

Professor John Hall
History of Economic Thought,
EC460, CRN 60970
Department of Economics
e-mail hallj@pdx.edu

Portland State University
Tel. 503-725-3939
Spring Term 2021
Office Hours: By Appointment

This ten-week course aims to achieve two goals. For achieving the first goal we shall follow the thought traditions developed by Thorstein Veblen and laid out in his *The Higher Learning in America: A Memorandum on the Conduct of Universities by Business Men* [1918]. In short, achieving our first goal involves relying upon our ***instinct of idle curiosity*** and engaging in what is known as ***dispassionate scholarship*** as we probe into the realm of ***esoteric knowledge***. A good portion of the knowledge conveyed in this course can readily be categorized as ***esoteric***, for we shall consider many contributions – with varying degrees of relevance and importance – to economic thinking coming to us from curious characters advancing their novel ideas over millennia. This is our first goal.

To achieve the second goal, we shall rely upon our ***instinct of workmanship*** and focus upon advancing our ***practical knowledge***. This refers to making gains in our abilities for absorbing and thinking through high-level ideas, and then artfully writing up synthetic interpretations in a manner that makes use of an approach for citing the literature that is used worldwide as an accepted standard of scientific English appearing in quarterly journals. The style is known as the Harvard Style of Referencing. More

specifically, our course's second goal for the course participants involves making measureable gains in processing ideas found in doctrines and then writing up our own ideas that will be handed in what is known euphemistically as 'Learning Opportunities'.

This ten-week course is designed to teach students about the origins of western economic thinking, and to then trace the developments found in this tradition of ideas over the span of the last 2,400-plus years. I offer this course so that students have the opportunity to 'stand on the shoulders of giants' for when exploring and considering the realm of social sciences, in general, and economic science, in particular. Most of the contributors whose doctrines we consider in this course could certainly be considered as "giants." When our course ends in early June, you can pass judgment upon whether you feel as if you got to stand on the shoulders of the giants who have contributed to the foundations of our Economics discipline over the centuries.

Please be aware of our course's contents, emphases, and goals. If you are not in agreement, you might consider taking a different course.

If you are still in, then please consider that our course is structured to assist members of this 2021 class in achieving these two stated goals. If you would like to achieve other goals you should consider achieving them, too. If you need assistance, please contact me: hallj@pdx.edu

Typically, I require that students to attend all lectures. However this Spring Term 2021 we need to accommodate challenges posed by the Covid-19 virus and the dictates from the PSU administration. So this course will be

presented on line and remotely. Lectures will be presented making use of D2L and Zoom. I shall plan on recording portions of class presentations that can be accessed at students' convenience.

A Bit About Our EC460 Course:

“History of Economic Thought” is considered a *field* within the Discipline of Economic Science. This field provides students with foundations in economic literacy within cultural and historical contexts and frameworks. We shall consider how ideas – typically generated by brilliant and rebellious personalities—contribute to developments in thought over spans of time. Many scholars refer to our course and field of ‘History of Economic Thought’ as *Economic Doctrine* or simply as *Doctrine*. Auf Deutsch as *Dogmengeschichte*; or as *Histoire de la pensée économique* (French) and as *Historie de l'économie* in Español; as *História do pensamento econômico*; and *Ιστορία της οικονομικής σκεψης* in Ελληνική γλώσσα. (Greek). So if you learn this field of inquiry, you can find that many economist across the world have studied this material.

In short, what we will be studying can be considered as highbrow knowledge that is well known by the intelligentsia worldwide. Sadly, in recent decades programs have tended to de-emphasize this course and its related knowledge. This means that students can complete the BA, BS, MA, MS and Ph.D degrees without considering the wide range of contributions to economic theory, leaving them blind to the rich legacies of our Economic Science.

My experiences suggest that it would indeed prove difficult for someone to make a substantial contribution to

economic theory or policy without a thorough exposure to this field of inquiry. I can note that the ‘highbrow’ economists that dominate the profession tend to have studied this subject and can “talk the talk,” and the low brow technicians destined to remain on the scientific periphery—staring at their computer screens and left in-charge of data bases and operating spreadsheets and running econometric models on command from canned programs – probably never took the opportunity to learn this material.

Over the centuries, economic inquiry exhibits no signs of a smooth and graceful development. Instead, our discipline is fraught by incomplete knowledge, contradictions, inconsistencies, and misinterpretations that also generate debates, thereby contributing to schools of thought that can rely upon fundamentally different assumptions. These tendencies go all of the way back to Aristotle, who introduced us to several curious contradictions between *oekonomia* (οικονομία) as this relates to the running of a household, and *chrematistike*’ (χρήματα means ‘money’ in Greek) and the activities that pertain to striving mainly for pecuniary gain. These contradictory activities continue to plague our discipline and society to this very day. On top of this, in his *Nicomachean Ethics* (ηθική) Aristotle also struggles to establish a “theory of value” (θεωρία της αξίας), what would remain as a key topic in Economic Science if economists were more broadly educated.

