37th ANNUAL MEETING OF THE
HISTORY OF ECONOMICS SOCIETY

CONFERENCE PROGRAM

SYRACUSE UNIVERSITY
SYRACUSE, NEW YORK
JUNE 25-28, 2010

History of Economics Society Conference, 2010
Syracuse University

Friday, Jun 25

HES Executive Committee Meeting 1:00 pm - 4:00 pm
Location: Rachel's Restaurant @ the Sheraton - Private Dining Room

---

Registration 2:00 pm - 6:00 pm
Location: Sheraton Hotel Lobby

Opening Reception (Ticket Required) 6:30 pm - 9:00 pm
Location: Panasci Lounge, Schine Student Center - Second Floor

---

Saturday, Jun 26

Parallel Sessions (SAT1) 8:30 am - 10:00 am

Complexity, the Crisis, and Economics
Room: SOM 102
Chair: Michael Perelman

David Warsh (Economic Principals)
Complexity of What?
Discussant: Mary Cleveland

Philip Mirowski (University of Notre Dame)
Two Approaches to the Complexity of the Crisis: Minsky and Hayek
Discussant: Bruce Caldwell

John Davis (University of Amsterdam; Marquette University)
The emergence of agent-based modeling in economics: Individuals come to bits
Discussant: David Levy

Classic Controversies and Debates
Room: SOM 004
Chair: Viviana Di Giovinazzo

Avi J. (York University)
Is Equilibrium Enough and Was Stigler Wrong?: Value Theory in the Böhm-Bawerk/Fisher Controversy
Discussant: Edward Nik-Khah

Edgardo Bucciarelli (Department of Quantitative Methods and Economic Theory - University "Gabriele d'Annunzio" of Chieti-Pescara (Italy)) and Marcello Silvestri (Department of Quantitative Methods and Economic Theory - University "Gabriele d'Annunzio" of Chieti-Pescara (Italy))
Minsky’s role in the approach to simulation
Discussant: Humberto Barreto

Modeling and Experimenting with Behavior
Room: SOM 104
Chair: Marcel Boumans

Nicolas Vallois (CES)
The Pathological Turn in Bounded Rationality Theory: Experimental Neurophysiology Meets Behavioral Economics
Discussant: Hamid Hosseini

José M. (CES)
The Economics of Affluence (1946-1977)
Discussant: Philippe Fontaine

Andrej Svorencik (University of Amsterdam)
Experimental explorations of the size effect
Discussant: Christian Knudsen

Pre-WWII 20th Century Voices
Room: SOM 003
Chair: John Hart

Vibha Kapuria-Foreman (Colorado College) and Charles R McCann, Jr. (University of Pittsburgh)
An Appreciation of Selig Perlman's A Theory of the Labor Movement
Discussant: Sherry Kasper

Michaël Assous (University of Paris 1 Pantheon Sorbonne)
Income Distribution and the Trade Cycle in the Ôyears of high theory' (1926-1939)
Discussant: Steven Sawyer

Societal Transformation and Economic Thought
Room: SOM 002
Chair: Adam Lutzker

Evelyn Forget (University of Manitoba)
A Tale of Two Communities: Fighting Poverty in the Great Society (1964-1968)
Discussant: Spencer Banzhaf

Annie L. Cot (Centre d'économie de la Sorbonne, University of Paris Sorbonne)
A photographic developer: how American economists faced immigration during the Progressive Era
Discussant: Marianne Johnson

Robert Leonard (Université du Québec à Montréal)
Karl Menger and the Aesthetics of Modernism
Discussant: Giandomenica Becchio

Coffee Break 10:00 am - 10:30 am
Location: Grand Hall

HES Distinguished Lecture (SAT2): Nancy Folbre on "Greed, Lust and Gender: The Rhetoric of Self Interest in Political Economy"
10:30 am - 11:30 am
Location: Lender Auditorium – Lower Level

Lunch 11:30 am - 1:00 pm

JHET Editorial Board Meeting 11:30 am - 1:00 pm
Location: Rachel's Restaurant @ the Sheraton - Private Dining Room

---

Parallel Sessions (SAT3) 1:00 pm - 3:00 pm

Hayek
Room: SOM 002
Chair: Bruce Caldwell

Stefan Kolev (University of Hamburg / HWWI and Wilhelm-Röpke-Institute: Erfurt)
Hayek as an Ordo-Liberal
Discussant: Dan Hammond

Régis Servant (University Paris I Panthéon-Sorbonne & PHARE)
The search for good social rules: object of science or of democratic choice? The case of Hayek as opposed to constitutional political economy
Discussant: Roberta Herzberg

Stéphane Longuet (University of Picardie)
Hayek and monetary catallaxy
Discussant: Gilles Dostaler

Giandomenica Becchio (Univerisity of Torino)

Hayek and complex systems: an unpublished paper ÒWithin System and About System"
Discussant: Peter Boettke

Adam Smith
Room: SOM 102
Chair: Don Mathews

Balbir Sihag (University of Massachusetts Lowell)
Exploring the Origin of the Concept of Impartial Spectator
Discussant: Anna Greco

Joseph Blosser (University of Chicago (PhD Candidate in Religious Ethics))
Adam Smith's Imaginative Philosophy of History
Discussant: Cecilia Miller

Maria Pia
The Same Face of the Two Smiths: Adam Smith and Vernon Smith
Discussant: Edgardo Bucciarelli

Robin Paul Malloy (Syracuse University)
Adam Smith in the Courts of The United States
Discussant: Stephen Meardon

Utilitarianism, Utility, and All That
Room: SOM 104
Chair: Craufurd Goodwin

Shiri Cohen (Bar-Ilan University)
Tensions between two concepts of 'Utility'
Discussant: Craufurd Goodwin

Joseph Persky (Department of Economics; University of Illinois at Chicago)
Utilitarianismand Luck
Discussant: Samuel Ferey

Svetoslav Danchev (National and Kapodistrian University of Athens; Foundation for Economic and Industrial Research (IOBE))
Bentham versus Utility-based Economics
Discussant: Nicolas Vallois

Carlo D'Ippoliti (Sapienza University of Rome)
An ante litteram critique of the Subjective Utility Theory
Discussant: Craig McLaren

Essays in Intellectual Biography
Room: SOM 004
Chair: Ivo Maes

Manuela Mosca (University of Salento (Lecce))
Oral History: A Documentary on Antonio de Viti de Marco
Discussant: Andrej Svorencik

Daniela Parisi (Univbersita' Cattolica (Milan)
Econometrics at the Catholic University of Milan (Italy) in the Forties and Fifties.
Discussant: Roberto Lampa

John Berdell (DePaul University)
Hume’s Politics in the Wake of Adam Smith’s.
Discussant: Nancy Bertaux

Michael Perelman (California State University: Chico)
William Petty's World: Luck, Pluck, and a Brilliant Mind
Discussant: Robert Scott

Economic Ideas and Statecraft

Room: SOM 003
Chair: Douglas Meador

Birol Çetin (Gaziosmanpa!a University Tokat Turkey)
State as the Source of Wealth in Ottoman Economic Thought: A different approach to reflections in the aftermath of the global crisis
Discussant: Amos Witztum

Anna Klimina (University of Saskatchewan)
Ideas of Constructed Market in Imperial Russia: Constitutional Liberalism of Peter Struve (1870 – 1944)
Discussant: Michael Bradley

Alexandre Cunha (Federal University of Minas Gerais)
Cameralism and police in the enlightened reformism: economic ideas and the administration of the State in Portugal during the second half of the 18th century
Discussant: Alexander Bick

Coffee Break 3:00 pm - 3:30 pm
Location: Grand Hall

Parallel Sessions (SAT4) 3:30 pm - 5:00 pm

Issues of Method

Room: SOM 002
Chair: Neil Niman

Lawrence Boland (Simon Fraser University)
Models versus Theories: a generation gap
Discussant: Cecilia Miller

John Hart (University of KwaZulu-Natal)
Terence Hutchison and the M2T group
Discussant: Avi Cohen

