

# A Concise History of . Economic Thought

From Mercantilism to Monetarism

Gianni Vaggi

*Professor of Economics •  
University of Pavia 0  
Italy*

and

Peter Groenewegen

*Professor of Economics  
University of Sydney  
Australia*

# Contents

<i>List of Figures</i>	x
<i>Prologue</i>	xi
<b>PART I CLASSICAL POLITICAL ECONOMY, 1600-18.7/0</b>	
<b>1 Introduction: from Mercantilism to Marx</b>	3
<b>Section I Seventeenth-century Pioneers</b>	
2 Thomas Mun, 1571-1641: from Bullion to Foreign Trade	15
3 Dudley North, 1641-91 and John Locke, 1632-1704: Early Critical Reactions to Mercantilism	23
4 Sir William Petty, 1623-87: Division of Labour and Surplus	29
<b>Section II Developments in French Economics</b>	
5 Pierre le Pesant Sieur de Boisguilberb, 1646-1714: France at the Turn of the Century	39
6 Richard Cantillon, 1697-1734: the Entrepreneur in Agriculture and Trade	46
<b>Section III Towards a Mature Classical Political Economy</b>	
7 Francois Quesnay, 1694-1774: Reproduction and Capital	57
8 David Hume, 1711-76 and the Scottish Enlightenment	71
9 Ferdinando Galiani, 1728-87 and Sir James Steuart, 1713-80: Real Value and Corn Trade	82
10 Anne Robert Jacques Turgot, 1727-81: Investments and Returns	92
<b>Section IV The First Full Systems of Classical Political Economy</b>	
11 Adam Smith, 1723-90: National Wealth and the Productivity of Labour	103
12 Jean-Baptiste Say, 1767-1832 and Jean-Charles Simonde de Sismondi, 1773-1842: Value, Revenues and Crises	117
<b>Section V The 'Golden Age' of Classical Political Economy</b>	
13 Thomas Robert Malthus, 1766-1834: Population and Effectual Demand	129

14 David Ricardo, 1772-1823: the Rate of Profit	• 137
15 Torrens, Senior and the Aftermath of Ricardo	149
16 Karl Marx, 1818-83: the Critique of Political Economy	159
 <b>PART II MODERN DEVELOPMENTS, 1870-1960</b>	
17 Introduction: the Coming of Marginalism and Macro-economics	179
 <b>Section I The First Generation</b>	
18 John Stuart Mill, 1806-73: a Figure of Transition	191
19 William Stanley Jevons, 1835-82: Utilitarianism and Economics	203
20 Carl Menger, 1840-1921: the Importance of Marginal Utility and the Economics of Scarcity	211
21 Leon Walras, 1834-1910: the Notion of General Equilibrium	217
22 Alfred Marshall, 1842-1924: Partial Equilibrium and Useful Economics	227
 <b>Section II The Development of Marginalist Economics: Distribution and Capital Theory</b>	
23 J.B Clark and P.H. Wicksteed: the Development of Marginal Productivity Theory	237
24 Von Wieser and Bohm-Bawerk: Austrian Versions of Capital and Distribution Theory	244
 <b>Section III Pioneers of Macro-economics</b>	
25 Knut Wicksell, 1851-1926: Interest and Prices	255
26 Irving Fisher, 1867-1947: Appreciation and Interest	260
27 Joseph Alois Schumpeter, 1883-1950: Economic Development	265
 <b>Section IV Further Developments in Micro-economics</b>	
28 Pigou, Clapham and Scraffa: Wealth, Welfare and Cost Controversies	273
29 Joan Robinson, 1903-83 and Edward Chamberlin, 1899-1967: Theory of the Firm	283
30 Vilfredo Pareto, 1848-1923 and Lionel Robbins, 1898-1984: Critique and Decline of Utility Theory	288
 <b>Section V The Foundations of Modern Macro-economics</b>	
31 John Maynard Keynes, 1883-1946: a New General Theory of Employment, Interest and Money	297

32	Michal Kalecki, 1898-1970: a New Macro-economics	-	308
33	R.F. Harrod, 1900-78 and E.D. Domar (1914-99): Cycles and Growth	/	314
34	Milton Friedman (1912- ): Monetarism and its Critics		319
	Epilogue		325
	<i>Bibliography</i>		327
	<i>Index</i>		331