

Boston College
Department of Economics
Spring Semester, 1997-8

EC 333 - History of Economic Thought

Instructor: Professor F. M. McLaughlin

Office: Carney 130

Office Hours: MWF 10:00-10:55 a.m. MW 2:30-3:30 p.m., and by appointment.

Class Meetings: MWF at 9:00 a.m.

Place: Campion 204

Required Texts:

Smith, A., An Inquiry into the Nature and Causes of the Wealth of Nations, [University of Chicago Press, 1976]. Cited as WN below.

Heilbroner, R.L., The Worldly Philosophers, [Simon and Schuster, Sixth Edition, 1992]. Cited as WP below.

Scope of the Course

This course will survey the history of economic thinking from the ancient Greeks through the modern period. The emphasis of the course will be on classical and neo-classical economics from Adam Smith through John Maynard Keynes and the neo-classical synthesis of Paul Samuelson. Attention will also be given to contemporary developments.

Reserve Reading:

Required reading, not distributed in class, will be available at the reserve desk in O'Neill.

Attendance:

Students are expected to attend class and raise questions about the assigned reading which should be done in advance of class meetings. Regular class attendance ought to be regarded as a minimum requirement for full participation in the course.

Examinations:

There will be two hour examinations given during the course of the semester, and there will be a comprehensive final in the examination period. Each of the hour examinations will count for 20 percent of the final grade, and the final examination will count for 40 percent. The dates for the hour examinations and the final examination are given below. Make-up examinations will not except at the request of the Dean, and only when the absence is for serious reason. Students should plan to be present on scheduled examination dates. Students are responsible for the assigned readings, and should prepare for class by doing it currently.

Term Paper:

A term paper of approximately ten pages on an appropriate topic will be due on April 24. The topic must be settled on by the student and the professor no later than January 23. Papers must be carefully organized and written, and should be proof read before they are turned in. Pay careful attention to grammar and spelling. Acknowledge all sources of facts and ideas, and be careful in citing the work of others. Plagiarism is seriously dishonest and should be thoroughly shunned. The paper will count for 20 percent of your final grade.

Calendar

- I Introduction.
- II Economics in Ancient Greece
Aristotle, Nichomachean Ethics, Bk. V, chs. 2-5.
- III The Scholastic Doctors and the Theory of the Just Price
DeRoover, R, "The Concept of Just Price...", Journal of Economic History, December 1958, pp. 418-38.
- IV The Scholastic Teaching on Usury
McLaughlin, "The Usury Question."
- V. Adam Smith's Views on Mercantilism
Smith, WN, Vol. II, Bk IV, chs. 1 to 8
- VI A Critique of Smith's Views on Mercantilism.
Rashid, S., "Adam Smith's Interpretation of The History of Economics...", Quarterly Review of Economics and Business, Autumn, 1987, pp. 56-69.
- VII Adam Smith's Views on the Physiocrats
Smith, WN, Vol. II, Bk IV, ch. 9.
- VIII A Summary of Physiocratic Thought
McLaughlin, "Physiocracy."
- IX Adam Smith: The Man and His Economics
Heilbroner, WP, Ch. 3, pp. 42-74
- X Adam Smith and the Division of Labor
Smith, WN, Vol.I, Bk I, chs.1-4, pp.7-33.

- XI Adam Smith's Price Theory
Smith, WN, Vol.I, Bk I, chs.5-7, pp. 34-71.
First Hour Examination [February 14]
- XII Adam Smith on the Level of Wages
Smith, WN, Vol.I, Bk I, ch. 8, pp.72-97.
- XIII Adam Smith on the Levels of Profit and Rent
Smith, WN, Vol.I, Bk I, chs. 9 and 11, pp. 98-110, and 161-197.
- XIV Adam Smith on the Structure of Wages and Profit
Smith, WN, Vol.I, Bk I, ch. 10, pp. 111-160.
- XV Adam Smith's Theory of Capital I
Smith, WN, Vol.I, Bk II chs.1-3, pp.291-309 and 351-371.
- XVI Adam Smith's Theory of Capital II
Smith, WN, Vol.I, Bk II chs.4-5, pp.372-397.
- XVII Adam Smith on Public Spending for Defense, Justice, and Public Works
Smith, WN, Vol.II, Bk V ch. 1, pp-213-223 and 231-253.
- XVIII Adam Smith on Educational Finance and Taxation
Smith, WN, Vol.II, Bk V chs. 1 and 2, pp. 282-325; 349-352.
- XIX Malthus
Heilbroner, WP, Ch. 4, pp. 75-104.
- XX Ricardo
Dorfman, R., "Thomas Robert Malthus & David Ricardo", The Journal of Economic Perspectives, Summer 1989, Vol. 3, No.3, pp. 153-164.
- XXIV John Stuart Mill and the Utopian Socialists.
Heilbroner, WP, ch. 5, pp. 105-135
Taylor, O. H., "John Stuart Mill: Economics & Political Economy," A History of Economic Thought (McGraw-Hill, 1960), pp. 247-270.

XXV Karl Marx

Heilbroner, WP, ch. 6, pp. 136-170.

Second Hour Examination [March 20]

XXVI Marginalism and General Equilibrium.

Heilbroner, WP, ch. 7, pp. 171-178.

McLaughlin, "The Theory of Value in English Classical and Neo-classical Economics."

XXVII The Problem of Capital and Interest.

McLaughlin, "Schumpeter's Theory of Economic Development."

XXIX The Underworld of Economics.

Heilbroner, WP, Ch. 7, pp. 178-206.

XXX Historical and Institutional Criticism.

Heilbroner, WP, Ch. 8 pp. 213-248.

McLaughlin, "The History of American Labor Economics."

XXXI Alfred Marshall

Heilbroner, WP, pp. 206-212.

McLaughlin, "Marshall and Monetary Theory."

XXXII John Maynard Keynes

Heilbroner, WP, ch. 9, pp. 249-287.

Tobin, J., "How Dead is Keynes?", Economic Inquiry, Oct., 1977, pp. 459-68.

McLaughlin, "Keynes Challenge to the Classical Tradition."

XXXIII Monopolistic Competition.

Bishop, R. L., "The Theory of Monopolistic Competition after Thirty Years: The Impact on General Theory," American Economic Review, May, 1954, pp. 33-43

XXXIV The Contributions of Paul Samuelson

Kendry, Adrian, "Paul Samuelson and the Scientific Awakening of Economics," in J.R. Shackleton and Gareth Locksley, Twelve Contemporary Economists (New York: Wiley, 1981), pp. 219-239.

XXXV New Classical Thought.

Klamer, A., Conversations with Economists (Rowman and Allenheld, 1983), pp. 1-25, and 237-254.

XXXVI Austrian Economic Thought.

Barry, N., "Restating the Liberal Order: Hayek's Philosophical Economics," in J.R. Shackleton, and Gareth Locksley Twelve Contemporary Economists, (New York: Wiley, 1981), pp. 87-107.

XXXVII A Summing Up

Heilbroner, Robert L., "Modern Economics as a chapter in the history of economic thought," History of Political Economy, Vol. 11, No. 2, Summer, 1979, pp. 192-198.

Final Examination [May 2 - 9:00 a.m.]