

Western Washington University
Economics 303: History of Economic Thought

Professor

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"How selfish soever man may be supposed, there are evidently some principles in his nature which interest him in the fortune of others and render their happiness necessary to him though he derives nothing from it except the pleasure of seeing it."

-Adam Smith, *The Theory of Moral Sentiments*

"It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our necessities but of their advantages."

-Adam Smith, *The Wealth of Nations*, Book I Chapter II

Official Course Description and Objectives:

Prereq: ECON 206 and 207. Development of economic thought from the Greek philosophers to the present. Emphasis on the micro, macro and critical traditions in economics following Adam Smith. Specifically, our learning objectives include acquiring critical thinking skills through our readings/discussions and developing written and verbal communications skills. Through all of these, we will come to appreciate the significance of economics and the history of the discipline

Unofficial Course Description:

This is a reading-intensive class and it is also a class designed to help sharpen your verbal and written communication skills. It is tough to have lengthy class discussions about mathematical economic models; however, it is much easier to have such discussions about the development of thought within the discipline. To this end, a significant portion of your grade in this course will be based on your in-class participation. Note that participation means participation – not just attendance. Our class discussions will be centered on the readings which must be done prior to each class. To do well in the class, you must be prepared to answer questions and make comments about each of the readings.

Textbooks

Required: (1) *A History of Economic Theory and Method* (4th ed.) by Robert B. Ekelund and Robert F. Hebert
(2) *The Essential Adam Smith*, Edited and with Introductory Readings by Robert L. Heilbroner

While good, neither book is a substitute for reading the original writings of many of the economists we will study. Thankfully, rather than having you purchase lots of books, the History of Economic Thought website at McMaster University makes most of the original writings we will reference available to you free-of-charge online. You can access the website here:

Archive for the History of Economic Thought at McMaster University:
<http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/>

How to Do Well

This course is different than most others you will encounter (particularly in economics and business) in that you will be expected not just to read things but to think about and critique the things you are reading. You often don't have the opportunity to think critically about the material with which you are presented in a class – that should not be the case here. But to do well you absolutely must read the assigned material before we discuss it in class! If you have studied and taken notes on material before it is covered in class, then it will be much easier for you to understand and evaluate what is being said, to ask questions, answer question and offer your own interpretations. If you get behind in this class, it can be very tough to catch up.

I recommend that you keep a notebook during the course consisting of the following:

- 1) Your own notes summarizing the arguments of the various authors and relating them to the times in which they lived and wrote as well as to each other.
- 2) Class notes from lecture/discussion.
- 3) Your own comments on the authors, their work, my comments and your own interpretations of the subject matter.

The notebook can provide you with a unified, compact instrument for studying and thinking about the materials. Writing down comments on the readings – even if just a few – helps to organize your thoughts and forces you to think about what you are reading. It would also be your best preparation for tests.

This will not be a course about studying each scholar independently of the others and independently of modern economics. The entire objective of this class will be to locate the fingerprints of the great scholars on modern economic theory so that we end up having a better understanding of those theories themselves. Do not make the mistake of reading Ricardo or Smith or Marx just for the sake of reading them – but I hope that, together, we can trace their influences on later writers and on the emergence of modern economic theory.

Class Format

The class format may also be somewhat different for you. We will begin each class with a broad overview of the topic for the day, which will be based on your readings (again, you must do the assigned readings before the class in which they are discussed). I will typically ask one of you to provide us with a brief summary of the main points of each reading. This will be easy if you maintain the notebook that I recommended above.

We will then spend the rest of the class probing more deeply into the issue of the day. The class will not, therefore, be structured as a lecture where I speak and you listen. Instead, this will be a true class discussion format. I may toss out questions to individuals and/or to the class as a whole but you are

expected to help us all move toward an answer. By the end of each class, the hope is that we will have revealed some things that were not immediately obvious in our own individual readings of the topics.

Assessment

Midterm Exam	30%
Final Exam	30%
Essay/Presentation	30%
Class Participation	10%

Midterm and Final Exam: These exams will each be worth 30% of your final grade. Makeup exams will *not* be given. If you miss the midterm (for a valid reason), your final exam will be reweighted. This typically does not work in your favor so do everything you can to take the exams as scheduled.

Class Participation: As noted above, this is a discussion class. Your grades will reflect that fact through the participation component. It is easy to do well here – do the assigned work before class and come prepared. If you do that, you will be able to ask and answer questions. Note that you do not have to ace every question I ask you to do very well here but you *do* have to make an effort and provide answers that show you have prepared for the discussion. Not doing the readings, not showing up for class and failing to ask/answer questions thoughtfully are surefire ways to do poorly.

Group Essay: You will be provided with some additional details on the essay in a separate document but the idea is to choose one of the Nobel laureates in economics and write an essay about them, their work and their connections to historical figures in the discipline. I will set a date by which you must hand in a one-half to one page summary of the topic you will write about and a list (this can be a partial list) of your sources. I will be scheduling a meeting with Hazel Cameron in the WWU Library early in the quarter for you to learn about resources that may be helpful here. This is a mandatory meeting.

