

The Teaching of the History of Economic Thought at the University of New England

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The Belshaw Period

Prior to 1975, the History of Economic Thought (HET) had been taught at the University of New England by Professor James Belshaw (1908 - 1984) who was appointed in 1938 as one of the original five academics of the then New England University College at Armidale. Being obliged in those early years to spread his lecturing and research over a wide area, Professor Belshaw was not able to specialise or publish extensively in HET. His other main field - Development Economics - also absorbed much of his time and attention. However, he had an intense interest in HET - especially in his later years - and an exhaustive knowledge of the subject. He wrote, and distributed to students, copious lecture notes, and was responsible for establishing a remarkably comprehensive collection of books and journals on HET in the University library.

During Professor Belshaw's time, HET was taught at Honours level as a quasi-compulsory unit. The Faculty regulations did not prescribe it as a compulsory unit, but it was a regular, non-optional part of the course-work component of the Honours programme in Economics. All students wishing to take Honours were therefore expected to study HET.

Since 1975

When Professor Belshaw retired in 1975, I was appointed to lecture in HET, and the course has been offered each year subsequently - with the exception of 1989 when it was "rested" while I was on study leave. However, there have been a number of administrative changes. When the University switched from terms to semesters, the HET course was reduced from two terms to one semester. Also, the policy of offering it as a quasi-compulsory subject for Honours students began to weaken. At first, an occasional student was permitted to substitute another course for HET in the Honours year; the policy of a general requirement became, over the years, merely a general encouragement; and finally, even the general encouragement was omitted. It was gratifying, however, that there were no

reported instances of students being actively discouraged from studying HET. During these years, the interests of the Economics Department became increasingly directed towards Development Economics, and when combined with the ongoing trend towards mathematical and econometric studies - what Benjamin Ward has called the "formalist" revolution - this meant that there was less and less room in the curriculum for more literary and historical studies such as HET.

The Department regulations relating to the Honours dissertation also discourage the study of HET at Honours level. The regulations state that the dissertation should have "an empirical content", and should consist of "the observation and organisation of economic facts." Fortunately, exceptions to this empirical rule have been admitted, and two very good Honours dissertations have been written on HET topics (on Thomas Hodgskin and John Hobson). But the wording of the dissertation regulations is a strong discouragement to HET dissertations even though in a broader sense an HET dissertation is an empirical study - the original ideas are empirical facts.

Lacking the quasi-compulsory support given by Professor Belshaw in earlier years, HET was thus squeezed out of the Honours programme and was in danger of disappearing from the curriculum altogether.

In an attempt to forestall its imminent demise, HET was offered in 1978 at both third year and fourth year (Honours) level, thus opening it to students who might not wish to proceed to Honours. The two groups of students followed the same lectures, with the Honours students being required to complete an extra assignment and/or an extra examination.

However, this attempt to construct a viable third-and-fourth year course in HET was not very successful. In most years the combined internal enrolment was in the 10-20 range, but was sometimes less than 10. At first, there was an understanding that Honours students would take HET either at third-year level or at Honours level; but this understanding was never codified as a formal regulation, and after a few years exceptions began to be admitted. Now the situation has been reached where, for the last few years, none of the Honours students has studied HET. This represents a remarkable transformation in attitudes towards the teaching of HET since the Belshaw days when all Honours students included HET in their degree.

Several possible explanations for the low enrolments in HET come to mind. Are the students of today becoming more mercenary in their choice of subjects? In a post-Keynesian era does the fear of unemployment force them to shy away

from any subject which is not directly marketable? Is there something amiss in the quality of the lecturing? (Surely not!?!?).

Yet another explanation might be found in the structure of the degree programme and the timetabling of courses. During some of the years of low enrolments, HET was being offered in the same semester as two compulsory units. The choice open to students for their third unit in that semester therefore lay between HET and courses perceived to be more career-orientated.

Fortunately, HET at UNE was able to survive during these lean years of low internal enrolments because of the involvement of the University of New England in external teaching. External enrolments were consistently in the 20-30 range.

