

ECO 4600 CRN: 50347 – History of Economic Thought (3 + 0)
Metropolitan State College of Denver
Spring Semester 2004

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Please contact me by e-mail not by phone if you want me to answer promptly to your questions.

OFFICE HOURS: My office hours are MTW 9:00-11:00AM but you can also schedule an appointment or stop by and see if I am available.

PREREQUISITES:

Econ 2010, Econ 2020, senior standing, and satisfaction of all Level I and Level II General Studies course requirements.

COURSE DESCRIPTION (Official): 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.

REQUIRED TEXTBOOKS:

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

Holcombe, Randall G. 1999. *15 Great Austrian Economists*. Auburn, AL: Ludwig von Mises Institute. Available through: <http://www.mises.org>. (NB: Most of the biographies in the book are available online at: <http://www.mises.org/mises.asp>)

For those students interested in going to Graduate School, I also recommend:

Schumpeter, Joseph. 1996 [1954] [History of Economic Analysis](#), Revised Edition. New York, NY: Oxford University Press.

Blaug, Mark. 1996. [Economic Theory in Retrospect](#). 5th Edition. Cambridge: Cambridge University Press.

HISTORY OF ECONOMIC THOUGHT WEBSITES:

[The History of Economic Thought Website](#)
[History of Economics](#) (Many Links)
[The Library of Economics and Liberty](#) (Foundational Writings)
[The Ludwig von Mises Institute Study Guide](#)

GRADING POLICY:

Evaluation of your performance in this class will be determined by your performance on 2 short papers, a presentation of your second paper, and [a senior project](#). Your [senior project](#) will be graded by your project advisor. Each short paper will be worth 20% of your grade. The presentation will be worth 20% of your grade. The [senior project](#) will determine 40% of your final grade.

The length of each short paper should be between 3 and 10 pages (maximum).

The first short paper should be a small biography of one of the famous economists or social scientists whose contribution has marked the history of economic thought (please avoid Adam Smith, Karl Marx, and John Maynard Keynes, be original). The biography will discuss the life and work of the economist with an emphasis on his/her contribution to the advancement of economic science.

The second short paper will discuss the particular contribution of one of the Nobel Prize in Economics to the advancement of economic science. You will be required to present your paper in class in front of your classmates and some faculty members in the department.

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 not be accepted.

NO CREDIT (NC) Policy:

You may withdraw from this class no faculty signature required until Monday, February 16, 2004. After that, in order to withdraw from the course with a no credit (NC), you must obtain my signature (no question would be asked) and return the completed form to the registrar's office by the official drop date, Friday, March 26, 2004. It is your responsibility to pick up the proper form, and after obtaining the signature, to return the form to Registrar's Office.

ACCOMMODATIONS:

Any student eligible for and needing academic adjustments or accommodations because of a disability is required to go to the Disabilities Services Office in Arts 177 by the first week of class so that such accommodations may be arranged. The DSO does it, I can't, so don't ask me.

ECO 4600 CRN: 50347 – History of Economic Thought (3 + 0)
Metropolitan State College of Denver
Spring Semester 2004

GETTING COURSE GRADES:

Final courses grades will be available by telephone (303 575 5880), the Web (www.mscd.edu) and campus kiosks located in the Central Classroom, West Classroom, and Tivoli St. Union Buildings.

GRADE STUDENT APPEAL PROCEDURE:

If students have reason to question the validity of a grade received in a course, they must make their request for a change before the end of the second week of the semester following the completion of the course (the following fall semester in the case of the spring semester). The Grade Appeal Guidelines can be obtained from the students' respective deans. It is the responsibility of the student to initiate a grade appeal within the time limit, and to follow the procedures specified for grade appeals in the current Student Handbook. The handbook may be obtained from the Office of Student Services. All decisions of the Grade Appeal Committee will be reviewed by the associate vice president for academic affairs.
(<http://www.mscd.edu/academic/catalog/section1c.htm#student>)

STUDENT CONDUCT CODE:

Metropolitan State College of Denver has a Student Conduct Code and every student is encourage to consult the Student Conduct Code particularly regarding the School policy on cheating, plagiarism, and other forms of academic dishonesty.