Michael Tratner (Department of English)
From Mercantilism to Capitalism: A Biological History
Discussant: Neil Niman

Alternative Paths to Knowledge

Room: SOM 104
Chair: Pedro Duarte

Marcel Boumans (University of Amsterdam)
Economics as a hard science: early postwar adoption of the computer in economics
Discussant: Ivo Maes

Juan Zabalza (University of Alicante)
The Institutionalisation of Political Economy in Spain. Spanish Economic Periodicals (1900-1960)
Discussant: Philip Mirowski

Ramon Garcia Fernández (Sao Paulo School of Economics - Getulio Vargas Foundation (FGV/EESP) - Brazil) and Huáscar Fialho Pessali
The first quarter of a century of rhetoric and economics: a balance
Discussant: Don Mathews

The Never Ending Battle – Monetary Debate

Room: SOM 003
Chair: Alexandre Cunha

Neil Skaggs (Department of Economics)
For the Love of Truth: Henry Thornton's Stance on the Bullion Committee Debates
Discussant: Mason Gaffney

Mauricio Coutinho (State University of Campinas (UNICAMP))
Law and Berkeley on non-metallic monetary systems
Discussant: Maria Paganelli

Arie Arnon (Economics)

Baring, Boyd and Bullion: The Two Polar Views Taking Shape before the 1810 Bullion Committee
Discussant: Jérôme de Boyer

Property Rights, Externalities, and Welfare
Room: SOM 102
Chair: Peter Boettke

Altug Yalcintas (Phd, Research Fellow, Ankara University)
The ÔCoase Theorem' vs. Coase Theorem Proper: How an error emerged and remained uncorrected for so long
Discussant: Elodie Bertrand

Claire Silvant (University Paris 2)
Inheritance, Property Rights and Taxation in the mid-19th Century French Liberal Thought
Discussant: Petter Sandstad

Nicola Giocoli (Dept. of Economics - University of Pisa)
Games judges don't play: predatory pricing and strategic reasoning in US antitrust (1975-2000)
Discussant: Robin Paul Malloy

HES Business Meeting 5:00 pm - 6:00 pm
Location: Lender Auditorium – Lower Level

Sunday, Jun 27

Parallel Sessions (SUN1) 8:30 am - 10:00 am

Economists, Economics, and the Public Sphere
Room: SOM 101
Chair: Annie Cot

Tom Scheiding (Elizabethtown College) and Tiago Mata (Amsterdam School of Economics (ASE), Universiteit van Amsterdam)
What Doesn't Kill You Makes You Stronger – Public Image, the State, and Research in Economics, 1970-1985
Discussant: Altug Yalcintas

Atsushi Komine (Clare Hall, Cambridge and Ryukoku University)
Beveridge on a Welfare Society: State, Market and Community
Discussant: Annie Cot

Sherry Kasper (Maryville College)
Edmund S. Phelps as Public Intellectual
Discussant: Robert Dimand

Threads Woven Across Time
Room: SOM 004
Chair: Anna Greco

James Ahiakpor (California State University)
The Ricardian Equivalence: A Necessary Condition for the Inefficacy of Fiscal Policy?
Discussant: Christophe Depoortère

Don Mathews (College of Coastal Georgia)
The Odd Journey of an Idea: From the Invisible Hand in 'The Wealth of Nations' to the Invisible Hand in Modern Economics
Discussant: John Berdell

Mike Bradley (University of Maryland, Baltimore County)
The ÒInvisible Hand-Out?Ó Smith, Mill and Marshall on Markets and Inequality
Discussant: Ana Rosado

Hayek in Context
Room: SOM 102
Chair: Dan Hammond

David Andrews (State University of New York at Oswego)
The Price Level in the Keynes-Hayek-Sraffa Exchange of the Early 1930s
Discussant: Sebastiano Nerozzi

Yusuke Yoshino (Postdoctoral Research Fellow)
Are Their Evolutionary Theory Darwinian? --Examining dialogue by F.A. Hayek and Kinji Imanishi--
Discussant: Régis Servant

Robert Van Horn (University of Rhode Island)
ÒComrades in Arms: An Exploration of the Political and Intellectual Relationship of F. A. Hayek and Aaron Director (1945-1950)Ó
Discussant: Nicola Giocoli

Keynes and Controversy

Room: SOM 002
Chair: Craufurd Goodwin

Amos Witztum (London Metropolitan University)
Keynes's Digression and the role of Governments
Discussant: Toshiaki Hirai

Jose Guillermo (Universidad Autonoma Metropolitana-Xochimilco)
J. M. Keynes' paradox: The saving glut
Discussant: Neil Niman

Daniel Schiffman (Ariel University Center) and Robert Leeson (Hoover Institution and University of Notre Dame Australia)
Pigou's Theory of Unemployment: A Reassessment
Discussant: Massimo Dimatteo

Adam Smith and the Classical Tradition

Room: SOM 104
Chair: Balbir Sihag

Nancy Bertaux (Professor of Economics, Xavier University, Cincinnati, Ohio)
Adam Smith, Selfishness, and Self-Interest
Discussant: Joseph Blosser

Tomoyuki Arai ((phD candidte) Chuo University)
From Adam Smith to Dugald Stewart: On the Question of Poverty
Discussant: Edd Noell

Guillermo Cavazos (Universidad Autonoma Metropolitana)
Ricardo vs. Malthus: the first debate on the method in economic science and its consequences.
Discussant: Catherine Martin

Ideas Shaping Institutions

Room: SOM 003
Chair: Ramon Garcia Fernández

Florencia Sember (Università di Macerata and PHARE)
The role of Raúl Prebisch in the creation of the Central Bank of the Argentine Republic
Discussant: Michele Alacevich

Maurice Lagueux (Université de Montréal)
Places for learning economics and finance
Discussant: John Davis

Edward Nik-Khah (Roanoke College)
Getting Hooked on Drugs: The Chicago School, the Pharmaceutical Project, and the Construction of Medical Neoliberalism
Discussant: Jeff Biddle

Coffee Break 10:00 am - 10:30 am
Location: Grand Hall

Plenary Session (SUN2): Fiftieth Anniversary of the Publication of F. A. Hayek's The Constitution of Liberty 10:30 am - 11:30 am

---

Location: Lender Auditorium – Lower Level

Lunch 11:30 am - 1:00 pm

Young Scholars Lunch 11:30 am - 1:00 pm
Location: Rachel's Restaurant @ the Sheraton - Private Dining Room

Parallel Sessions (SUN3) 1:00 pm - 3:00 pm

Making Modern Economics: Ideas and Influences
Room: SOM 004
Chair: Nicola Giocoli

Marianne Johnson (University of Wisconsin Oshkosh)
Public Finance and Wisconsin Institutionalism
Discussant: Sherry Kasper

Glen Weyl (Harvard Society of Fellows)
Simon Kuznets: Cautious Empiricist of the Eastern European Jewish Diaspora
Discussant: Vibha Kapuria-Foreman

Till Düppe (University of Hamburg)
Gerard Debreu's Secrecy: His Life in Order and Silence
Discussant: Robert Leonard

Roberto Lampa (Università degli Studi di Macerata - Macerata - Italy)
Rewriting the economic theory for a world to come: Oskar Lange's early works (1934-1945)
Discussant: Michaël Assous

Early 20th Century Contributions
Room: SOM 102
Chair: Rebeca Gomez Betancourt

Steven Sawyer (Fashion Institute of Technology)
The Macroeconomic Foundations of Veblen's Microeconomics
Discussant: Anna Klimina

Jeff Biddle (Michigan State University)
The Introduction of the Cobb-Douglas Regression
Discussant: Joseph Persky

Sandra Peart (Jepson School Leadership Studies) and David Levy (George Mason)
Common Sense at 100
Discussant: Roberta Herzberg

Origins of Seminal Concepts
Room: SOM 104
Chair: Nicolas Vallois

Hamid Hosseini (King's College PA,and Visiting Scholar U of Pennsylvania)
George Katona:A Founding Father of Behavioral Economics
Discussant: José M. Edwards