The Present Situation

With pressure being applied to discontinue courses with low enrolments, HET was in 1986 again shifted in the curriculum, from a third-and-fourth year option, to a second-and-third year option; but internal enrolments remained modest. However, in 1990 enrolments suddenly increased to 40 internals and 45 externals. These increased enrolments meant that, for the first time at UNE, the HET course was given the services of half-a-tutor, in addition to the lecturer. The increase was probably due in large measure to the fact that in 1990 there was a re-scheduling of compulsory courses. For B.Ec. students the number of compulsory courses taught in the same semester as the optional HET course was reduced from two to one, thus increasing the number of optional courses from one to two. This appears to have resolved the crowding-out problem, and the lesson is that HET can survive if it is given sympathetic timetabling.

Another development in 1990, which may or may not have helped to increase enrolments, was a change in the title of the course from "History of Economic Thought" to "The Development of Economic Theories and Policies". History purists were aghast, but a student survey had revealed that the word "History" was a major impediment to their choice of HET. It seems that bad experiences at school have led many students to associate "history" with meaningless lists of dates and names and with events of little relevance to their current concerns. Also, it was thought that the new title would more accurately reflect the nature of the course as it has been conceived and taught since 1975. The course has consciously adopted the approach of relating earlier ideas to current economic theories and policies, in an attempt to show not only how current theories and policies have developed, but also how some forgotten or discarded ideas might be useful in refining current theories and policies and in solving current economic problems. We were not entirely happy with the term "Development" - insofar as

it might be interpreted as implying the prevalence of unjustifiable intellectual linkages - but preferred it to any other. In particular, we preferred it to "Evolution" which usually implies that "every day in every way Economics is becoming better and better and better."

Compulsory HET

In recent years at UNE there has been a perceptible movement in staff attitudes towards HET. Although some neo-classical fundamentalists amongst the staff probably still regard it as a "soft option" by contrast with the "hard core" subjects of Microeconomics, Macroeconomics, Mathematical Economics, and Econometrics, other staff appear to have become more personally interested in HET as a medium for opening-up the rather restrictive mainstream curriculum, and as a way of introducing students to wider varieties of economic experience. The methodological debates of recent years (Kuhn, Lakatos, the "Current Crisis", etc.) now feature in at least two other courses offered by the Department, as well as in HET.

Given the increasing partiality of some existing staff towards HET and Methodology, and the influx of new and younger staff with similar tendencies, a move was made in 1988-89 to establish HET as a compulsory core subject in the curriculum for the Bachelor of Economics degree.

The arguments put forward in favour of compulsory HET included the following:

1. It is very desirable that every B.Ec. graduate should have studied the history of economics for at least one semester during the degree, and should thus have acquired a basic awareness of the history of the discipline.
2. The study of the history of economics provides students with an opportunity to see economics in a wider context and to look at the evolution of the science and at its current state and future prospects. By taking this broad and integrated view, and becoming aware of the contributions from past economists, students should also be in a better position to assess the significance of current and future developments.
3. The B.Ec. course consists of twenty one-semester units over three years. The proposal involves requiring students to include HET as one of these twenty units. To require students to spend a mere five

per cent of their time in studying the history of economics is not excessively demanding or onerous, and does not impose an unreasonable restriction on their freedom of choice.

4. This proposal is presented as a supplement to, not a substitute for, the existing compulsory courses in the B.Ec. degree. It will not diminish the amount of time and effort that B.Ec. students will be required to devote to the existing compulsory courses and it will not diminish the standards they will be expected to attain in those courses.
5. Courses in the history of mathematics, the history of physics, the history of chemistry, etc. are not usually compulsory units in first degrees in those disciplines. Why should a course in the history of economics be compulsory in an economics degree? This question highlights an important difference between the history of a social science like economics and the history of the physical sciences. The ideas of, say, the alchemists might now be of only antiquarian interest to the science of chemistry, and hence not an essential study for a chemistry degree. But the history of economics shows that the ideas of past economists, even if currently deemed to be unworthy of inclusion in the latest textbooks, can never really be rejected outright as totally worthless. The ideas of Malthus on effective demand, for example, were rejected by mainstream economists for over a hundred years, until they became a basis of Keynes's economics. It is important therefore for students of economics to study not only the current paradigms, but also past paradigms, and the process of development from the past to the present.
6. It is not being suggested that the proposed HET core course should be restricted to the old-time economists. Depending on the interests of the lecturers involved, there is no reason why the course should not include segments relating to the history of modern economics. In recent HET text-books and journals there is a distinct trend towards greater emphasis on more recent developments.
7. The rapid expansion of the content of economics in recent years has meant that it has become increasingly difficult to compress into the curriculum of mainstream economics courses all that students ought to know, with the result that material that used to be taught is now being squeezed out. The emphasis of mainstream courses is usually on current or recent developments - notably, those in vogue during the respective lecturer's formative years - so that as the years go by,