Academic Dishonesty

Academic dishonesty is a serious offense at the College because it diminishes the quality of scholarship and the learning experience for everyone on campus. An act of academic dishonesty may lead to such penalties as reduction of grade, probation, suspension or expulsion. Examples of academic dishonesty include:

Cheating: The tem "cheating" includes, but is not limited to: 1) use of any unauthorized assistance in taking quizzes, tests or examinations; 2) dependence upon the aid or sources beyond those authorized by the instructor in writing papers, preparing reports, solving problems or carrying out other assignments; or 3) the acquisition, without permission, of tests or other academic material belonging to a member of the College faculty, staff or other students.

Fabrication: Intentional and unauthorized falsification or invention of any information, data, or citation in an academic exercise.

Facilitating Academic Dishonesty: Intentionally or knowingly helping or attempting to help another to commit an act or academic dishonesty.

Plagiarism: The term "plagiarism" includes, but I not limited to, the use by paraphrase or direct quotations, of the published or unpublished work of another person without full and clear acknowledgement. It also includes the unacknowledged use of materials prepared by another person or agency that may or may not be engaged in the selling of term papers or other academic materials.

Procedures

Academic dishonesty may result in institutional sanction. Institutional sanctions, however, do not limit the individual faculty member's academic freedom and the right to maintain academic integrity in the learning environment by assigning a grade or grade notation for an assignment, exercise, test, and for the course.

In all cases of academic dishonesty, the instructor shall make a initial academic judgment about the student's grade on that work in that course and shall report such incidents within fifteen (15) working days to the student and to the judicial officer responsible for the administration of The College judicial system. The judicial officer has the discretion to consult with the faculty member and the Office of Academic Affairs to determine whether or not institutional sanctions should be invoked. In addition to institutional sanctions listed in the College judicial policies, a failing course grade assigned as a result of academic dishonesty is considered a permanent "F" and is not subject to the College's "Last Grade Stands: policy unless it is altered pursuant to the College grade appeal procedures.

College judicial policies pertaining to academic dishonesty are part of the Student Conduct Code published below. Members of the faculty have the right and responsibility, when they report acts of academic dishonesty to the College judicial officer, to file charges against such student(s) and ask that institutional sanctions be applied. At his or her discretion, the judicial officer may recommend and impose sanctions in any reported case of academic misconduct against a student.

Should institutional sanctions be recommended in cases of academic dishonesty, the judicial officer shall check with the Office of Academic Affairs to determine if the student has any record of prior offenses involving academic misconduct. Students accused of academic dishonesty have the right, under the judicial policies of the Student Conduct Code, to request a hearing to consider the charges made against them.

The Student Handbook can be consulted at:
<http://handbook.mscd.edu/>

ECO 4600 CRN: 50347 – History of Economic Thought (3 + 0)
Metropolitan State College of Denver
Spring Semester 2004

TENTATIVE COURSE SCHEDULE (subject to changes): Copies of readings not on-line (click on hyperlink to access paper or audio file) or in your assigned texts are available in the department library CN-312H.

WEEK 1 – ORIENTATION & THE WRITING OF ECONOMICS

Course Requirements
General Information
Introduction to Assessment/Senior Project
How to write an economic paper – Presentation, Organization, Argumentation

Recommended Readings:

McCloskey, Donald N. 1987. *The Writing of Economics*. New York, NY: MacMillan Publishing Company.

WEEK 2 - 3 CHAPTER 1 – IT ALL STARTED WITH ADAM OR DID IT?

Readings (required readings are marked with a *; strongly recommended are noted with a **, recommended are noted with a *):**

Skousen – Introduction and Chapter 1: It All Started With Adam***

Rashid, Salim. 1990. "[Adam Smith's Acknowledgments: Neo-Plagiarism and the Wealth of Nations](#)." *The Journal of Libertarian Studies*, Vol. 9, No. 2 (fall): pp. 1-24. *

Rashid, Salim. 1992. "[Adam Smith and Neo-Plagiarism: a Reply](#)" *The Journal of Libertarian Studies*, Vol. 10, No. 2 (fall): pp. 181-89.*

Ahiakpor, James C.W. 1992. "[Rashid on Adam Smith: In Need of Proof](#)." *The Journal of Libertarian Studies*, Vol. 10, No. 2 (fall): pp. 171-80. *