Viviana Di Giovinazzo (University of Milano Bicocca)
Towards an Alternative Paradigm of Consumer Behavior
Discussant: Maurice Lagueux

Pedro Garcia Duarte (University of São Paulo (FEA-USP))
Another Chapter in the History of Ramsey's Optimal Feasible Taxation
Discussant: Manuela Mosca

Philippe Fontaine (École normale supérieure de Cachan et Institut universitaire de France)
A preliminary history of free riding
Discussant: Jean Baptiste Fleury

Gender Issues
Room: SOM 002
Chair: Robert Dimand

Virginie Gouverneur (LED Paris 8)
Sexual division of labour in Mill and Jevons' Political Economy
Discussant: Prasanta Pattanaik

Edith Kuiper (Economics Department: State University of New York at New Paltz)
Integrating women and gender in the history of economics
Discussant: Sebastiano Nerozzi

Carlo D'Ippoliti (Sapienza University of Rome)
The Private is Political (Economy) !
Discussant: Robert Urquhart

Annie L. Cot (Centre d'Economie de la Sorbonne) and Sophie Pellé (University of Paris Sorbonne)
Progressive Ideas across Boundaries: Bentham and Sen on the Rights of Women
Discussant: Evelyn Forget

Investigations into 19th Century Figures
Room: SOM 003
Chair: Glenn Hueckel

Jeffrey Young (St. Lawrence University)
Thomas and Robert: A Tale of Two Malthuses
Discussant: Dan Hammond

Christophe Depoortère (LED - University of Paris 8 Vincennes Saint Denis)
William Nassau Senior and David Ricardo on the Method of Political Economy
Discussant: Guillermo Cavazos

Damien Fessler (IFD - Université Paris Dauphine / PHARE, Université Paris I)
Cournot on Supply and Demand
Discussant: Claire Silvant

Petter Sandstad (University of Oslo)
The methodological lessons of Say's Introduction to his Treatise
Discussant: Glenn Hueckel

Coffee Break 3:00 pm - 3:30 pm
Location: Grand Hall

Parallel Sessions (SUN4) 3:30 pm - 4:30 pm

Markets and Morals
Room: SOM 102
Chair: Maria Paganelli

Anna Greco (University of Toronto)
Plato on Greed and Injustice
Discussant: David Levy

Edd Noell (Westmont College)
What is Legitimate Economic Gain? Financial Innovation and the Scholastic Influence on Puritan Conceptions of Usury and Profit
Discussant: Joseph Persky

Contributions to Refining Our Vision
Room: SOM 002
Chair: Avi Cohen

Massimo Dimatteo (Dipartimento di Politica Economica, Finanza e Sviluppo Università di Siena)
Time and the concept(s) of equilibrium: Da Empoli vs Marshall?
Discussant: Avi Cohen

Gianfranco Tusset (University of Padua (Italy))

Going back to the origins of econophysics: the Paretian conception of heterogeneity

Discussant: Robert Scott

Applied Historical Analysis

Room: SOM 003
Chair: Cecilia Miller

Curt Stiles (University of North Carolina Wilmington)

Community Entrepreneurship in Early Railroad Development: Transportation Networks as Economic Clubs

Discussant: Michael Perelman

Masazumi Wakatabe (Faculty of Political Science and Economics) and Goushi Kataoka (Waseda University)

Great Inflation in Japan: How Economic Thought interacted with Economic Policy

Discussant: Robert Dimand

Perspectives on Marx

Room: SOM 104
Chair: Gilles Dostaler

Adam Lutzker (University of Michigan-Flint)

From Labor to Capital: Michel Foucault as Historian of Economic Thought

Discussant: Robert Urquhart

Robert Urquhart (Department of Economics, University of Denver)

The social world, labour-power, and time in Marx's theory of value

Discussant: Adam Lutzker

Topics in Law and Economics

Room: SOM 003
Chair: Humberto Barreto

Ana Rosado (Complutense University of Madrid)

How Much Competition's Guidelines Have Been Influenced By Economists?

Discussant: Robert Van Horn

Samuel Ferey (Université de Nancy 2 (France), Beta-CNRS)

Pluralism in law and economics: a methodological view

Discussant: Anna Klimina

HES Presidential Address: Steve Medema on ÒThe Coase Theorem: Lessons for the Study of the History of Economic ThoughtÓ 4:45 pm - 5:45 pm
Location: Lender Auditorium – Lower Level

Reception 6:30 pm - 7:00 pm
Location: Sheraton Hotel - Second Floor

HES Conference Banquet (Ticket Required) 7:00 pm - 10:00 pm
Location: Sheraton Hotel Ballroom - Second Floor

Monday, Jun 28

Parallel Sessions (MON1) 8:30 am - 10:30 am

What's New in the History of Economics?

Room: SOM 102
Chair: Evelyn Forget

José M. Edwards (CES Université Paris I Panthéon-Sorbonne) and Philippe Fontaine (École normale supérieure de Cachan, Institut) and Yann Giraud (THEMA, Université de Cergy-Pontoise)

History of Economics in the Noughties: A Quantitative Overview

Discussant:

Bruce Caldwell (Duke University)
What's New at the Center for the History of Political Economy
Discussant:

Ken Carpenter (Harvard University Library, retired,)
Translations of Economics before 1850
Discussant:

John Davis (University of Amsterdam and Marquette University)
Teaching Recent History of Economics
Discussant:

Institutions and economic ideas from the depression to postwar reconstruction

Room: SOM 003
Chair: Roberto Lampa

Michele Alacevich (Columbia University) and Pier Francesco Asso and Sebastiano Nerozzi
Cambridge meets the crisis. Four Harvard economists and the shaping of New Deal reforms
Discussant: Marianne Johnson

Michele Alacevich (Columbia University) and Pier Francesco Asso and Sebastiano Nerozzi
The theory and practice of price controls: Modigliani’s Meat Plan and the Search for a Neoclassical Synthesis
Discussant: Daniela Parisi

Michele Alacevich (Columbia University)
The World Bank, Reconstruction and Development in Italy, 1947-1953
Discussant: Gianfranco Tusset

Stephen Meardon (Bowdoin College)
The course of economic warfare: the decline of the trade agreements program, 1938-1940
Discussant: John Berdell

Paul Burnett (University of Pennsylvania)
Planning for Capitalism: Economists and Corporate Agricultural Policy Advocacy during World War II.
Discussant: Joseph Persky

Financial Institutions and Nation States

Room: SOM 104
Chair: Alexandre Cunha

Ivo Maes (National Bank of Belgium)
The evolution of Alexandre Lamfalussy's thought on European monetary integration (1961-1993)
Discussant: Mauricio Coutinho

Ilaria Pasotti (University of Florence; Catholic University of Milan)
How to get out of the ÒTriffin dilemmaÓ: Triffin’s reflection on the international monetary system (1958-1971)
Discussant: James Ahiakpor

Nesrine Bentemessek (ESG - Phare) and Jérôme de Boyer des Roches (Paris Dauphine - Phare)
Financial Institutions and Public Debt Liquidity in England [1694 – 1720]
Discussant: Neil Skaggs

Rebeca Gomez (Université Lyon 2 - Triangle) and Jérôme de Boyer des Roches (Paris Dauphine - Phare)
US Monetary System under the National Banking System (1863-1913)
Discussant: Neil Skaggs

New Insights into Some 20th Century Contributions

Room: SOM 002
Chair: Eric Weyl

Robert Scott (Monmouth University)
Kenneth Boulding’s Centennial Year
Discussant: Maurice Lagueux

Floris Heukelom (Radboud University Nijmegen)
Kahneman and Tversky’s collaboration of the 1970s
Discussant: Ramon Garcia Fernández

Discussant: Ramon Garcia Fernández

Robert Dimand (Brock University and McMaster University)
Tobin as an Econometrician
Discussant: Marcel Boumans

Elodie Bertrand (University of Littoral Cote d'Opale (EQUIPPE-PHARE))
A key to Coasean thought: the notion of cost
Discussant: Humberto Barreto

Henry George and Economics in Religion

Room: SOM 004
Chair: Mary Cleveland

Mason Gaffney (University of California Riverside)
Martin Luther King Jr., Mahatma Gandhi and Henry George
Discussant: Lew Daly

