

McGILL UNIVERSITY, COURSE OUTLINE: ECON 460  
History of Economic Thought I: Honours

Professor C. Green

Fall 2020

**Course Prerequisite:** Be enrolled in Honours/Joint Honours Economics **AND** have already taken Economics 250 and have taken or are currently taking ECON 352.

**Course Objectives:** The course covers important contributors to economics from Adam Smith through John Maynard Keynes. In addition to a background text and a few articles students are expected to read some chapters in the original works of Smith Ricardo, Mill, Marshall, and JM Keynes.

**Course Marks:** There will be a **mid-term exam on Wednesday November 11 2020 (50% of course marks)**. There will also be a **research paper (maximum 7 pages double spaced) due at the latest on Friday, December 4, 2020 (50% of the course marks)**. The paper may be on any well-defined topic related to the history of economic thought of the student's choosing.

**Text:** Agnar Sandmo, *Economics Evolving: A History of Economic Thought*, Princeton University Press, 2011. (Available for students in Montreal at Paragraphe Bookstore on McGill College St **or for most of you via Amazon**) Unfortunately the Sandmo book is not readily available as an E-Book, Thus for students unable to acquire Sandmo, I suggest you read the chapters indicated below in one of two histories of economic thought available as E-Books via the McGill library. These are: (1) Hunt and Lautzenheiser, *History of Economic Thought: A Critical Perspective* 2011 (**hereafter Hunt**); (2) Vaggi and Groenewegen, *A concise history of economic thought*, 2003. (**hereafter Vaggi**)

There are also a few articles and power point lecture outlines for each lecture that will be available on My Courses

**Office Hours:** TBA

**McGill University values Academic Integrity. Therefore all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the code of student conduct and disciplinary procedures (see [www.mcgill.ca/integrity](http://www.mcgill.ca/integrity) for more information).**

In accord with McGill University's Charter of Student Rights, students in this course have the right to submit in English or in French any written work that is to be graded.

**[University Examination Regulations](#)**

**Course Outline and Reading List:** *NB. All readings are required unless otherwise indicated by an asterisk (\*)*

**Original Sources - Useful websites**

[Library](#) of Economics and Liberty  
McMaster University [Archive](#) for the History of Economic Thought  
Online [Library](#) of Liberty

## A. INTRODUCTION :

1. **Introduction to Course** (lecture 1)
2. **Economics Before Adam Smith** (lecture 2)

Sandmo, Chs 1-2; **OR** [Hunt, pp 23-39; or Vaggi pp 29-32; 46-49; 74-80]

## B. CLASSICAL ECONOMICS

1. **Adam Smith** (lectures 3-6)

Sandmo, Chapter 3; **OR** [Hunt 40-64; or Vaggi 103-117]

Jerry Evensky (2005) “Adam Smith’s *Theory of Moral Sentiments*”, *Journal of Economic Perspectives* Summer: 109-131 (read pp. 109-119)

Smith, *Wealth of Nations*, Bk I, Chapters 1-3; Ch 5, first 9 Paragraphs; Chs 6-7; Bk II, Ch 3

Jacob Viner (1927) “Adam Smith and Laissez Faire”, *Journal of Political Economy*, **35** April: 198-232.

3. **Malthus and Ricardo.** (lectures 7-9)

Sandmo, Chapters 4; **OR** [Hunt (65-77, 83-90; 91-104, 112-124) ; or Vaggi (129-137; 137-149; (however 137-149 is not recommended because it is confusing)

Ricardo, *The Principles of Political Economy and Taxation*, Ch I (On Value), sections: i,v,vi; and Ch II (On Rent);

4. **Post Ricardian Classical Economics** (lectures 10-12)

Sandmo, Ch 5; **OR** [Hunt Ch 8, 174-201; or Vaggi 191-201)

J.S Mill, *Principles of Political Economy*, Bk III Ch VI; Bk V Ch XI, (read sections 1-6)

Paul Samuelson (1978) “The Canonical Classical Model of Political Economy”, *Journal of Economic Literature*, December: 1415-1434 (Read pp 1415-1419; 1423-1425)

## C. NEO-CLASSICAL ECONOMICS

**1. The Marginalist Revolution**

**(lecture 13)**

Sandmo Chapters, 7-8 **OR** [Hunt Ch 10 pp 247-263; or Vaggi, 179-183; 203-212]

**2. Walras and Marshall**

**(lectures 14-17))**

Sandmo , Ch 9-10; **OR** [Hunt Ch 11 264-277; 285-315; or Vaggi, pp. 217-226; 227-234]

Marshall, *Principles of Economics*, 1890 (8<sup>th</sup> ed, 1920) Bk I, Ch I-III; Bk V, Ch II; Bk VI, Ch XIII

**MID-TERM EXAM: WEDNESDAY NOVEMBER 11, 2020**

**D. MONETARY AND MACROECONOMICS**

**(Weeks 11-13)**

**1. Wicksell and Fisher**

Sandmo Ch 12 **OR** Vaggi pp. 255-265)

**2. J.M. Keynes and *The General Theory of Employment, Interest and Money* (1936): A Brief Introduction**

Sandmo Ch 15: **OR** [Hunt Ch 15, pp, 395-415; or Vaggi 297-307]

J.M. Keynes (1936), [\*The General Theory of Employment Interest and Money\*](#), New York: Harcourt-Brace. Read Chs. 1; 2, 5,11,12; 15 and Ch. 18,sect. ii .[Can be found on line (via Google).

**FRIDAY DECEMBER 4: LAST DATE FOR SUBMISSION OF TERM PAPERS.**