the earlier economists are successively dropped out. Adam Smith, Ricardo, Malthus and Marshall rarely get more than a passing mention in the so-called mainstream courses; and although Keynesian economics is still discussed in mainstream courses, it is usually in some potted text-book version. Mainstream students are rarely required to study the *General Theory* in any depth, and are probably unaware that Keynes wrote anything else. A compulsory course in HET could effectively counterbalance this dropping-out propensity of mainstream courses.

8. Some people seem to think that HET is mainly concerned with interesting but trivial anecdotes of the lives of past economists, and should be regarded as a nice optional finishing-school type of course, not as a compulsory unit. It is possible that HET was taught in this anecdotal way at some universities in the past, but it is not taught in that way at UNE, nor I believe, in most other universities today. The study of HET is in fact a study of macroeconomics and microeconomics, differing from other courses in those subjects by its emphasis on historical trends and the development of ideas.

As expected, arguments were advanced against compulsory HET. Objections came from staff teaching compulsory Macroeconomics and Microeconomics courses, who see such courses as "mainstream"; who regard all other courses as belonging to the "billabongs" of economics; and who resist any attempt to introduce other courses into the select group of traditional core courses.

Objections also came from those advocating a liberalisation and freeing-up of the curriculum, arguing that students should be free to choose courses as they wish. (However, this laissez-faire approach to course selection was usually applied only to the proposal for the new compulsory course; it was not usually applied to the existing compulsory macro and micro courses. They, apparently, are too sacrosanct to be subjected to the vagaries of free choice.)

Administrative objections were also raised. It was argued that the introduction of compulsory HET would increase enrolments in the Department of Economics and would place undue burdens on an already under-staffed Department. This logistical problem appears to have carried great weight in the final outcome.

A motion that HET become a compulsory course in the B.Ec. degree was put to a meeting of the staff of the Economics Department, and was passed (by a large majority of those present). A rescission motion was put to a subsequent staff meeting, but was lost (by a small majority of those present), so that the original

motion in favour of compulsory HET stands. However, the Head of Department is one of those opposing the motion, and has declined to take the matter further. The staff committee is a consultative, not an executive, body.

The decision on a compulsory HET course would not rest entirely with the Department of Economics. Other departments in the Faculty of Economic Studies also prepare students for the B.Ec. degree. The Department of Economic History, as one might expect, favoured the proposal. The staff of the Department of Econometrics were divided - some favoured the proposal, while others believed that, if any additional compulsory unit were to be included in the B.Ec. course, it should be an Econometrics unit, not HET. As things stand at the moment, the matter has not proceeded to a vote in Faculty.

Content of the Course

The main problem encountered over the last fifteen years in devising a satisfactory HET course has been to establish an appropriate compromise between breadth and depth, within the confines of one-semester's study. At one extreme, the whole semester (39 lectures) could be devoted to the study of one work by one author. The students would presumably attain an in-depth understanding of the work, although even a full semester might be regarded as only an introduction to a major work such as the *Wealth of Nations*. But they would complete the course with little or no awareness of other major writers and works, or of the many minor (but important) contributions. At the other extreme, the course could attempt to cover the widest possible range of authors and topics, in the hope of imparting an appreciation of the immense conceptual breadth of the subject. The obvious drawback to such an in-breadth approach is its inevitable superficiality. Over the years I have experimented with a number of solutions to this breadth-depth problem. The current solution, which does not pretend to be entirely satisfactory, is as follows:

The course is in two Parts, A and B, studied concurrently throughout the thirteen weeks of the semester, with one (50-minute) lecture on Part A and two on Part B each week. Part A seeks to address the breadth requirement, and Part B the depth requirement: About one hundred topics are covered in the thirteen lectures in Part A, and there is a compulsory half-hour question in the examination in which students have to write brief notes (about 60 words each) on eight out of sixteen topics selected from the hundred. Part A topics which have appeared in recent examination papers include: Jane Marcet, Senior on abstinence, Bastiat's "Petition of the Candlemakers", The Political Economy Club of London, Ricardian Socialists, Pareto's law of income distribution, List on protectionism, Pierre Boisguilbert, Christian Socialism, Keynes's "brave army of heretics",

Jean Bodin, William Godwin, Bohm-Bawerk's theory of interest, Marshall's scissors, Senior's last-hour thesis, etc.

Part B contains fifteen topics chosen so as to include some of the "big names" of economics and a selection of lesser-known contributions. It is my view that many HET courses place too much emphasis on the major economists, at the cost of neglecting many of the interesting and important contributions of minor economists. The distinction between major and minor seems to depend as much on accidental circumstances (e.g. personal charisma, or status of one's university) as on the intrinsic merits of the ideas. The Part B curriculum is also designed to strike a balance between conventional and radical contributions.

Some changes occur from year to year in Part B, reflecting the current interests of the lecturer as well as student responses. In 1990 the fifteen topics were:

1. Bernard Mandeville on under-consumption and over saving
2. John Locke on private property
3. David Hume on money and foreign trade
4. Adam Smith on the division of labour
5. Adam Smith on laissez-faire, monopoly, and restrictive practices
6. Malthus on population
7. Malthus on the causes of economic growth
8. Karl Marx on economic exploitation
9. J.S. Mill on the Wages Fund Theory
10. Henry George on the Single Tax
11. John Ruskin on orthodox political economy
12. J.K. Galbraith on 'private opulence and public squalor'
13. Thomas Kuhn and the current crisis in economics
14. Joan Robinson: a critic of mainstream economics
15. Thorstein Veblen and the theory of the leisure class

Each topic in Part B is thus a combination of an author and a theme. It would not be feasible within a one-semester course, with students undertaking two

other courses at the same time, to demand a detailed knowledge of all of Adam Smith, and all of J.S. Mill, and all of J.K. Galbraith etc., but it has proved to be quite feasible to treat one or two themes of each of these authors and to expect the students to obtain a reasonably in-depth degree of understanding of those author/theme topics.

On each of the fifteen topics in Part B students are expected to read the relevant sections of the original writings. To assist in this (especially in the case of external students who may not have ready access to the originals or reproductions) a 100-page booklet is distributed containing extracts from the primary sources. The dangers of issuing extracts are well known, and students are warned against thinking that the extracts contain all that is interesting or relevant on each topic, or that the extracts can provide a complete mastery of the topic. They are encouraged to regard the extracts as brief introductions only, and as a stimulus to further study of the primary sources. There is a risk that such warnings will not be heeded, but over the years I have come to the view that it is a justifiable risk, in the circumstances. I believe it is far better for the students to have contact with the original authors through selected extracts (with all the dangers of subjective selectivity) than to rely entirely on secondary interpretations.

In Part A, however, because of the breadth of topics covered, it has not been feasible to expect acquaintance with the primary sources, and students are advised that in Part A knowledge sufficient for the examination can be obtained from the lectures and from the text-book.

The text book used for most of the past fifteen years has been H.W. Spiegel, *The Growth of Economic Thought*. Although it has some deficiencies (notably, in the treatment of Marx and Marxism), it appeals to students because of its readability. Schumpeter's *History of Economic Analysis* is more comprehensive, and Blaug's *Economic Theory in Retrospect* provides a more technical and detailed analysis, but for our students, most of whom have been studying economics at university level for only year, Spiegel appears to be by far the most suitable on the market at the moment.