John Medaille (University of Dallas)
Henry George, Leo XIII, and the Christian Idea of Property
Discussant: Lew Daly

Francis Peddle (Dominican University College, Ottawa, CA)
The Eyes of Patmos and Economic Rent
Discussant: Curt Stiles

William Peirce (Case Western Reserve University, OH)
Natural Resources and Natural Law: Religion and the Design of Tax Policy
Discussant: Mary Cleveland

Coffee Break 10:30 am - 11:00 am
Location: Grand Hall

Parallel Sessions (MON2) 11:00 am - 12:30 pm

An Evolving Canon - Studying the Role of Textbooks in Postwar Economics

Room: SOM 104
Chair: Edward Nik-Khah

Jean Baptiste Fleury (Economix-H2S-Cachan)
Economic Education and the Boundaries of Economics in the 1970
Discussant: Yann Giraud

Pedro Teixeira (CIPES and University of Porto)
Conquering or Mapping - Human Capital's Dissemination in Established and New Fields
Discussant: Yann Giraud

Steven Medema (University of Colorado Denver)
The Coase Theorem in the Textbooks, 1960-1979: The Case of Intermediate Microeconomics
Discussant: Yann Giraud

In the beginning of economics; England & the Netherlands 1600-25

Room: SOM 002
Chair: Michael Tratner

Benjamin H. Mitra-Kahn (City University London & New School for Social Research)
The emergence of an economy in early 17th century England
Discussant: Edd Noell

Alexander Bick (Princeton University)
The Joint-Stock Company and the State: Competing Drafts for the Charter of the Dutch West India Company, 1618-1621
Discussant: Glenn Hueckel

View From the Giant’s Shoulders: History of Thought and the Development of New Theory

Room: SOM 102
Chair: Eric Weyl

Craig McLaren (University of California: Riverside)
The marginal Revolutionaries: Divergent Perspectives on the Meaning of Utility
Discussant: Svetoslav Danchev

Prasanta Pattanaik (University of California: Riverside)
John Stuart Mill and ÔNon"welfaristic' Welfare Economics
Discussant: Atsushi Komine

Mason Gaffney (University of California, Riverside)
Repeated cycles of discovering and burying the wheel: case studies of A.R.J. Turgot and Martin Faustmann
Discussant: Mauricio Coutinho

Perspectives on Keynes

Room: SOM 004
Chair: James Ahiakpor

Toshiaki Hirai (Prof. of Economics)
Keynes and the Transmutation Process of the Plan for Commodity Control Scheme
Discussant: Paul Burnett

Neil Niman (University of New Hampshire)
Animal Spirits and the Future of the Macroeconomy: Lessons from the Past
Discussant: Mary Cleveland

Catherine Martin (University of Paris1 Panthéon-Sorbonne)
Malthus and Keynes : an ambiguous filiation
Discussant: Anthony Waterman

Conference Close 12:30 pm

ABSTRACTS

SAT1A: COMPLEXITY, THE CRISIS, AND ECONOMICS

David Warsh (Economic Principals), "Complexity of What?"

The idea of complexity appeared in journalism in the 1980s almost as quickly as it did in economics – Warsh, Waldrop, Lewin, Gleick and Beinhocker. Widespread use in various other fields (Low), followed by something of a backlash, reminiscent of the vogue of catastrophe theory. Economists in recent years have made some progress giving the term some real content -- Albin, Arthur, Axtell, Nelson & Winter, Colander, Brock & Durlauf, Rosser, Kirman, Tesfatsion & Judd, etc. Gintis has given a good provisional account. No doubt economics will go farther. To an outsider, however, something still seems missing. Economics of new goods most nearly consistent with the meaning that I attached to the word.

Philip Mirowski (University of Notre Dame), "Two Approaches to the Complexity of the Crisis: Minsky and Hayek"

Most current explanations of the crisis which began in 2007 tend to search for scapegoats, in the format of behavioral flaws. Their treatment of 'risk' is an important signpost to where such theories go awry. The paper suggests a structural theory of the crisis, informed by Institutionalist themes. We insist there is an alternative to a neoclassical macroeconomics, in the guise of possible heterodox microfoundations for Minsky's account of economic crises, beyond the Kaleckian markup model. The sketch is based upon the elevation of some formal notions of computational complexity to pride of place, and characterization of crises as a collapse of complexity. It is an attempt to portray a market system evolving to a point of 'inherent vice': an endogenous development by its very nature, cannot be tamed through conventional insurance or risk models.

John Davis (University of Amsterdam; Marquette University), "The emergence of agent-based modeling in economics: Individuals come to bits"

Complex adaptive systems theory can be distinguished from complex systems theory in terms of the emphasis the former places on self-organizing agents. This paper uses Simon’s hierarchic view of complex systems as adaptive and self-organizing to frame an explanation of complex adaptive systems as ultimately occupied by individuals understood as ‘basic’ agents. What distinguishes ‘basic’ agents from agents made up of agents such as firms is that they are made up of collections of decision rules – ‘bits’ – that in Simon’s sense are fully rather than nearly decomposable. An explanation of the identity of these agents is then used to explain how crisis can emerge in economic systems. Crises are endogenously produced in periods of rapid sectoral innovation that significantly changes the overall structure of the set of groups/subsystems that make up the economy, and which break down the boundaries on individuals’ collections of decision rules. In contrast to mainstream market failure theory, crisis analysis then depends on explaining the complex and hierarchic institutional structure of those domains where it arises.

Avi J. (York University), "Is Equilibrium Enough and Was Stigler Wrong?: Value Theory in the Böhm-Bawerk/Fisher Controversy"

The interest-rate controversies between Böhm-Bawerk and Fisher have attracted little attention and, in the opinion of most commentators, justifiably so. Böhm-Bawerk and Fisher argue over what appear to be two minor issues – Böhm-Bawerk's claims that his third cause of interest (productivity of roundabout production processes) is independent of his other two subjective causes of interest and that simultaneous equations models involve circular reasoning and fail to provide a "causal" explanation of interest. The issues not only appear unimportant, their resolution seems clear – Böhm-Bawerk was wrong in both cases. Subsequent commentators, including Stigler, have taken Fisher's side, arguing that Böhm-Bawerk "fails to understand some of the most essential elements of modern economic theory, the concepts of mutual determination and equilibrium (developed by the use of the theory of simultaneous equations)." I propose a radically different assessment, arguing that post-1870 debates over the extension of the subjective marginal utility theory of value to production and distribution, coupled with classical elements in Böhm-Bawerk's theories and his "outsider" status as an Austrian, fuelled the Böhm-Bawerk-Fisher controversies. Böhm-Bawerk was reacting to Fisher's gross exaggeration of subjective (versus objective) elements in his interest theory and wanted a causal explanation of prices in addition to well-understood simultaneous determination. Value theory debates explain both Fisher's exaggerations and Böhm-Bawerk's refusal to be satisfied with equilibrium alone.

Edgardo Bucciarelli (Department of Quantitative Methods and Economic Theory - University "Gabriele d'Annunzio" of Chieti-Pescara (Italy)) and Marcello Silvestri (Department of Quantitative Methods and Economic Theory - University "Gabriele d'Annunzio" of Chieti-Pescara (Italy)) , "Minsky's role in the approach to simulation"

This paper aims to deepen the contribution made by Hyman Minsky to contemporary economic thought and in particular his investigation about simulation as a possible different approach to the foundations of his ideas. The work of Hyman Minsky is also known to be the reference point of one of several critical strands of the standard economic theory. Minsky's thought is frequently found in the so-called 'post-Keynesian' stream. However, we believe he preferred to keep some distance from the theoretical positions of post-Keynesians, preferring to be called 'financial Keynesian'. This expression can be identified more effectively as the central aspect of his economic vision where the starting point is John Maynard Keynes or the 'pillar', on which Minsky configures his economic theory. The main landing of this belief is the theory of financial instability or rather the possibility of financial instability, which represents for the American economist an assumption on which all economic theories should be based. Furthermore, the basics of Minsky's theory can be reconnect with the present global financial crisis, which began with the collapse of subprime mortgages in the summer of 2007, and his original approach provides a useful and stimulating reflection on the functioning and evolution of contemporary financial capitalism. Finally, we try to orientate our contribution also showing a different interpretation of the American author, although we believe indirectly introduced by Minsky himself in an article in 1974, "The modeling of financial instability: an introduction", and then briefly mentioned in "Can 'It' Happen Again?". In this regard, we expound the possible similarities, which might arise between his unorthodox approach and the recent development of simulation agent-based models, in providing the foundations for an alternative view of the study of economic dynamics.

