COURSE INFORMATION

Teaching Staff
The Course Coordinator is Dr William Coleman, in room 1021 in the HW Arndt Building. He can be contacted by email William.Coleman@anu.edu.au.

Course Administrators
Terry Embling and Fin Wijnberg: Room 1014, Arndt Building, phone 6125 3590

Teaching Hours
There are two lectures and one tutorial each week during the Semester.

Lecture Times:
Tuesday 10.00: Arndt Lecture Theatre 2
Wednesday 11.00: CBE Bld LT 4

In Weeks 2 and 3 there will be an additional Lecture.
Friday 10.00 CBE Bld LT 4

Tutorial Times:
TBA

Dr Coleman shall give at least one tutorial.

Tutorials will begin in Week 3.

Students will enroll in a tutorial online via the university's ETA system. Any students wanting to change their tutorial time may use the ETA system to do so for two weeks after the first lecture. After this two week grace period, students can change their tutorial only by applying to William Coleman, and supplying him with adequate grounds for changing.

The ETA website is http://eta.fec.anu.edu.au/eta/index.php

Course Description

This course is an introduction to the history of economic theory. While the major phases in the development of economics (in the technical sense) will be studied, the aim will be to treat them against the background of their historical environment, including political and social thought and current economic problems. The course will include, but not be confined to, the work of Smith, Ricardo, Marx, Marshall and Keynes.


**Study requirements and expectations**

Participation in this course requires you to:

- attend each lecture
- attend all tutorials (a roll will be marked)
- complete the essay assignment

**Learning Outcomes**

Upon successful completion of the requirements for this course, students will be able to:

- Understand key models and concepts of the history of economic thought
- Understand scholarly articles concerned the history of economic thought
- Produce simple appreciations of the history of economic thought texts
- Have a historical consciousness of economic ideas.

**Assessment**

Assessment turns on the following:

1. **Exam**
   There is an examination at the end of the Semester.

2. **Essay**
   Students are required to submit ONE essay from the list of topics supplied at the conclusion of the outline. The deadline for submission is **6pm Friday 24 October**.

3. **Tutorials**
   The readings discussed in tutorials will be the subject of a compulsory exam question (see below).

**Assessment Scheme**

Exam 75 marks
Essay 25 marks

TOTAL 100 marks

The Exam will consist of 3 questions on the Lectures (worth 20 marks each) *plus* one question on the Tutorials (worth 15 marks).
Reading Brick.
A „brick“ of photocopied materials will be available from the School administrators, Maria Tartarow and Terry Embling. They will supply you one on your production of a receipt for $? from the University Cashier. The brick will provide the subject matter of the tutorial program.

Textbooks
No textbook is recommended to students for purchase. A principal aim of this course is to encourage students to read the original texts. However, there are several textbooks that may be helpful in locating the original texts in their intellectual and social context. Some of the better ones are listed below.

Scholarly


Both have been placed on 2 hour closed reserve in the Chifley Library.

Popular


**Lecture Notes**
Lecture notes will not be distributed in this course. However, certain „lecture aids“ will be episodically distributed.

**Web Resources**
Many of the great books in the history of economic thought are available on the web. Students are encouraged to find references and relevant reading materials by using search engines such as Google (search for history of economic thought or under the name of the economist).
Some useful web sites are:

*The Library of Economics and Liberty*
http://www.econlib.org/library/classics.html

*McMaster University Archive for the History of Economic Thought*
http://socserv.mcmaster.ca/econ/ugcm/3ll3/

Further, many HET journal papers can be found by searching JSTOR e-journal collection maintained by the Library.


The *History of Economics Review* may be accessed free on the web at,
http://www.hetsa.org.au/

**“Critical Assessments in Economic Thought” and “The Economics of …”**
For many of the economists we are looking at this year (Adam Smith, David Ricardo, Alfred Marshall, etc), John Cunningham Wood has reproduced in multiple volumes all the major articles covering their work. These volumes can be accessed from the ANU Library Catalogue under the name of the editor (Wood, John Cunningham).

Samuel Hollander has produced a series of massive studies of major economists: Smith, Malthus, Ricardo, Mill. They all have the title „The Economics of [name]“, and are held by the Library.
“New Palgrave Dictionary of Economics”
This is also a valuable reference, held by the Library. There is also an online version that may or may not be free to user: http://www.dictionaryofeconomics.com/dictionary
READING LIST

The Primary Readings are central. The Secondary Readings are intended to assist the understanding of the Primary Readings. Under „Secondary Reading“ one may automatically assume that mentioned earlier: the New Palgrave Dictionary, the New School web site, and the text books. Obviously, the substantial „Biographical“ material listed below can only be selectively consulted.

BEFORE ADAM SMITH

Primary Reading
England’s Treasure by Forraign Trade, or The Ballance of our Forraign Trade is The Rule of our Treasure, Thomas Mun, chapters 2 and 3


SMITH

Primary Reading
Book I: Chapters 1, 2, 3, 7 and 8.
Book IV: Chapters 1, 2, 8 and 9

Secondary Reading


MALTHUS AND RICARDO

Primary Reading

Chapters 1, 2, 3, 5, and 6.

**Secondary Reading**

**Biographical**

**MARX**

**Primary Reading**
*Capital*, Karl Marx,
Volume 1; chapters 1, 8, 9 and 25 (sections I, II and III).

**Background Reading**

**Biographical**

**THE MARGINAL REVOLUTION**

**Primary Reading**

John B. Clark „The Possibility of a Scientific Law of Wages“, *Publications of the American Economic Association* vol.4, no.1

**Secondary Reading**

**Biographical**
VEBLEN AND SCHUMPETER

Identify, explain and appraise Thorstein Veblen theses in *The Theory of the Leisure Class* (1912).