In this course we shall be learning about the important contributors to doctrine (with the early ones often distinguishable by their copious amounts of hair, or wigs), their historical contexts vis-à-vis larger cultural tendencies, and the content of their ideas. Then we shall assess some of the effects their ideas have had in building our rich legacy of economic thought from which we might draw today.

This course will offer two tracks and students can choose which track serves them best.

Track #1 will involve answering and addressing questions handed out in a Learning Opportunity #1 and #2. The answers will be graded based upon my assessment of content and style. The style used in the course is referred to as the Harvard Referencing, Short Version and I shall refer to this as the 'Harvard-Short Style' and this style is based upon in-text referencing. (More on this later).

Dates to consider:

Learning Opportunity #1 is due by end of day, Monday, 26 April;

Learning Opportunity #2 is due by end of day, Monday, 24 May;

Track #2 will involve answering and addressing questions handed out in the Learning Opportunity #1. Learning Opportunity #2 will involve outlining a research paper and then writing up a first draft. After comments are considered,

Learning Opportunity #3 will involve preparing a final draft of the research paper.

The answers for LO#1 and the papers written for LO#2 and LO#3 will be graded based upon my assessment of content and style. The style used in the course is referred to as the Harvard Referencing, Short Version and I shall refer to this as the 'Harvard-Short Style' and this style is based upon in-text referencing. (More on this later).

Dates to consider:

Learning Opportunity #1 is due by end of day, Monday, 26 April;
Learning Opportunity #2 is due by end of day, Monday, 24 May;
Learning Opportunity #3 is due by end of day, Thursday, 10 June.

When the course ends in June, grades will be calculated and turned in on time. One's final grade would be based upon the accumulated points set against the standard PSU grading scale. I do not plan to offer incomplete or "I" grades, so best to stay on task.

Our main text: Robert Heilbroner's *Teachings from the Worldly Philosophy*. New York:

W. W. Norton, 1996. **Please note: It would be best to acquire a published text. This will be necessary as page numbers will be required when citing.** E-versions of this book do not typically offer page numbers that are need for when citing.

In addition to the Heilbroner book we will also be making use of *Economic Thought: A Brief History*, authored by Heinz Kurz, New York: Columbia University Press, 2016.

A third text that you might consider is Robert Heilbroner's *The Worldly Philosophers*.

W.W. Norton, any edition.

Two especially useful books to add to your library: Mark Blaug's *Great Economists before Keynes* and *Great Economists since Keynes*, Cambridge University Press, 1986.

Some other readings will be offered as pdf files and can be found at

sites.google.com/site/econreadings45/ On top of these sources, our library offers a really fine collection of books, with many registering as classics that advance economic doctrine.

Week One

Topics: Economics and Moral Philosophy

Classical Thought and Its Challenges

Read: Heilbroner, *Teachings from the Worldly Philosophy*, Part 1, "Earliest Economic Thought"

Aristotle on Politics and Economics, in *The Complete Works of Aristotle*, ed. John Barnes, Princeton, New Jersey: Princeton University Press. Read *Politics*,

pp. 1986-2129 and *Economics*, pp. 2130-2151. (at sites.google) Kurz, 2016, "Introduction", pages 1-15.

For your edification (additional readings)

"Aristotle Discovers the Economy" in Karl Polanyi's *Trade and Markets in Early*

Empires, pp. 65-94.

Henri Pirenne, *Economic and Social History of Europe*, New York: Harcourt, Brace and

World, 1937 (sites google)

Joseph Schumpeter, *History of Economic Analysis*, Chapter 1 "Graeco-Roman Economics" (sites.google)

Week Two

Consider the Pre-Adamites

Topic

Classical Thought and Medieval Europe: The Moral

Dilemmas

Heilbroner, *Teachings* Part II, "The Commercial Revolution"

John of Salisbury, Thomas Aquinas

Kurz, "Chapter 2, "Classical Economics", pages 17-41

Additional Readings: Thomas Aquinas *Summa Theologica*, Commentary on the Metaphysics of Aristotle. By John P. Rowan

Early Modern Period

Heilbroner, *The Worldly Philosophers*, Ch. II, "The Economic Revolution"

Thomas Hobbes *Leviathan*

John Locke, *Two Treatises on Government*.

