

Fall 2003

## **ECO 4600 HISTORY OF ECONOMIC THOUGHT**

**INSTRUCTOR:** [John P. Cochran](#)

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Office Hours: TR 8:30 A.M. to 10:00 A.M. and Wednesday 8:30-11:00 or by appointment

**COURSE DESCRIPTION:** Survey of the development of economic thought from ancient to modern times. Topics include the mercantilists, the classical school from Smith through Mill; Marxian and socialist economics, the marginalist revolution and the development of neoclassical economics, and macroeconomics from Keynes to the 'new classical' macroeconomics.

**GRADING POLICY:** Evaluation of your performance in this class will be determined by your performance on 2 short papers/take home exams a senior senior project. Your senior project will be graded by your project advisor. Each short paper/take home exam will be worth 20% of your grade. The senior project will determine 40% of your final grade. Class participation (attendance, quizzes, very short papers, class discussion) will be 20% of your grade.

On all graded components:

90% or better of the total points = A

At least 80% but less than 90% of the total points = B

At least 70% but less than 80% of the total points = C

At least 60% but less than 70% of the total points = D

Less than 60% = F

**LATE PAPERS:** Late assignments will be not be accepted.

**WITHDRAWAL POLICY:** Metro students: All requests for a NC up to the published deadline will be honored. It is the student's responsibility to do all the required paperwork by the deadlines. The deadline is Tuesday October 24 NC faculty signature required. UCD students must meet the drop guidelines of UCD.

**ADA and Religious Holidays Policy:** This class follows the MSCD policies for religious holidays and Americans with Disabilities. Please notify the instructor by the end of the second week of class if you need accommodations.

**TEXTBOOKS AND MATERIALS:** Materials required for this course include:

- (1) Skousen, Mark. 2001. *The Making of Modern Economics: The Lives and Ideas of the Great Thinkers*. London: M/E. Sharpe.

(2) Buchholz, Todd G. *New Ideas From Dead Economists: An Introduction to Modern Economic Thought*. Revised Edition. USA: Plume, 1999.

(3) Smith, Adam. *An Inquiry Into the Nature and Causes of the Wealth of Nations*. Original 1776. If you prefer a hard copy, try [amazon.com](http://amazon.com). They have several choices of affordable copies

(4) Numerous web assignments.

(5) Recommended for those interested in Graduate School

[Blaug, Mark. 1996. \*Economic Theory in Retrospect\* 5<sup>th</sup> ed. Cambridge: Cambridge University Press.](http://www.cambridge.org/9780521634554)

History of Thought websites:

<http://www.econlib.org/>

<http://cepa.newschool.edu/het/index.htm>

<http://www.mises.org/study.asp>

<http://www.eh.net/HE/>

### Recommended Websites:

The Foundation for Economic Education: <http://fee.org/>

The Kansas City Federal Reserve Bank (The web page has a link to the other 11 Federal Reserve Bank web sites) <http://www.kc.frb.org/>

The Mises Institute: [www.mises.org](http://www.mises.org). (My favorite)

The Cato Institute: <http://www.cato.org/>

The Heritage Foundation: <http://www.heritage.org>

The Brookings Institution: <http://brookings.org>

Recommended for pre-law:

The Federalist Society Pre-Law Reading List (many of the items on this list are available by direct link on the web) available at:

<http://www.fed-soc.org/Publications/readinglist/readinglist.htm>  
<http://www.fed-soc.org/Publications/readinglist/readinglist.htm>

<http://www.polyeconomics.com/lit.htm> has an excellent list of web links.. The E-Text links is very useful as is the Dead Economists link.

The Institute of Economic Affairs at <http://www.iea.org.uk/>

**COURSE O U T L I N E:** *Copies of readings not on-line or in your assigned texts are available in the*

department library CN-312H.

**WEEK**                      **TOPICS**

1                              ORIENTATION

1. Course Requirements
2. General Information
3. Introduction to Assessment/Senior Project

Introduction to Value/Distribution/Production

**Assignment:** Skousen Introduction and Chapter 1.

Smith, Book I, Chapters 1 -3

Buchholz, Preface and Chapter 1

Handout: Osterfeld, David. "Economy, Government, and Culture." In *Prosperity Versus Planning: How Government Stifles Economic Growth*. New York: Oxford University Press, 1992, pp. 19-57.

2 and 3                      Mercantilism and Other Predecessors of Adam Smith

**ASSIGNMENT:** Skousen Chapter 2

Handouts: Rothbard, Murray. "Mercantilism as the economic aspect of absolutism." *Economic Thought Before Adam Smith: An Austrian Perspective on the History of Economic Thought*, Volume I. Edward Elgar. 1995

Maddox, William S. and Lilie, Stuart A. "The Nature and Meaning of Ideology." *Beyond Liberal and Conservative: Reassessing the Political Spectrum*. Cato Institute, 1984.

Smith Book IV Chapters I, VIII, and IX

4 - 7                      The Classical Economists/Classical Liberalism and Marx

**ASSIGNMENT:** Buchholz Chapters 2 – 6 and Skousen Chapters 3-6

Handouts: Samuelson, Paul A. "The Canonical Classical Model of Political Economy." *JEL*, December 1978, XVI(4), pp. 1415-1434.

[Bastiat, Frederic. "What Is Seen and What Is Not Seen."](#) Pamphlet, 1850. in *Selected Essays on Political Economy*. Foundation for Economic Education. New York: 1964.

Smith, Book I, Chapters 4 - 9

**First Paper/Exam: Thursday October 16**

7 and 8 The Quantity theory and the Savings/Investment Nexus

**ASSIGNMENT:** Buchholz Chapters 9 and 10 and Skousen Chapters 11 and 12

Handouts: Humphrey, "The Quantity Theory of Money." and Humphrey, "Fisher and Wicksell"

[Horwitz: "Understanding Say's Law of Markets"](#)

9-11 Keynes

**Assignment:** Skousen 13 and 14 and Buchholz Chapter 9

Handouts: Friedman, "John Maynard Keynes"

Yeager, "The Keynesian Diversion"

12-15 Monetarism and Business Cycle Theory

**Assignment:** Buchholz 10 and 12 and Skousen Chapter 15

Handouts: von Mises (Handout from *Human Action*)

Friedman, "The Role of Monetary Policy"

Cochran and Glahe "The Keynes-Hayek Debate"

Garrison, Roger W. *Time and Money*

**Final Paper Due During Final Exam Week by Wednesday December 10.**

**Senior Projects Due** to you advisor by Monday December 1.