The examination on Part B consists of three half-hour questions to be chosen from four, which in turn are selected from the fifteen topics in Part B. The four questions in Part B of the 1990 paper were:

1. "The situation of orthodox economics today is not so much a crisis as an abdication". (Joan Robinson). Explain and critically discuss Joan Robinson's criticisms of orthodox or mainstream economics.

2. (a) Explain the Wages Fund Theory, and show its economic and political significance; and
- (b) It has been said that J.S. Mill recanted his Wages Fund Theory. What reasons did he give for his alleged recantation? Do you think that his revised attitude can be described as a total recantation?
3. "People of the same trade seldom meet together, even for merriment and diversion but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices." (Adam Smith). Explain and discuss critically Smith's views on monopoly.
4. (a) Outline David Hume's views on each of the following: (i) the specie-flow doctrine; (ii) beneficial inflation; (iii) the mutual benefits of foreign trade.
- (b) Critically discuss his views on the above three topics.

As can be seen, the questions are directly related to the fifteen topics in Part B, so that a student of average ability who studies the fifteen topics conscientiously can be almost assured of passing. There is a deliberate degree of predictability in the examination questions, but I believe that this is justifiable and desirable in the circumstances. The range of possible topics in the history of economic thought is so vast that not even the most diligent and most gifted student could hope to succeed (in a one-semester course) unless the range of examination questions is kept within reasonable limits. I have found from experience that, when the students realise that their examination questions in Part B will be chosen from fifteen stated topics, their studies become more purposeful than if they were obliged to read generally, and this directed study usually leads to quite respectable results.

All students, internal and external, are also required to write two assignments, which count for five per cent and twenty per cent respectively of the total marks. The first assignment is a simple data collection exercise which requires students to collect a list of fifty economists with a brief (20-word) statement of the areas or themes of their main contributions. This may sound trivial, but I have found that it provides an excellent way for beginners to break into this enormous subject, and a stimulus to begin studying the text-book. The better students often continue to add to their "collection" throughout the course, giving particular attention to authors and titles relevant to their other courses.

The second assignment is a more demanding piece of work. Students are asked to write a 1500-word essay on any economist who interests them (other

than those studied in the fifteen topics in Part B). They are expected to undertake their own bibliographical research, and to make use of primary as well as secondary material on their chosen author. (However, external students with limited facilities for bibliographical research are given the option of writing on a set topic with a suggested reading list.)

The task of choosing one's own author often proves to be demanding, but once the personalised choice is made the result is generally an enthusiastic research effort. The choice frequently has links with the student's other subjects; for example, William Godwin or Thomas de Quincey or John Ruskin for English Literature students; Cournot for Econometricians; Commons for those interested in Labour Economics.

Each internal student is also required to present orally a seminar paper on a set topic in Part B. The seminar paper counts for five per cent of the total marks for the course. There is a different topic for each student.

Students who take the course at third year level are required to sit for the Part A and Part B examinations taken by those at second year level, and in addition are required to answer, in the examination room, a one-hour question on a topic they have prepared over the semester. The topic in 1990 was: "Explain Ricardo's theory of value, and critically discuss it, taking into consideration and paying particular attention to the question of whether it is a labour theory of value."

External students pursue the same course, and sit the same examination, as internal students. They receive a set of audio cassettes which provide a 20-30 minute summary of each of the fifteen main topics in Part B. (One set of cassettes is also available in the Library for use by internal students.) External students do not receive printed lecture notes; they are expected to build up their own notes from the text-book, the cassettes, and additional reading. External students can also attend a non-compulsory weekend school, usually held in Sydney, which provides 6-9 hours of lectures and discussion. However, it is not easy for all to attend; external enrolments come not only from Sydney and N.S.W., but regularly from Victoria and Queensland, and occasionally from overseas (Fiji, Hong Kong, Africa ...). Airline pilots resting in stopovers, and Navy personnel floating about in mid-ocean have also studied HET externally with success. Despite their locational disadvantages, and despite the fact that their part-time study tasks compete with domestic and employment duties, external students consistently perform better than internal students. This is probably due partly to their being older and more mature, partly to their previous tertiary education - some study HET as a component of a higher degree or diploma - and partly to the fact that they choose to study HET for interest and pleasure.