Other Issues: Late Papers & Makeup Exams - The essay is due on or before November 29. Late papers will *not* be accepted. No makeup exams will be given. If you miss the midterm exam, your final exam will be re-weighted accordingly.

Cheating: The WWU Academic Dishonesty Policy is found in Appendix D of the 2006/07 University Bulletin. Anyone found to be in violation of these policies (i.e. cheating or plagiarism) will be given a score of zero on the assignment/exam and/or a grade of F for the class. That student may also be subject to further disciplinary action from the university.

Readings & Course Calendar (subject to revision)

*Required readings (EH=Ekelund & Hebert)
All others are optional supplementary readings

Class 1 (September 27): Introduction to the class.

Donald Walker, "Ten Major Problems in the Study of the History of Economic Thought," *History of Economics Society Bulletin*, Fall 1988, (10): 99-115

Class 2 (September 29): The Scholastics

*EH, Chapter 2

Class 3 (October 2): Mercantilism

*EH, Chapter 3 (omit pages 54-57)

*Chapters 2-4 of Thomas Mun, "England's Treasure by Forraign Trade"

<http://socserv2.mcmaster.ca/~econ/ugcm/3ll3/mun/index.html>

Class 4 (October 4): Quesnay & the Physiocrats – Paving the Way for Smith

*EH pp. 75-83

*Quesnay's Tableau Economique: <http://cepa.newschool.edu/het/essays/youth/tableau.htm>

Class 5 (October 6): Adam Smith and the Theory of Moral Sentiments

*Robert Heilbroner, *The Essential Adam Smith*, pp. 57-110

Evensky, J.M., "The Two Voices of Adam Smith: Moral Philosopher and Social Critic," *History of Political Economy*, vol. 19 (Fall 1987), pp. 447-468.

Class 6 (October 9): Adam Smith and the Wealth of Nations, Part I

*EH, Chapter 5, pp. 104-116

Wealth of Nations, Book I: Robert Heilbroner, *The Essential Adam Smith*, pp. 161-227

Class 7 (October 11): Adam Smith and the Wealth of Nations, Part II

*Wealth of Nations, Book II: Robert Heilbroner, *The Essential Adam Smith*, pp. 227-247

Class 8 (October 13): Meeting with Hazel Cameron

Class 9 (October 16): Thomas Malthus

*EH, Chapter 6, pp. 129-132

*Buchholz, *New Ideas From Dead Economists*, Chapter 3: "Malthus: Prophet of Doom and Population Boom"

Thomas Malthus, "An Essay on the Principle of Population":

<http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/malthus/popu.txt>

Class 10 (October 18): David Ricardo

*EH, Chapter 7

Buccholz, *New Ideas From Dead Economists*, Chapter 4: “David Ricardo and the Cry for Free Trade”

David Ricardo, *On the Principles of Political Economy and Taxation*:

<http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/ricardo/Principles.pdf>

Class 11 (October 20): John Stuart Mill

*EH, Chapter 8

Class 12 (October 23): Karl Marx

*EH, Chapter 10

Note: No Class October 25 [Study Day – I will be available in my office for questions]

Class 13 (October 27): Midterm Exam

Class 14 (October 30): Early Game Theory: Cournot and Followers

*EH, Chapter 11, pp. 259-267

Class 15 (November 1): William Jevons

*EH, Chapter 13

Note: No Class November 3

Class 16 (November 6): Leon Walras

*EH, Chapter 15

Class 17 (November 8): Alfred Marshall, Part I

*EH, Chapter 14, pp. 339-355

Class 18 (November 10): Alfred Marshall, Part II

*EH, Chapter 14, pp. 355-376

Class 19 (November 13): Vilfredo Pareto & Arthur Pigou

*EH, Chapter 15, pp. 395-96

*Brue, pp. 423-433

Class 20 (November 15): Thorstein Veblen

*EH, Chapter 16

*Theory of the Leisure Class, Chapter 4, “Conspicuous Consumption”:

<http://socserv2.mcmaster.ca/%7Eecon/ugcm/3ll3/veblen/leisure/chap04.txt>

Class 21 (November 17): John Maynard Keynes, Part I (Theory)

*EH, Chapter 18, pp. 462-478

Class 22 (November 20): John Maynard Keynes, Part II (Policy)

*EH, Chapter 18, pp. 478-482

*Paul Krugman, “Japan’s Trap”: <http://web.mit.edu/krugman/www/japtrap.html>

Note: No Class November 22 or November 24

Class 23 (November 27): Joseph Schumpeter

*EH, pp. 516-520

*Robert Heilbroner, *The Worldly Philosophers*, Chp. 10, “The Contradictions of Joseph Schumpeter”

Class 24 (November 29): Student Presentations

Class 25 (December 4): Student Presentations

Note: No Class December 6 or 8 [Study Days – I will be available in my office for questions]