Nicolas Vallois (CES), "The Pathological Turn in Bounded Rationality Theory: Experimental Neurophysiology Meets Behavioral Economics"

The basic picture emerging from current experimental economics is that individuals perform poorly in various areas of decision making. Because people might act eventually against their own interest, Sunstein and Thaler (2003) have proposed a new type of policy intervention, called “libertarian paternalism”. More generally, the concept of bounded rationality has given rise to “behavioral welfare analysis” dedicated to the improvement of decision making abilities (Bernheim and Rangel, 2007). However, the major argument against those policies is that they turn necessarily arbitrary, because someone has to choose what individuals “normal” interests are. What is lacking in behavioral welfare analysis is actually a normative definition of rationality. On the basis of the thesis developed by Georges Canguilhem in The Normal and the Pathological, the aim of this paper is to show that the methodology of experimental physiology can provide such a normative criterion to assess decision making abilities. The recent use of neurophysiological techniques in experimental economics can be seen as a direct application of that approach, in which bounded rationality is given a pathological meaning. Mixing clinical concerns with quantitative measurement, neuroeconomics illustrates how the authority of medical expertise can be used to advocate for the regulation of individual decision making abilities.

José M. (CES), "The Economics of Affluence (1946-1977)"

The aim of this paper is to present the economics of affluence as a unified research program: emerging shortly after World War II; developed mainly during the 1960s and 1970s; and decaying during the late 1970s. It begins by presenting the empirical studies of the consumption function of the late 1940s which opposed the Keynesian analysis of consumption. James Duesenberry’s Income, Saving and the Theory of Consumer Behavior (1946) made part of this literature and explained the “paradox of savings” by means of “relative incomes”, a concept that was later applied to the analysis of affluence. The main elements of the economics of affluence were advanced by John Kenneth Galbraith in The Affluent Society (1958) and furthered in The New Industrial State (1967). Galbraith’s views were shared by economists such as G. Myrdal (Challenge to Affluence, 1963), E. Mishan (The Costs of Economic Growth, 1967), G. Katona et al. (Aspirations and Affluence, 1971), T. Scitovsky (The Joyless Economy, 1976), and F. Hirsh (The Social Limits to Growth, 1977). These economists claimed that economic theory was inadequate for the analysis of behavior of affluent consumers. Most of them maintained that consumer behavior in affluent contexts should be explained by means of external factors rather than revealed-preferences-type analyses. For these economists, consumer behavior was not sovereign, but controlled by factors such as “norms” of consumption (interdependence of preferences) and the advertising practices of producers (revised sequences). In 1977, Galbraith spread his views to the general public in The Age of Uncertainty (a 15-episode BBC series, and a book), which was strongly opposed by M. Friedman and some of his followers (From Galbraith to Economic Freedom, 1977). This reaction, along with the development of the economics of happiness (1974-2010), seems to explain the decay of the economics of affluence during the late 1970s.

Andrej Svorencik (University of Amsterdam), "Experimental explorations of the size effect"

Is there a size effect? This was a question asked that one observes in experimental economists' early experiments. The paper analyzes James Friedman's oligopoly experiments from the1960s, Keith Murningham and Alvin Roth's veto game bargaining experiments from the 1970s, and Coase theorem experiments by Elizabeth Hoffman and Mark Spitzer in the 1980s. It is shown that the investigation of how an increase in the number of subjects impacts observed behavior was guided by a desire to explore the underlying phonomena. The resolution of this research question was the context for the definition of different approaches in experimental economics, such as 'just try and see', 'let's do something realistic' and a 'systematic approach'.

SAT1D: PRE-WWII 20TH CENTURY VOICES

Vibha Kapuria-Foreman (Colorado College) and Charles R McCann, Jr. (University of Pittsburgh) , "An Appreciation of Selig Perlman's A Theory of the Labor Movement"

The Wisconsin school of labor history and labor economics rose and fell within a particular historical context. Richard Ely, John Commons and Selig Perlman studied labor union movements in an effort to further social progress. Perlman played a pivotal role by developing a theory of the labor movement. This theory significantly affected the development of labor history while having relatively less impact on the development of labor economics.

Michaël Assous (University of Paris 1 Pantheon Sorbonne), "Income Distribution and the Trade Cycle in the 'years of high theory' (1926-1939)"

There is a very short period, just before the second World War, where imperfect competition was introduced in macro analysis in order to understand economic fluctuations. During this short period, many of the issues concerning market imperfections both on the labour and on the product market and income distribution were raised. The analysis of this question of the relationship between imperfect competition and income distribution will be our point of departure. In a first section, we review how labour and product imperfections were integrated, during this debate, to the analysis of income distribution. Then, the role played by income distribution effects in the trade cycle theories developed at this period are examined in two sections, section 2 focusing on Kalecki 1939's non linear theory based on monopolistic competition, and section 3 devoted to Kaldor's 1940 model and Harrod 1936 Trade cycle analysis based on the variability of market power along the cycle and non linear saving function.

Evelyn Forget (University of Manitoba), "A Tale of Two Communities: Fighting Poverty in the Great Society (1964-1968)"

Two different intellectual communities with distinct values, methods and heroes competed for precedence in the arena of antipoverty policy in the mid-1960s. One group was heavily influenced by "empowerment" theories at the margins of social science, while the other was dominated by economists who advocated more traditional income maintenance and job support programs. This essay examines the interaction of these two communities at the Office of Economic Opportunity (OEO) which came into being in November 1964 and was mandated to fight the "unconditional War on Poverty" declared by President Lyndon B. Johnson in his January 1964 State of the Union Address. The "empowerment" community attracted attention and resources quickly and dominated the OEO in its early years. But the economists gradually gained power and influence at the expense of the "empowerment" community. Why does one intellectual community flourish while another wanes? How important is a "charismatic leader"? Is interdisciplinarity a benefit or a curse? Does exceptional creativity emerge at the margins of a discipline or from its centre? This essay uses the OEO as a case study to explore and test various theories created by philosophers, sociologists and historians of science to explain why one community succeeds while others ultimately fail.

Annie L. Cot (Centre d'économie de la Sorbonne, University of Paris Sorbonne), "A photographic developer: how American economists faced immigration during the Progressive Era"

From 1880 to 1924, economists were the most active among the social scientists who discussed the benefits and (more often) the « evils » of the Golden Door: Francis Amasa Walker, Jeremiah Jenks, William Ripley, Irving Fisher, Emily Green Balch, Frank Fetter, John R. Commons, Richmond Mayo Smith, all wrote at length on the subject, mixing statistical data, eugenic arguments, economic theory and policy considerations in their analysis. In retrospect their position form, thus, an interesting developer, in the photographic sense of the word, for some of the major theoretical and methodological devices of the times. After a brief presentation of the general political and legal discussion over immigration, the paper aims at surveying this dense intertwining of theories (often mixing economic considerations and eugenic prejudices), policies and statistical practices regarding the way American economists faced the question of immigration restriction.