**Background Reading:**

THE IMPERFECT COMPETITION REVOLUTION

**Primary Reading**
Nicholas Kaldor "Mrs. Robinson's "Economics of Imperfect Competition" *Economica* New Series, Vol. 1, No. 3 (Aug., 1934), pp. 335-341

**Secondary Reading**

KEYNES

**Primary Reading**

**Background Reading**

**Biographical**

NEO-LIBERALISM : HAYEK, FRIEDMAN, COASE AND BUCHANAN

**Primary Reading**

James Buchanan, *The Economics of Politics*, The Institute of Economic Affairs, 1978

**Background Reading**


**Biographical**


**OLSON AND HIRSCHMAN**


**GAME THEORY**

TUTORIAL TOPICS,
(with provisional dates)

1. Week beginning 4 August
   David Hume’s "Of Money", and "Of the Balance of Trade".

2. Week beginning 11 August
   Adam Smith's *The Wealth of Nations*, Book V, Chapter 1, part 1, Article II „On the
   Expence of Institutions for the Education of Youth“

3. Week beginning 18 August
   Malthus’ *Essay on the Principle of Population*, chapters 9 and 10
   [1798] Oxford University Press

4. Week beginning 25 August
   Ricardo’s *Principle of Political Economy and Taxation*, chapter 2

5. Week beginning 1 September
   Post-Ricardian controversies over profit
   William Senior, ‘Statement of Advantages Derived from the Use of Capital’, *Political
   Economy*
   ‘The Plane’, Claude Frédéric Bastiat, *Capital and Rent*,
   ‘Of Interest and the Cause of Interest’, Henry George, *Progress and Poverty*

6. Week beginning Sept 29
   Consumer surplus.
   *Principles of Political Economy*, J.Shield Nicholson, pp.53-60
   ‘Professor Nicholson on Consumers” Rent” ‘, F.Y. Edgeworth, *Economic Journal*, 1894

7. Week beginning 7 October
   The kinked demand curve.
   Paul Sweezy, „Demand Conditions Under Oligopoly; Journal of Political Economy,
   August 1939
   George Stigler, „The Kinky Oligopoly Demand Curve and Rigid Prices”, *Journal of
   Political Economy*, October 1947

8. Week beginning 13 October
   Keynes.
Chapter 24 „Notes on the Social Philosophy Towards which the General Theory might Lead“, *The General Theory of Employment Interest and Money*

9. Week beginning 20 October
Friedman,
Chapter 6 ‘The Role of Government in Education’ *Capitalism and Freedom*.

10. Week beginning 27 October
Coase
ESSAY

The essay will be marked in accordance with how effectively you report, and appreciate, deploy the nominated primary sources to answer the question at hand.

Structure

Essays should be written in sections.

Students should begin their essay with a clear statement of (i) the question at hand, (ii) the answer they are advancing, and (iii) a summary (or anticipation) of their case for their answer.

Length

A sensible length should suggest itself. Around 2,500 is probably the minimum required to do justice to a topic. You may well wish to write more. There is no limit. But redundancy, whatever the word length, will be penalised.

A copy of Notes on the Writing of Essays, will be supplied you on request to the Administrator, School of Economics.

References and Footnotes

Please use ‘author: date’ style of references eg Author (2003) said, “Macroeconomics 3 changed my life” (p 45). Then in the list of references


Marks will be deducted if references to sources and bibliography is not provided

1 With thanks to the style guide of the Institute of Economic Affairs.
Submission Date

The essay should be placed in the box for economic history essays located in the foyer outside the office of the School of Economics, (Room 1088, Copland Building), no later than 6.00 pm on Friday 24 October. Essays submitted after this point in time will be awarded a zero mark.

Plagiarised essays will be awarded a zero mark, and reported to the Dean. Some very effective software will be deployed to check for plagiarism.

TOPIC 1
With the publication of A Letter from Sydney, E.G. Wakefield adapted classical doctrines to advocate a means of accelerating growth in New World societies, such as Australia. Outline Wakefield’s theses, and relate them to Smithian and Ricardian doctrines.

A Suggestion for Background Reading:

TOPIC 2

Explain how Walter Bagehot in The postulates of English political economy seeks to defend economics from its late 19th c critics.

A Suggestion for Background Reading,

TOPIC 3

What according to chapters four and five of Veblen’s Imperial Germany and The Industrial Revolution are the key differences between England and Germany. What is his explanation of those differences?

A Suggestion for Background Reading,
**TOPIC 4**

Colin Clarke’s *The National Income of Australia* (Sydney: Angus and Robertson, 1938) provided the first empirical assessment (‘test’) anywhere of Keynes multiplier doctrine of national income. Outline and appraise Clarke’s assessment.

A Suggestion for Background Reading,

**TOPIC 5**

In *Academia in anarchy: an economic diagnosis* (James M. Buchanan & Nicos E. Devletoglou), James Buchanan attempts to provide an explanation of the student militancy of the 1960s in terms of economic principles. Outline and appraise that explanation.

A Suggestion for Background Reading:
‘Country Aesthetic’ Chapter 8 *Economics from the Outside In*, James M. Buchanan

**TOPIC 6**

Identify, explain and critically appraise the salient theses of Mancur Olson’s *How bright are the northern lights? : Some Questions about Sweden* (Institute of Economic Research, Lund University, 1990).