors and topics covered in this course.


Based upon the assumption that ‘the objective meaning of the economic theories which have challenged the attention of society is to be discovered in the uses to which they are put’. Illuminating chapters on Smith, Ricardo and Malthus.


A widely-used textbook. Its pre-war, ‘literary’ flavour, contrasting with the sharply-focussed treatment of BACKHOUSE and BLAUG, suggests that economics belongs not only to the ‘sciences’ but also to the ‘humanities’.


An entertaining but eccentric book. Economics was invented in 1676 by Petty; it was ‘arrived at not empirically but by imagination’; had someone else invented it the ‘paradigm' would have been different; yet despite the valiant attempts of a long succession of heretics from Sismondi to Galbraith, it has ‘not changed since the seventeenth century'.


The authoritative study of ‘economic analysis' down to the late 1930s by a world-famous economist: the only ‘classic' work on History of Economic Thought yet written, and one every professional economist should have in his personal library and read carefully. Like every work of genius it is idiosyncratic and fallible. 'Economic analysis' is the ‘analytic or scientific aspects of economic thought', and this is detachable from 'the philosophical opinions that economists happened to have'. Hence the latter are irrelevant. Nevertheless Schumpeter devoted a large part of his 1,260 pages to 'philosophical opinions' and their cultural and political matrix, and this is one of the things that makes his a great book. [r]


An important supplement and corrective to SCHUMPETER on mercantilism, and on 17th and 18th century theories of money and the balance of payments.


Viner spent the last fifteen years of his life working on the relation between theology and political economy. This work, edited from his manuscripts by two former pupils, ranges from Old Testament times to Adam Smith. Classical economics is shown to have been largely shaped by 17th and 18th century theology.

In addition to the above, the attention of students is drawn to the Elgar series Schools of Thought in Economics, collections of readings characteristic, or illustrative of each ‘school’. The following are already available in St. John’s College Library:

1. The Keynesian Heritage, 2 vv.
2. Neo-Classical Economics, 2 vv.
3. Institutional Economics, 3 vv.
5. Radical Political Economy, 2 vv.
6. Marxian Economics, 3 vv. (listed as KING, above)
8. Monetarism, 2 vv.

all of which are to be found in the range HB74 to HB 99.5.
2. **CLASSIC AND/OR 'CLASSICAL' TEXTS**

No textbook or interpretative essay, however sensitive and skilful, can capture more than a small part of an author's ideas. If the purpose of studying 'History of Thought' is simply to acquaint oneself with the origin and development of concepts and systems now in use, this does not matter very much. But if the object, at least in part, is to enter imaginatively into the thought-world of earlier authors so as to understand what they meant and why they went about formulating their ideas in the way they did, then it matters a great deal. In this case there is no substitute for reading the classic texts themselves. For only by doing so can one learn the art of doing 'History of Thought' - of actually becoming an historian oneself.

If only because Economics is still part of the Faculty of Arts, it has been assumed that the second object (to understand the classic authors) is part of the business of this course; and hence that 'History of Economic Thought' means not only a body of knowledge about what dead economists are said to have discovered, but also a method of thinking applicable to any text one may happen to have in hand. A 'classic text' in this context means a substantial work by an earlier author generally acknowledged to have made an important contribution to the discipline. (A 'classic' text is a work by one of the small group of eighteenth and nineteenth-century authors now regarded as 'canonical' in our discipline: Adam Smith, Malthus, Ricardo, J. S. Mill and Marx.)

A list of such texts **required for essays in First Term**, available in the UM library system, is shown below.

<table>
<thead>
<tr>
<th>Author</th>
<th>Title</th>
<th>Editions/Edns</th>
<th>Dafoe shelf no.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASGILL</td>
<td>John Asgill. <em>Several Assertions Proved</em> (1696).</td>
<td></td>
<td>330.4 R29 A81</td>
</tr>
<tr>
<td>BARBON</td>
<td>Nicholas Barbon. <em>A Discourse of Trade</em> (1690).</td>
<td></td>
<td>330.4 R29 B23</td>
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<tr>
<td>MALTHUS</td>
<td>First <em>Essay on Population</em> (1798)</td>
<td></td>
<td>HB861.E7 1966</td>
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<tr>
<td>PETTY</td>
<td>The <em>Economic Writings of Sir William Petty</em> (1662-91) ed. C. Hull.</td>
<td></td>
<td>HB151.P513 1986</td>
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<tr>
<td>QUESNAY</td>
<td><em>Quesnay’s Tableau Économique</em> (1758-64) ed. and transl. M. Kuczynski and R. L. Meek.</td>
<td><em>Bi-lingual French/English.</em></td>
<td>HB153.Q55713 11973</td>
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<tr>
<td>RICARDO</td>
<td><em>The Works and Correspondence of David Ricardo</em> (1809-23) ed. P. Sraffa. 11 vv. I, Principles of Political Economy and Taxation (1817); VI-IX, Correspondence (1810-23)</td>
<td></td>
<td>HB161.R4812</td>
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<tr>
<td></td>
<td><em>Account of the Life and Writings of Adam Smith, LL.D.</em> (1793) [this work is always included in various edns of A. Smith’s <em>Essays on Philosophical Subjects</em>]</td>
<td></td>
<td>AC7 S58</td>
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</tbody>
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TURGOT  
*English only.*  
DAFOE: HB153.T83 1977

WEST  
[Sir Edward West] *Essay on the Application of Capital to Land* (1815)  
DAFOE: HB401.W5 1903

3. **JOURNAL ARTICLES**

All major economics journals (including the *Canadian Journal of Economics*) publish articles on the History of Economic Thought from time to time, but four specialize. Every student should be familiar with *History of Political Economy* (HOPE) and the *Journal of Economic Literature* (JEL). Two new History-of-Thought journals have recently been founded and already contain many important articles. They are *Journal of the History of Economic Thought* (JHET) and the *European Journal of the History of Economic Thought* (EJHET)

Other abbreviation used in Readings in First Term:  
*AEP*  *Australian Economic Papers*