Robert Leonard (Université du Québec à Montréal), "Karl Menger and the Aesthetics of Modernism"

Modernism was an exceedingly complex cultural and aesthetic movement that ran its course from roughly the 1870's to the mid-20th century. Since then, it has sustained the vigorous interest of scholars of literature, the plastic arts, architecture, culture and style, with an enormous proliferation of studies. More recently, in the work of Jeremy Gray and Herbert Mehrtens, historians of mathematics have begun to examine turn-of-the-century developments in that field from the perspective of the aesthetics and politics of Modernism. By contrast, relatively little attention has been paid to the connections between this cultural shift and the field of economics – with the exception, perhaps, of the exploration of Keynes in relation to Bloomsbury. This paper focuses on Karl Menger (1902 – 1985), who not only exerted considerable influential upon Viennese economics but displayed strong Modernist aesthetic commitments. In a series of interconnected vignettes, we explore Menger from the perspective of the psychology of style. Drawing upon new archival research, we consider various aspects of his engagement with Modernism, including his interest in graphic art, his exposure to the De Stijl movement in The Netherlands, and his contact, in the U.S. in 1930-31, with the aesthetic writings of mathematicians George Birkhoff and Norbert Wiener. This exploration sheds light upon Menger's promotion of simplicity, clarity and sharp definition – aesthetic values that, in turn, shaped his liberal stance in both politics and the philosophy of mathematics. It also allows us to consider the relationship between aesthetics, politics and abstraction inherent in his 1934 work in social science.

SAT3A: HAYEK

Stefan Kolev (University of Hamburg / HWWI and Wilhelm-Röpke-Institute: Erfurt), "Hayek as an Ordo-Liberal"

Classically, Friedrich von Hayek's oeuvre is subdivided into two parts: Hayek I as the cycle theorist, Hayek II as the social philosopher. The current paper sees this as inadequate: a threefold subdivision is necessary instead. Hayek II would be the ordo-liberal social philosopher of the late 1930s and 1940s, Hayek III the evolutionary social philosopher from the 1950s onward. Biographically, Hayek meets Walter Eucken as early as 1928 and in the following years visits Freiburg regularly on his travels between London and Vienna. This is precisely the time of inception of the Freiburg School. After an interruption of during the war, Hayek resumes his correspondence with Eucken and invites him to the founding meeting of the Mont Pèlerin Society. There Hayek holds an address with the title "Free enterprise and Competitive Order", which in the wording is paradigmatic for the ordo-liberal Hayek II: competitive order (Wettbewerbsordnung) is the normative ideal of Eucken and his Freiburg School for an efficient and humane order. The core of Hayek's ordo-liberal period is his adoption of the Freiburg dichotomy "rules vs. moves of the game". As early as 1935 in the socialist calculation editorship, Hayek articulates the idea that planning is admissible for the framework of the economy (rules of the game), but not for the actions of individuals (moves of the game). Thus he rejects laissez-faire as a dogma not telling anything about the necessity to plan the framework of the economy and society, a tenet which he repeats in the following years, most well-known from the "Road to Serfdom". The rules of the game are to be set by economic policy. This is often misunderstood from authors in the Misesian tradition as concessions to interventionism. Instead, it is an attempt of Hayek to formulate his idea of liberal economic policy in the lines of the Freiburg School. Later (in Hayek III), Hayek overhauls these position in the sense of his concept of cultural evolution. Spontaneous order of the catallaxy, not any more Eucken's competitive order, is his normative ideal of the late Hayek. Further research will be dedicated to the causation of this turn. Is it "The Sensory Order" which makes him rethink the designability of the framework in the light of his new insight on the limits of human cognitive capability? Or the increasing work on and influence by the Scottish Enlightment? Overall, there are serious reasons to split Hayek's social philosophy in an ordo-liberal and an evolutionary part. The focus on his ordo-liberal period seems to explain many of the misunderstandings directed to his work both from the "anarcho-capitalist" and from the "anti-neoliberal" literature.

Régis Servant (University Paris I Panthéon-Sorbonne & PHARE), "The search for good social rules: object of science or of democratic choice? The case of Hayek as opposed to constitutional political economy"

(Young Scholar Proposal) I propose in this paper to study the economic and social thought of Friedrich Hayek, a leading figure of contemporary liberalism. More precisely, my goal is to present the broad lines of hayekian liberalism to describe its position on a specific question: that of the role of democracy in the determination of what constitutes a good society. By society, I mean, according to Hayek, the institutions – rules of conduct/constitution – which men, as social beings, can consider in their reciprocal relationships. The goal of my paper is thus one of knowing the place Hayek grants to democracy in the definition of good social rules: Is Hayek in favor of constitutional democracy? My answer is negative: in contrast to economists such as James Buchanan and Viktor Vanberg, Hayek challenges citizen sovereignty on constitutional matters. And this, because he considers that this field concerns scientific analysis rather than democratic choice. Keywords : Constitution, constitutional political economy, James Buchanan, Viktor Vanberg, constitutional democracy, Friedrich Hayek, science of social rules, autonomy, heteronomy, value judgments, truth judgments.

Stéphane Longuet (University of Picardie), "Hayek and monetary catallaxy"

This paper focuses on the double process of competition found in Denationalization of Money; one concerns the choice of standard, the other the stability of the value of currencies. It shows that the regulating nature of competition is based on the evacuation of the interdependence of the money supply, on the lack of an analysis of the composition of the demand for money and on a simplistic approach of expectations. It thus stresses the limits of an approach that relies on heterogeneous foundations and which fails to reconcile the economic texts' reasoning with the evolutionist questioning of the Hayekian theory on society.

Giandomenica Becchio (Univerisity of Torino), "Hayek and complex systems: an unpublished paper “Within System and About System""

The aim of this paper is to describe an unpublished paper of Hayek’s - “Within System and About System” - held in the Hoover (and Duke) archives and to show the continuity between the Sensory Order (Hayek 1952) and Hayek’s subsequent writings on complex systems (Hayek 1967, which includes Hayek 1955; 1962; 1964; 1964a; 1978) and that unpublished work. In the Preface of The Sensory Order, Hayek reminded that this book was based on his readings of psychology during 1919-20 when he was still a young student in Vienna, interested in both psychology and economics. As it is well known, Hayek came back to psychology during early 1950’s, when he was influenced by Bertanlaffy’s contributes on open and complex systems. As Hayek reminded in the Preface of The Sensory Order, psychology essentially “deal[s] with the problems of the methods of the social sciences … [as] it was concerned with the logical character of social theory”. Hence, the subjects of The Sensory Order are the nature of mind and “the relation between mind and body or mental and physical events” (Hayek 1952). Hayek’s unpublished paper is devoted to the possible knowledge of our mental processes and the relationship between knowledge and the external environment. In his following writings on rules, perception and intelligibility; on the evolution of systems of rules of conduct; and on the theory of complex phenomena, Hayek applied his psychological inquiries to social sciences. The continuity between The Sensory Order and those following writings is fundamental in Hayek’s thought and it was not always well recognized.

SAT3B: ADAM SMITH

Balbir Sihag (University of Massachusetts Lowell), "Exploring the Origin of the Concept of Impartial Spectator"

Exploring the Origin of the Concept of Impartial Spectator “There is no witness so dreadful, no accuser so terrible as the conscience that dwells in the heart of every man.” Polybius (Second Century BCE) In recent decades interest in Adam Smith’s The Theory of Moral Sentiments has been revived. There are intense debates related to the problem of consistency between his The Theory of Moral Sentiments and Wealth of Nations, that is the so-called ‘Adam Smith’s problem’ and to the nature of relationship between them. Some scholars claim that his approach to ethics was empirical. Others claim that Smith repeatedly referred to God implying a priori approach. Still others discern some tension in his analysis since Adam Smith seems to provide arguments on both sides of the controversy and does not offer any synthesis. There is almost a consensus among scholars of history of economic thought that Adam Smith did not develop a single original concept in his Wealth of Nations. On the other hand, Raphael (2007) does give credit to Adam Smith for originating the concept of ‘impartial spectator’ in his The Theory of Moral Sentiments. However, Todd Lowery (2003) points out that the origin of this concept may be traced back to Plato. It is a natural question to ask whether Plato was the originator of this concept or he benefited from another source. It is indicated here that this concept originated during the period 900-600 BCE and most likely, Plato had access to this source.