Paul, Ellen Frankel. 1977. "[Adam Smith: a Reappraisal](#)." *Journal of Libertarian Studies*, Vol. 1, No. 4: pp. 289-306. *

WEEK 4 – 5 – ADAM SMITH'S PREDECESSORS

Readings:

Jesus Huerta de Soto – "[Juan de Mariana: The Influence of the Spanish Scholastics](#)" in Holcombe, ed., *15 Great Austrian Economists*. Pp. 1-12. ***

Mark Thornton – "[Richard Cantillon: The Origin of Economic Theory](#)" in Holcombe, ed., *15 Great Austrian Economists*. Pp. 13-28. ***

Rothbard, Murray N. – "[A.R.J. Turgot: Brief, Lucid, and Brilliant](#)" in Holcombe, ed., *15 Great Austrian Economists*. Pp. 29-44. ***

Rothbard, Murray N. 1976. "New Light on the Prehistory of the Austrian School." In Edwin Dolan, ed. *The Foundations of Modern Austrian Economics*. Kansas City, KS: Sheed and Ward. Pp. 52-

ECO 4600 CRN: 50347 – History of Economic Thought (3 + 0)
Metropolitan State College of Denver
Spring Semester 2004

74. Reprinted in Rothbard, Murray N., ed., *The Logic of Action One*. Murray N. Rothbard, ed., UK: Edward Elgar Publishing Limited. 1997.

Audio and Video Files:

Jorg Guido Hülsmann. 2001. "[The Pre-History of Austrian Economics](#)" Mises University 2001. Auburn Alabama. **

WEEK 6 – THE FRENCH CONNECTION: LAISSEZ-FAIRE AVANCE!

Readings:

Skousen – Chapter 2: The French Connection: Laissez-Faire Avance! ***

Larry J. Sechrest – "[Jean-Baptiste Say: Neglected Champion of Laissez-Faire](#)" in Holcombe, ed., *15 Great Austrian Economists*. Pp. 45-58. ***

Thomas J. DiLorenzo – "[Frédéric Bastiat: Between the French and Marginalist Revolution](#)" in Holcombe, ed., *15 Great Austrian Economists*. Pp. 59-70. ***

Steven Horwitz – "[Understanding Say's Law of Markets](#)" – *The Freeman: Ideas on Liberty* - January 1997. **

Liggio, Leonard. 1977. "[Charles Dunoyer and French classical Liberalism](#)." *Journal of Libertarian Studies*. Vol. 1, No. 3: pp. 153-78. *

Liggio, Leonard. 1985. "[Richard Cantillon and the French Economists: Distinctive French Contributions to J. B. Say](#)." *Journal of Libertarian Studies*, Vol. 7, No. 2 (fall): pp. 295-304. *

Salerno, Joseph T. 1985. "[Influence of Cantillon's Essai on the Methodology of J.B. Say: A Comment on Liggio](#)." *Journal of Libertarian Studies*, Vol. 7, No. 2 (fall): pp. 305-16. *

Salerno, Joseph T. 1978. "[Comment on the French Liberal School](#)." *Journal of Libertarian Studies*, Vol. 2, No. 1: pp. 65-8. *

Salerno, Joseph T. 1988. "[The Neglect of the French Liberal School in Anglo-American Economics: A Critique of Received Explanations](#)." *Review of Austrian Economics*, 2: pp. 113-56. **

WEEK 7-9 – THE (ENGLISH) CLASSICAL ECONOMISTS (Including Marx)

Readings:

Skousen – Chapter 3: The Irreverent Malthus Challenges the New Model of Prosperity ***
Chapter 4: Tricky Ricardo Takes Economics Down a Dangerous Road ***
Chapter 5: Milling Around: John Stuart Mill and the Socialists Search for Utopia ***
Chapter 6: Marx Madness Plunges Economics into a Dark Age ***

Böhm-Bawerk, Eugen von. 1898 [1896]. "[Karl Marx and the Close of His System](#)." London, UK: T.F. Unwin. **

ECO 4600 CRN: 50347 – History of Economic Thought (3 + 0)
Metropolitan State College of Denver
Spring Semester 2004

Rothbard, Murray N. 1990. "[Karl Marx: Communist as Religious Eschatologist.](#)" Review of Austrian Economics, Volume 4: pp. 123-79.