The Rise of the Enlightenment as a social and cultural development with implications. The Romantic resistance

The Economic Significance of the Protestant Reformation: see especially,

Max Weber, "*The Protestant Ethic and the Spirit of Capitalism.*"

Week Two Heilbroner "Mandaville, Mun, Cantillon, Quesnay, Turgot"

See Mark Blaug for bios on:

Mandeville, Bernard (1660-1733) pp. 145-146.

Mun, Thomas (1571-1641) pp. 174-176

Cantillon, Richard (1680-1734) pp. 37-38.

Quesnay, Francois (1694-1774) pp. 194-196.

Turgot, Anne Robert Jacques (1727-1781) pp. 254-255.

Petty, William (1623-1687) pp. 186-188.

The Rise and Fall of Political Arithmetic, Plus an Introduction to Physiocracy and Quesnay's *Tableau Economique*

William Petty *The Economic Writing of Sir William Petty*

Several Essays in Political Arithmetic

Observations upon the Cities of London

The History of the Survey of Ireland 1655-1656

Weeks 2 and 3

Modern Classical Theory

Heilbroner, *Teachings ...* Part III "The Classical Economists" pp. 55-157.

Also reread Kurz, "Chapter 2, "Classical Economics", pages 17-41

Additional readings.

Heilbroner, *The Worldly Philosophers*,

Chapter Three "The Wonderful World of Adam Smith"

Chapter Four "The Gloomy Presentiments of Parson

Malthus and

David Ricardo"

Adam Smith. *An Inquiry into the Nature and Causes of the Wealth of Nations*, Chapters I, II, III, IV and V.

Heilbroner, *The Essential Adam Smith*, "The History of Astronomy."

Also read contributions of Thomas Robert Malthus and David Ricardo.

Thomas Malthus, **Principles of Political Economy**

David Ricardo's **Principles of Political Economy and Taxation**, Chapters One and Two. (google.site)

See Mark Blaug for bios on:

Malthus, Thomas Robert (1766-1834) pp. 141-144.

Ricardo, David (1772-1823) pp. 199-203.

Mill, John Stuart (1806-1873) pp. 164-167.

Bentham, Jeremy (1748-1832) pp. 16-18.

Engels, Friedrich *The Conditions of the Working Class in England*, New York, 1958.

HD8389 E515 1958

Week 4

Utopian Socialists and Historical Materialists

Heilbroner, *Teachings...* Part IV, "Karl Marx" pp. 161-207.

Kurz, Chapter 3, "Marx and the Socialists" pages 43-56.

Blaug, Mark, 100 Great Economists Before Keynes, read:

Karl Marx (1818-1883) pp. 154-157.

Additional Readings:

Heilbroner, *The Worldly Philosophers...* Chapter Five "The Visions of Utopian Socialists," Chapter Six

"The Inexorable System of Karl Marx"

Marx, Karl *Capital, Vol. I*, Section One, Chapters One through Four, And especially, Chapter 10, "The Working Day"

The German Ideology, (Thesis on Feuerbach)_

Week Five

The Marginalist Revolution, the Rise of Neoclassical Theory, The notions of Equilibrium and Perfectly Functioning Markets

Heilbroner, *Teachings....* Part V, "The Marginalists"

Kurz, Chapter 4, "The Rise of Marginalism" pages 57-80.

See: Mark Blaug:

Bentham, Jeremy (1748-1832) pp. 16-18.

Pareto, Vilfredo (1848-1923) pp. 183-185.

Menger, Carl (1840-1921) pp. 160-163.

Marshall, Alfred (1842-1924) pp. 150-153

Jevons, William Stanley (1835-1882) pp. 99-101.

Walras, Leon (1834-1910) pp. 262-265.

Additional Readings

Heilbroner, *Worldly....* The Victorian World and the Underworld of Economics

Jeremy Bentham, *The Chrestomathia Economic Writings.*

Leon Walras *Elements of Pure Economics*

Stanley Jevons *The Theory of Political Economy*

Vilfredo Pareto *Manual of Political Economy*, Chapter IV "Tastes"

Carl Menger, *Principles of Economics and the Methodenstreit*

Alfred Marshall, *Principles of Economics.*

Landreth and Colander, Chapter 14, "The Development of Modern Microeconomic Theory"

Weeks Six and Seven

The German Historical School and the American Institutionalists

Landreth and Colander, Chapter 17 "The Development of Modern Heterodox

Economic Thought"

William Dugger. 2006. "Veblen's Radical Theory of Social Evolution," *Journal of*

Economics Issues, Vol. XL, No. 3 (September) pp. 651-672.

"An Institutional Framework of Analysis," *Journal of Economic Issues*, vol. 14, no. 4

(December, 1980): 897-907.