Joseph Blosser (University of Chicago (PhD Candidate in Religious Ethics)), "Adam Smith's Imaginative Philosophy of History"

ATTN: This is a Young Scholar Proposal Adam Smith often writes about historical events and uses his discussions of them to help his readers understand the ways in which people act. The paper I propose investigates Smith’s philosophy of history. That is, it inquires into the epistemological and methodological principles behind the way in which Smith understands the past and the way in which he uses the material of the past to interpret the present and guide the future. In the course of such an investigation, one quickly encounters four dominant types of interpreting Smith’s use of history (i.e., economic behavioralists, economic materialists, civic humanism, and natural jurisprudence). These four types draw starkly different pictures of Smith in an attempt to make his entire system of thought rationally cohere. Each, however, also discloses a helpful and unique perspective on Smith. Rather than choose a single type of interpretation or synthesize them all, I hold the four types of interpreting Smith in tension. I develop such a methodology based on Smith’s own construction of the four types of human civilization (i.e., hunting, herding, agriculture, and commerce). Smith’s four states, which I argue constitute types of civilization more than determined stages of civilization, allow him to develop a view of history that likewise holds different interpretations of human action in tension. Smith’s view of history develops important tensions between freedom and determinism, between the relative and the absolute, between individuals and institutions, and between rational causality and unintended consequences. An ontological, metaphysical, or empirical attempt to narrate history cannot hold such tensions together, but Smith calls on the imagination to help him narrate history more in keeping with the tensions he believes people regularly experience. For Smith the imagination is a critical tool that helps individuals come to understand others. Thus, it is essential for both interpreting history and developing moral sympathies. Because the imagination is critical for both history and morality, it allows Smith to write a meaningful story that places people’s experiences of the world into a more coherent and convincing narrative.

Maria Pia, "The Same Face of the Two Smiths: Adam Smith and Vernon Smith"

Going from personal to impersonal exchange seems to be a relevant feature that allows humans to develop complex societies and grow prosperous. Adam Smith's idea of moral imagination, embodied in the impartial spectator and achieved through sympathy, may integrate and complement today's evolutionary biology and experimental economic explanations, providing the missing key as to how we generate and internalize those rules of conduct that promote fair and cooperative behaviors.

Robin Paul Malloy (Syracuse University), "Adam Smith in the Courts of The United States"

Adam Smith in the Courts of the United States By: Robin Paul Malloy E.I. White Chair and Distinguished Professor of Law Director of the Center on Property, Citizenship, and Social Entrepreneurism College of Law, Syracuse University Syracuse, NY 13244 315-443-3559 rpmalloy@law.syr.edu Jurisprudence in the United States often invokes economic thinking in providing a rationale for legal outcomes. Perhaps more so than in any other country, the legal system of the United States has embraced the application of economics to legal analysis. In this paper I examine the way in which Adam Smith "appears" in the opinions of the courts of the United States. By courts of the United States I refer to Federal courts consisting of Federal District Courts, Federal Circuit Courts, and The United States Supreme Court. The Federal Courts are the courts of the United States as authorized in the United States Constitution; and as distinct from the fifty different State and local court systems. I identify and examine the published opinions of judges in the Federal Courts for mentions of Adam Smith and references to his books. Between the years 1796 and 2009, Adam Smith is directly referenced in 162 cases, and in legal briefs filed in 213 cases. Over time we see that Smith is cited for different purposes. In some time periods he is referenced with respect to disputes related to taxes, other times it is in connection with trade, and more recently in disputes concerning private property. Smith also shifts from being an authoritative reference to being a mere iconic punctuation point in the arguments of those seeking to promote free markets and laissez-faire. The objective of this project is to learn more about how Adam Smith has been integrated into legal discourse in the courts of the United States, and to learn the extent to which the law has understood Smith as a more than one dimensional character. The project follows up on discussion of Smith in two of my recent books on Law and Market Economy, both published by Cambridge University Press. In these books I use references to Smith in arguing for a broader understanding of market relationships than that which is typically invoked by the wealth maximizing practitioners of an economic analysis of law.

SAT3C: UTILITARIANISM, UTILITY, AND ALL THAT

Shiri Cohen (Bar-Ilan University), "Tensions between two concepts of 'Utility'"

(Young Scholar Proposal) A common claim in the history of economic thought argues in favor of strong connection between Utilitarianism and "marginal utility theory" of nineteenth century England. The origin of this belief can be found in the writings of the British economist William Stanley Jevons himself, who stated in the 1870s that the concept of utility as proposed by Jeremy Bentham in the end of the eighteenth century was "a starting point" for his own work in political economy, i.e. for the development of 'marginalism'. In my view, however, fundamental tensions lay between the two schools, tensions which Jevons had preferred to ignore, as did many researchers after him. The two projects obviously had different presumptions and motivations, but even putting that aside, basic analytical gaps existed between the two concepts of 'utility'. Thus, in this paper I would like to suggest five basic analytical tensions between the two concepts of 'utility' (the one that was employed by Utilitarians and the other that was harnessed by Jevons and his followers). By pointing out the basic five analytical tensions between the two 'utilities', a deeper understanding can be achieved of both Utilitarianism and of Marginalism. Furthermore, the fundamentals of the two distinct and sometimes conflicted streams of thought can be exposed.

Joseph Persky (Department of Economics; University of Illinois at Chicago), "Utilitarianism and Luck"

Over the last two decades there has been something of an explosion in the study of luck in moral and political philosophy. Two camps have emerged: the "democratic egalitarians," who emphasize traditional liberal political values and the "luck egalitarians," who argue for aggressive efforts to address the inequalities produced by luck in birth. Most of this literature when not ignoring utilitarianism has been openly hostile to that school. This essay aims at reopening a set of evolutionary arguments put forth by John Stuart Mill in his essay, Utilitarianism. These arguments have received little attention in the recent discussions of luck. Fundamental to Mill's position is a historical interpretation of progress as promising an ever reduced role for luck in human affairs. In effect Mill argues that over time developed societies will move from a focus on "democratic egalitarianism" to the achievement of "luck egalitarianism." Rather than viewing these as competitors for truth, Mill views them as succeeding stages. At root, progress consists of reducing the requirements of expediency and approaching a broader definition of equity.

Svetoslav Danchev (National and Kapodistrian University of Athens; Foundation for Economic and Industrial Research (IOBE)), "Bentham versus Utility-based Economics"

The economists most often use utility to model behaviour, as in rational choice theory. Sometimes they also use utility for prescriptive purposes, as in welfare economics. These approaches, free from the supposedly primitive hedonistic elements of Jeremy Bentham's psychological and ethical thought, are often viewed as an improved version of his utilitarianism. The aim of this paper is to provide evidence against the established view amongst the economists that Bentham is a primitive hedonistic predecessor of utility-based economics. The psychological hedonism in Bentham is of a rather weak form - pleasure motivates behaviour, but people are not necessarily capable of pleasure maximisation. Thus, the outcome of people's choice is not necessarily in their interest and the aggregation of people's preferences (internalistically or behaviouristically understood) is not necessarily a good indicator of general happiness. The bottom-line is that Bentham's utilitarianism might have higher degree of congruence with the findings of contemporary psychological theory then previously thought, which in addition puts his ethical thinking on firmer ground. This is a Young Scholar (32-year-old PhD student, to be precise) Proposal.

Carlo D'Ippoliti (Sapienza University of Rome), "An ante litteram critique of the Subjective Utility Theory"

John Stuart Mill wrote no comprehensive essay on psychology, although he frequently refers to the subject as a building block of any theory of human society. Rather, he usually refers to his father's 1829 An Analysis of the Phenomena of the Human Mind (James Mill, 1992), which he declares to embrace fully. However, a complete description of his own position can be inferred from frequent reference to related matters and a convenient starting point for an exposition of Mill's theory is his criticism of Bentham's theory of behaviour, underlying the latter's jurisprudential enquiries. Mill's criticisms are in some passages possibly too virulent, and they seem to apply, more than to Bentham's initial aim, to some other more extensive uses of Bentham's system, beyond its original role of guidance for a reform of the English penal law. However, Mill's original presentation of the subject in this overcritical form is interesting for the contemporary reader, due to the number of objections that instead apply as analogous to some modern extensive uses of the Subjective Utility Theory. According to Mill, two interpretations can be given to Bentham's broad definition that all behaviour is ruled by the avoidance of pain and the search for pleasure. One is that the only motive of human action is an explicit and conscious search for pleasure; the other is that we may ex-post define "pleasure" as anything that is actively sought. I will call Deductive Utility Theory the former interpretation, and Renaming Utility Theory the latter. Mill shows that the latter, by assuming that all preferences are driven by utility, amounts to a tautology, and can be of no use for prediction. However, Mill also disregards the former interpretation, due to the pervasive role of habit formation and social influences upon individuals' behavior. What remains is a complex view of the human being, largely different from the Homo Economicus hypothesis that the historiographic literature frequently attributed to Mill.