Paul, Ellen Frankel. 1978. "[J.S. Mill: The Utilitarian Influence in the Demise of Laissez-Faire.](#)" Journal of Libertarian Studies, Vol. 2, No. 2: pp. 135-49.

Audio Files:

Ralph Raico. 2001. [Classical Liberalism](#). Mises University 2001. **

WEEK 10 – The Marginalist Revolution, Carl Menger, and the Birth of the Austrian School of Economics

Readings:

Skousen – Chapter 7: Out of the Blue Danube: Menger and the Austrians Reverse the Tide. ***

Joseph. T. Salerno. "[Carl Menger: The Founding of the Austrian School](#)" in Holcombe, ed., 15 Great Austrian Economists. Pp. 71-100. ***

Roger W. Garrison. "[Eugen von Böhm-Bawerk: Capital, Interest, and Time](#)" in Holcombe, ed., 15 Great Austrian Economists. Pp. 113-22. ***

Mises, Ludwig von. 2003 [1969]. [The Historical Setting of the Austrian School of Economics](#). Auburn, AL: The Ludwig von Mises Institute. **

Hayek, Friedrich A. 1934. "[Carl Menger.](#)" *Economica*, Vol. 1, No. 4 (November): 393-420. **

Wieser, F. 1891. "[The Austrian School and the Theory of Value.](#)" *Economic Journal*, Vol. 1, No. 1 (March): 108-21. **

Endres, A. M. 1991. "[Austrian Capital and Interest Theory: Wieser's Contribution and the Menger Tradition.](#)" *Review of Austrian Economics*, 5(1): pp. 67-90. *

Audio Files:

Joseph T. Salerno. 2001. [Marginalist Revolution](#). Mises University. [59:20] **

FIRST PAPER DUE AT THE END OF THE CLASS

WEEK 11 – The Emergence of Mathematical Economics and the General Equilibrium Paradigm

Readings:

Skousen – Chapter 8: Marshalling the Troops: Scientific Economics Comes of Age. ***

WEEK 12 – Macroeconomics Theories in Debate

Readings:

Skousen – Chapter 9: Go West, Young Man: Americans Solve the Distribution Problem in Economics

Chapter 11: The Fisher King Tries to Catch the Missing Link in Macroeconomics

Chapter 12: The Missing Mises: Mises (and Wicksell) Make a Major Breakthrough

Chapter 13: The Keynes Mutiny: Capitalism Face Its Greatest Challenge

Chapter 14: Paul Raises the Keynesian Cross: Samuelson and Modern Economics

Chapter 15: Milton's Paradise: Friedman Leads a Monetary Counterrevolution

Jeffrey M. Herbener. "[Frank A. Fetter: A Forgotten Giant](#)" in Holcombe, ed., 15 Great Austrian Economists. Pp. 123-42. ***

Murray N. Rothbard. "Ludwig von Mises: The Dean of the Austrian School" in Holcombe, ed., 15 Great Austrian Economists. Pp. 143-66. ***

Peter G. Klein. "[F.A. Hayek: Austrian Economist and Social Theorist](#)" in Holcombe, ed., 15 Great Austrian Economists. Pp. 181-94. ***

John B. Egger. "[William H. Hutt: The "Classical" Austrian](#)" in Holcombe, ed., 15 Great Austrian Economists. Pp. 195-204. ***

Shawn Ritenour. "[Wilhelm Röpke: A Humane Economist](#)" in Holcombe, ed., 15 Great Austrian Economists. Pp. 205-22. ***

Rothbard, Murray N. 2002 [1988]. [Ludwig von Mises: Scholar, Creator, Hero](#). Auburn, AL: Ludwig von Mises Institute. **

Cochran, John P., and Fred R. Glahe. 1994. "The Keynes-Hayek Debate: Lessons for Contemporary Business Cycle Theorists." *History of Political Economy*, 26.1: pp.69-94. **

Butos, William N. 1994. "The Hayek-Keynes Macro Debate" in Peter G. Boettke (Ed.), *The Elgar Companion to Austrian Economics*, Aldershot, Hants, England and Brookfield, VT: Edward Elgar. Pp. 471-78. **

Rothbard, Murray N. 1992. "[Keynes, the Man.](#)" In Mark Skousen (Ed), *Dissent on Keynes: A Critical Appraisal of Keynesian Economics*, New York: Praeger. Pp. 171–98. *

Garrison, Roger. 1991. "[Keynes Was a Keynesian.](#)" *Review of Austrian Economics*, 9(1): pp. 165-72.

