Economics 330
History of Economic Thought
Spring 2016

I. General Information:

Instructor: Dr. Jeffrey T. Young  
Office: Hepburn 202  
Phone: 229-5427  
E-mail: jyoung@stlawu.edu

M 2:30-4:00; T10:00-noon  
Students are always welcome in my office (if I’m there). If these times are inconvenient, drop by any time or make an appointment.

Class: 12:50-2:20 MW Hepburn 112

Articles and excerpts posted in Sakai

II. Course Description

Some general, and even systematical, idea of the perfection of policy and law, may no doubt be necessary for directing the views of the statesman (Adam Smith, The Theory of Moral Sentiments, VI.ii.2.18, p. 234).

This, in a nutshell, is why Adam Smith wrote An Inquiry into the Nature and causes of the Wealth of Nations, which is still regarded as the best and most important book ever written in economics.

But apart from this contemporary mood, the ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt form any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas. Not, indeed, immediately, but after a certain interval; for in the field of economic and political philosophy there are not many who are influenced by new theories after they are twenty-five or thirty years of age, so that ideas which civil servants and politicians and even agitators apply to current events are not likely to be the newest. But, soon or late, it is ideas, not vested interests, which are dangerous for good or evil. (John Maynard Keynes, The General Theory of Employment, Interest, and Money, last paragraph in the book)

Quite simply this is a course about what the academics have scribbled, and how it relates
to the great political debates of the last 100-200 years. In my view there are three towering figures in the history of our discipline: Adam Smith, Karl Marx, and John Maynard Keynes. The course is organized chronologically around these three. We will devote 3 weeks to Smith, 2 to Marx and 1 to Keynes. The rest of the course will entail filling in the historical gaps looking at important contributions before, between and after. Class periods will be primarily lectures, but I would like you to feel comfortable interrupting with questions and/or responding to my prompts. You will be required to lead class one time during the last couple of weeks.

III. Tentative Class Schedule

Jan. 20  Introduction
Jan. 25, 27 Before Adam Smith
Reading: Blaug, chapter 1, Mun, Mandeville, Hume and Rousseau
Feb. 1, 3  Adam Smith before the *Wealth of Nations*
Reading: Skinner, Chapters 3, 4
Feb. 8-15 *Wealth of Nations*
Reading: Skinner, Chapters 7, 8, 9; Blaug, Chapter 2; White
Chapter 8; Hollander on Smith and Market Failure
Feb. 17-29 Malthus, Say, Ricardo, and Mill
Reading: Anthony Waterman, “Ecological Model”, Blaug, Chapter 5, Hollander and Hicks, “Mr Ricardo and the Moderns”; excerpts on classical economics, Ricardo and Malthus, and folder on Say’s Law
March 2-14 Marx
Reading: Marx excerpt; Peter Singer, *Marx*, excerpt; Blaug chapter
March 16-28 Neoclassicals: Jevons, Menger, Walras, Marshall
“Marshall” excerpt; White, Chapter 1
March 30 Institutional and Austrian Economics
White, Chapters 2-4; Blaug Chapter (optional); Hayek, “The Use of Knowledge in Society”
April 4-13 Keynes and Keynesian Economics
White, Chapter 5; “Keynes”; Hicks on Mr Keynes; Keynes on theories of the interest rate
April 18-27 Post War Developments—Student’s will lead discussion
White Chapters 7; 9-15
May 2  Summing Up

IV. Student Responsibilities

Your grade will be based on three factors: midterm exam, final exam, and class participation. The midterm and final will be take-home exams with questions and instructions posted well in advance of the due dates. These will each count 40% of your grade. Participation will account for the remaining 20%.
Participation will be based on peer evaluations of your performance as discussion leader, short written commentaries on readings, when required, and my impressions of your engagement with the class.

**Grading Scale**

Midterm and final exam essays will be graded on the percent scale. The following table shows the conversion chart between percents and SLU grades reported to the registrar. Extra Credit points will be converted into percent values at the rate of 1 percentage point for each 5 points of extra credit. There will also be a 1 percentage point bonus for good attendance defined as two or fewer total absences regardless of reason.

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**A note on using electronic devices in class.**

I do not tolerate texting, surfing the web, or any other use of electronic devices unrelated to what is happening in the classroom. I have found that simply prohibiting the practice does not work very well. Therefore, I am instituting a new policy: only the leaders of class discussion will be permitted to use electronic devices in the classroom. With this one exception, no laptops, tablets or smart phones will be allowed in class.