Economics 600
History of Economic Thought

Tracy Mott
Office: Econ. 102
Office hours: WF 12:00 - 1:30

SYLLABUS

"(I)t seems that economic science has not yet solved its first problem—what determines the price of a commodity?"

Joan Robinson, *An Essay on Marxian Economics*, p. 79

This course is designed to cover certain topics in the history of economic thought. This of course is a very broad subject, and so to handle it during one semester we will have to confine ourselves to dealing with only one or two areas of concern in depth, touching lightly on a few others, and ignoring many topics, which hopefully if they are of concern to people will be able to be treated independently with the help of the material we study here and in other courses. We will start by considering some fundamental issues in philosophy of science and in defining the subject matter and concerns of economics and then we will investigate the history of thought concerning the working of a capitalist economy mainly by examining differing schools of thought on the determination of value, distribution, growth, and fluctuations in such an economy. The pace of the course and the depth into which we go on any particular topic will be uneven because of the magnitude of our task. The reading list given below is long and has been chosen with the purpose of covering certain points as economically (believe it or not) as possible (the secondary sources) and of giving you a flavor of the work of certain thinkers (the primary sources). My advice is to read as much as you can without worrying about whether or not you understand it. Some understanding hopefully will come in class and as you do your written assignments; this will come more easily if you have at least looked at the reading assigned.

The assignments required to receive a grade in the course are three essays plus a final exam. Each essay and the exam count 1/4 of your grade. The essays are not to exceed ten (8 1/2 x 11 in.) pages, including references, and in fact any other extra pages will be thrown away prior to grading. Lateness in the essays will be tolerated but penalized (1/3 of a letter grade off if handed in within one week late; 2/3 of a letter off if over one week late). The questions to be answered in the essays are:

#1—Compare and contrast the positivist and the idealist points of view in philosophy. Give the strengths and weaknesses of each. (due two class days after we finish Topic I)

#2—What does it take for the labor theory to be an adequate conception of the determination of value in a capitalist economy? (due two class days after we finish Topic IV)

#3—What does it take for the utility theory to be an adequate conception of the determination of value in a capitalist economy? (due on the last day of classes)

The following books should be available for purchase in the bookstore:

Maurice Dobb, *Theories of Value and Distribution since Adam Smith*
Robert Heilbroner, *The Essential Adam Smith*
David Ricardo, *The Principles of Political Economy and Taxation*
Piero Sraffa, *The Production of Commodities by Means of Commodities*
Robert Tucker, *The Marx-Engels Reader*
George Zinke, *The Problem of Malthus: Must Progress End in Overpopulation?*
All assigned readings outside of these books should be available at Kinko's Copy Center across the street for you to purchase.

The divisions of the course and the reading assignments are as follows:

I. Philosophy and economics
   Axel Leijonhufvud, "Life Among the Econ"
   Robert Kuttner, "The Poverty of Economics"
   Frederick Copleston, A History of Philosophy, Vol. IV, Introduction
   Daniel Hausman, The Philosophy of Economics, Introduction
   Karl Popper, "Science: Conjectures and Refutations"
   Brian Loasby, "Logic, Evidence, and Belief"
   Herbert Marcuse, Reason and Revolution, Preface and pp. 3-29, 91-120, 323-329
   David Levine, Economic Theory, Prologue

II. Some pre-classical economics
   Ronald Meek, The Economics of Physiocracy, Introduction and the "Tableau Economique": the "Analysis"
   Shigeto Tsuru, "On Reproduction Schemes"
   Joseph Schumpeter, History of Economic Analysis, Part II, Chap. 7
   Thomas Mun, "England's Treasure by Foreign Trade"
   J.M. Keynes, The General Theory, Chap. 23
   Joan Robinson, "The New Mercantilism"

III. Classical economics
   David Hume, three extracts from Political Discourses
   Dobb, Chaps. 2,3,4,5
   Heilbroner, pp. 57-78, 149-247
   Bernard Mandeville, The Fable of the Bees, Preface and "The Grumbling Hive"
   Lucio Colletti, "Rousseau as Critic of Civil Society" and "Mandeville, Rousseau, and Smith"
   George Gilder, "The Heroes of Growth"
   Zinke, the whole book
   Ricardo, Preface and Chaps. 1-8, 19-21, 26, 30-31
   Sraffa, Preface, Chaps. 1-4, 6, and p. 93

IV. Marx
   Dobb, Chap. 6
   Paul Sweezy, The Theory of Capitalist Development, Chaps. 5, 6, 7
   Josef Steindl, Maturity and Stagnation in American Capitalism, Chap. 14

V. Neoclassical economics
   Dobb, Chap. 7
   Stanley Jevons, The Theory of Political Economy, Chaps. 1,2,3
   Carl Menger, Principles of Economics, Chap. 3
   Eugen von Bohm-Bawerk, Capital and Interest, Vol. II, Book II, Chap. 2, and Book IV, Chap. 1
   Leon Walras, Elements of Pure Economics, Chaps. 1,3,10,11,12,16,18,20,35
   William Jaffe, "Menger, Jevons, and Walras Dehomogenized"
   Alfred Marshall, Principles of Economics, Book I, Book V, Chaps. 1-5,15, Appendix I
   Encyclopedia of Social Science, "Alfred Marshall"
   Peter Dooley, "Alfred Marshall: Fitting the Theory to the Facts"
VI. A Critique of the Preceding Theories
Thorstein Veblen, "The Limitations of Marginal Utility"
Rona Wilensky, "The Theory of Demand in Marshall and Hicks"
Levine, Economic Studies, Chaps. 6, 7, and Chap. 8, pp. 249-266
_____, "Aspects of the Classical Theory of Markets"
Paul Samuelson, Economics, Appendix to Chap. 30
Robinson, "Capital Theory Up-to-Date"
_______, "A Lecture Delivered at Oxford by a Cambridge Economist"
_______, "Marx, Marshall, and Keynes"
_______, "Marx and Keynes"
Dobb, Chaps. 8, 9
Keynes, Chaps. 1, 2, 16