“Corporate Hegemony” “An Institutionalist Analysis of Corporate Power: *Journal of*

Economic Issues, vol. 22, no. 1 (March, 1988): 79-111.

Myrdal, *Rich Lands and Poor: The Road to World Prosperity*. New York: Harper

and Row, 1957.

Hall and Ludwig, “Gunnar Myrdal and the Persistence of Germany’s Regional

Inequality,” *Journal of Economic Issues*, vol. xliii, no. 2 (June 2009): 345-352.

Thorstein Veblen, *The Theory of Business Enterprise, The Theory of the Leisure Class*

John Kenneth Galbraith, *The New Industrial State*

John R. Munkirs, *The Transformation of American Capitalism*

Joseph Schumpeter, *The Theory of Economic Development*

See Mark Blaug for bios on:

Roscher, Wilhelm Georg Friedrich (1817-1894) pp. 207-210.

Schmoller, Gustav (1838-1917) pp. 213-214.

Ely, Richard Theodore (1854-1943) pp. 72-73.

Veblen, Thorstein (1857-1929) pp. 256-258.

Commons, John Roger (1862-1945) pp. 56-58.

Galbraith, John Kenneth (1908-2006) pp. 68-70 (AK)

Weeks 8 and 9

Market Failures

Heilbroner, *Teachings... Part VI, Twentieth Century Economists*

Kurz, Chapter 7 “Imperfect Competition” pages 105-112.

Chapter 8 “Schumpeter and the Principle of Creative Destruction,” pages 113-120.

Chapter 9 “Keynes and the Principle of Effective Demand” pages 121-132.

Chapter 10 “Reactions to Keynes” pages 133-152

See Mark Blaug for bios on:

Robinson, Joan (1903-1983) pp. 207-209. (After Keynes (AK)

Keynes, John Maynard (1883-1946) pp. 106-109.

Kalecki, Michal (1899-1970) pp. 109-111.

Kaldor, Nicholas (1908-1986) pp. 106-108.

Joseph Alois Schumpeter (1883-1950) pp. 215-217.

Additional Readings:

Joan Robinson **Imperfect Competition**

John M. Keynes, **The Economic Consequences of the Peace**
The General Theory of Employment, Interest and Money,

Chapters 1-4

Post-Keynesian Approaches

Hall and Ludwig, "Neoliberalism, the Changing German Labor Market, and Income

Distribution," *Journal of Economic Issues*, vol. xlv, no. 2 (June 2010): 345-357.

(PSU Homepage)

Week Ten

An Inquiry into the Post-Modern Economy

Marx, Karl. *Capital, Vol. 1* "Chapter 1, Section 4 "The Fetishism of Commodities and the Secret Thereof"

Michel Foucault, *Discipline and Punish: The Birth of the Prison*,
Vintage

Part I, Torture, "The Body of the Condemned," Part III, Discipline,
Ch. 3 "Panopticism"

Additional Readings:

Frederic Jameson, *Post Modernism, or, The Cultural Logic of Late Capitalism*,

Durham, Duke University Press

Ch. 1 "The Cultural Logic of Late Capitalism"

Ch. 8 "Post Modernism and the Market"

***For Spring Term 2021, our course will follow PSU's policies seeking to mitigate the spread of the coronavirus.**

House Rules:

Please treat me with respect and kindness, as well as all of the members of our course.

Affirmative Action

Portland State University supports equal opportunity for all, regardless of age, color, disability, marital status, national origin, race, religion or creed, sex or gender, sexual or gender identity, sexual orientation, veteran status, or any other basis in law.

Disability Resources at PSU

Students with accommodations approved through the Disability Resource Center are responsible for contacting the faculty member prior to, or during, the first week of term to discuss accommodations. Students who believe they are eligible for accommodations but who have not yet obtained approval should contact the DRC immediately.

Academic Honesty

Academic honesty is expected and required of students enrolled in this course. Suspected academic dishonesty in this course will be handled according to the procedures set out in the *Student Code of Conduct*.

I spoke with the PSU Registrar and it was noted that a professor teaching a course at PSU has the privilege of creating the criteria for grading. What I am outlining herein is close to the scale that was formally used at PSU over many years. This scale will be applied for determining final grades in EC345; EC445; EC446; EC456; EC457, EC460&560.

- A = 94 and above;
- A- = 90-93;
- B+ = 87-89;
- B = 84-86;
- B- = 80-83
- C+ = 77-79;
- C = 74-86;
- C- = 70-73;
- D+ = 67-69;
- D = 64-66
- D- = 60-63
- F = less than 60
- P = greater than 59
- NP = less than 59