Salerno, Joseph T. 1995. "[Ludwig von Mises's Monetary Theory in Light of Modern Monetary Thought.](#)" *Review of Austrian Economics*, 8(1): pp. 71-116.

Salerno, Joseph T. 1992. "[The Development of Keynes's Economics: From Marshall to Millennialism.](#)" *Review of Austrian Economics*, 6(1): pp. 3-64.

ECO 4600 CRN: 50347 – History of Economic Thought (3 + 0)
Metropolitan State College of Denver
Spring Semester 2004

Audio Files:

Murray N. Rothbard. Mises in One Lesson [\[Part 1 \(44:34\)\]](#) [\[Part 2 \(16:13\)\]](#) ***

Jorg Guido Hülsmann. 2003. [Mises and the Foundation of Austrian Economics](#). Mises University [1:15:52] **

Peter G. Klein. 2001. [Economics of F. A. Hayek](#). Mises University. [1:00:26] **

Joseph T. Salerno. 2003. "[Human Action](#)" and "[Man, Economy and State](#)" in the History of Thought. Mises University. [1:05:37] **

Roger Garrison. 2001. [Austrian Theory of the Trade Cycle](#). [45:22] [\[PowerPoint Slide Accompanying the Lecture\]](#) **

Jeffrey M. Herbener. 2003. [Critique of Keynesian Macroeconomics](#). Mises University. [1:03:39] **

Jeffrey M. Herbener. 2001. [The American Austrians](#). Mises University. [1:04:44] *

Jeffrey M. Herbener. 2003. [The Utopianism of Marx and Keynes](#). Mises University. [1:03:39]

Roger Garrison. 2003. [Extensions and Applications in Austrian Macroeconomics](#). Mises University. [1:03:39]

WEEK 13 – The Socialist Calculation Debate

Readings:

Skousen – Chapter 16: The Creative Destruction of Socialism: The Dark Vision of Joseph Schumpeter. ***

Ludwig von Mises. 1990 [1975]. [Economic Calculation in the Socialist Commonwealth](#). In Friedrich A. Hayek, ed., *Collective Economic Planning*. Clifton, NJ: Kelley Publishing. Pp. 87-130. Reprinted by Ludwig von Mises Institute (Auburn, AL). ***

Hayek, Friedrich A. 1945. "[The Use of Knowledge in Society](#)," *American Economic Review*, Vol. 35, No. 4 (September): 519-30. ***

Hayek, Friedrich A. 1989. "[The Pretence of Knowledge](#)," *American Economic Review*, Vol. 79, No. 6 (December): 3-7.

Hayek, Friedrich A. 1937. "[Economics and Knowledge](#)," *Economica*, New Series, Vol. 4, No. 3 (February): pp. 33-54. *

Hayek, Friedrich A. 1940. "[Economic Calculation: The Competitive 'Solution'](#)," *Economica*, New Series, Vol. 7, No. 26 (May): pp. 125-49. *

ECO 4600 CRN: 50347 – History of Economic Thought (3 + 0)
Metropolitan State College of Denver
Spring Semester 2004

WEEK 14 – What’s next? Modern Economists and the Case in Favor of Austrian Economics

Audio File:

Joseph T. Salerno. 2003. [History and New Directions for Austrian Economics](#). Mises University. [1:05:45] **

Video File:

Murray N. Rothbard. 1989. [The Future of Austrian Economics](#). [49:38] ***

WEEK 15 - SECOND PAPER DUE – STUDENT PRESENTATION OF THEIR PAPER

Additional Recommended Reading:

Rothbard, Murray N. 1995. Economic Thought Before Adam Smith: An Austrian Perspective on the History of Economic Thought (Vol. 1) and Classical Economists (Vol. 2) UK: Edward Publishing Limited.