SAT3D: ESSAYS IN INTELLECTUAL BIOGRAPHY

Manuela Mosca (University of Salento (Lecce)), "Oral History: A Documentary on Antonio de Viti de Marco"

The economist Antonio de Viti de Marco (1858-1943) is best known internationally for his contribution to the foundation of a pure theory of public finance. Nothing is known about his political thought, while his private life cannot even be imagined by non Italians: the scarcity of existing information would not tell them anything about places, or periods, or atmosphere. At the national level, De Viti de Marco is well-known for his economic thought and for his political battles; however, apart from a few recollections, his private life is unknown even in Italy. The local memory of this illustrious son of Salento (Puglia) focuses mainly on the activities of his family; there is some awareness of his political involvement; his scientific works are inaccessible to the non-specialist, while there is no clear idea of what great effect his achievements had on the international scene. The memory of De Viti de Marco is therefore quite well preserved taken as a whole; but it is clearly a different one in each geographical area. This has a striking implication: if each of them is unaware of the content of the others' memory, it means that the different worlds did not speak to each other. How then could De Viti de Marco's personal and local history be made known outside the Salento, and at the same time his scientific achievements be explained to his local countrymen? How could they be made aware of the respect he enjoys abroad and the world be informed of his political activities and the range of his ideas? To reach all these non-communicating worlds, we made a documentary and a book. The documentary contains selected parts of eleven interviews, and the book contains the almost entire transcription of them. We captured the memories of Emilia Chirilli, the last first-hand witness, who speaks about De Viti's private life; his public commitment and his scientific work (also in the realm of banking and international trade, not only public finance) are described by Antonio Cardini, Pierluigi Ciocca, Domenico da Empoli, Riccardo Faucci, Ferruccio Marzano, Ruggero Paladini, while Pier Francesco Asso, Steven Medema, Richard Wagner and James Buchanan highlight De Viti's fame in the Anglo-Saxon world. This paper is about the making of this documentary, a piece of oral history intended to enrich the knowledge deriving from written sources.

Daniela Parisi (Univbersita' Cattolica (Milan), "Econometrics at the Catholic University of Milan (Italy) in the Forties and Fifties."

The Faculty of Economics of the Universita' Cattolica in Milan (Italy)and Luigi L. Pasinetti are the protagonist here: the Italo-Cantabrigian economist and econometrician held the first fullprofessorship in Econometrics in Italy, and in 1965 he became the first professor of Econometrics in Italy, teaching from the chair of the Faculty of Economics at the Catholic University of Milan. The essay touches upon the economists who set Luigi Pasinetti on the way of Econometrics, i.e. Marcello Boldrini (1890-1969, Albino Ugge'(1899-1971) and Siro Lombardini (b. 1924).

John Berdell (DePaul University), "Hume's Politics in the Wake of Adam Smith's."

Abstract Historians of economics are now well aware of the thoroughgoing revision of Adam Smith's politics launched by Donald Winch in the 1980's and subsequently extended to consider nearly every interface between Smith's treatment of economics, politics and the law. A similarly sweeping reconsideration of David Hume's political philosophy has gone less well attended, but has equally powerful and controversial implications for our understanding of Hume's contributions to social thought and political economy.

Michael Perelman (California State University: Chico), "William Petty's World: Luck, Pluck, and a Brilliant Mind"

The tumultuous times in which William Petty did his pioneering work in political economy occurred also offered him extraordinary opportunities. In his effort to accumulate more wealth and power, his arrogance and ambition got in his way, creating more troubles than he needed. Fortunately, these troubles spurred and shaped his work in political economy.

SAT3E: ECONOMIC IDEAS AND STATECRAFT

Birol Çetin (Gaziosmanpaþa University Tokat Turkey), "State as the Source of Wealth in Ottoman Economic Thought: A different approach to reflections in the aftermath of the global crisis"

SUMMARY The present study deals with how the ways of creating wealth by economical activities was perceived in Ottoman state tradition and the part played by the state in it. In this context, how the state achieved the economical power will be explained through examples of practices. With the latest global crisis, role of the state in the economics has been raised, and even the science of economics, despite so many years of historical experience, has been debated. In fact, it is the corrupted state concept that should be re-evaluated and re-established. Otherwise, re-evaluation of fundamental issues such as market system or freedom of enterprise wouldn't contribute much to the solution of the problem.

Anna Klimina (University of Saskatchewan), "Ideas of Constructed Market in Imperial Russia: Constitutional Liberalism of Peter Struve (1870 – 1944)"

The objective of this paper is two-fold. Firstly, the paper aims to analyze an economic scholarship of Peter Struve (1870 – 1944), the only academic economist who openly advocated Western-type liberalism in pre-Revolutionary (pre-1917) Russia. This analysis is considered to be of value as presently Struve's scholarly achievements remain virtually unknown not only in North America but also in Russia due to the lack of professional economic studies of his works. Secondly, this paper intends to determine the appropriate place in the multifaceted structure of the 20th century liberalism in which to situate Struve and his concept of "liberal Russian nationalism", or "constitutional liberalism". In particular, this paper discusses the historical background behind Struve's economic and political views, examines the Russian and the European sources of Struve's liberalism and provides brief summary of the main themes of his economic research that best represent doctrinal structure of Struve's thought. Emphasis is given to Struve's analysis of price theory that was done primarily within the Marshallian tradition. At the same time this paper asserts that the main pillar of Struve's economic scholarship is his concept of legal, or constitutional, liberalism, which he contrasted with free-market liberalism of classical economics. Struve believed that under Russia's conditions of backwardness and missing institutional liberties the only way to a non-violent transformation of an autocracy into well-ordered constitutional monarchy (state run by law) is through the formal constitutional process that is sanctioned by the national political authority (in his case, the monarchy) itself. Struve argued that a supreme political power is required to institute the rule of law, constitutionally order a free market, legally define the prerogatives of sovereignty in society and officially secure institutional liberties to progress. It is concluded that Struve's project of "liberal Russian nationalism", despite been presented by Struve in rather embryonic form, was similar to what later, in 1930s-1950s, emerged as an Ordoliberal variety of neoliberalism in Germany, and in 1960s as a constitutional political economy in the United States.

Alexandre Cunha (Federal University of Minas Gerais), "Cameralism and police in the enlightened reformism: economic ideas and the administration of the State in Portugal during the second half of the 18th century"

The international diffusion of the economic ideas in the context of the enlightened reformism is the main reference for the discussion presented here. In different parts of continental Europe, cameralism and police, either in its Germanic and French traditions, contribute to of the goals of centralization of the State power, modernization of the public finance, control of the population and promotion of the public happiness. The reflection upon cameralism and police in this context offers then suggestive insights into the articulation between the economic ideas and the administration of the State. The Portuguese case is an interesting example of how those ideas are assimilated and put in practice. The text firstly presents the characteristics of the Portuguese enlightened reformism and its place in the history of economic thought. After that, cameralism and the police are investigated, with particular attention to the role that the "police matters" played in the assimilation process of the cameralistic doctrine in Portugal. Finally, the paper discusses two examples of that process of assimilation (as well as utilization and promotion) of these economic ideas, in the public finance administration and in the technical formation of the public officers.

SAT4A: ISSUES OF METHOD

Lawrence Boland (Simon Fraser University), "Models versus Theories: a generation gap"

"In economics (as in physics) what we refer to as a theory is more a set of basic premises – a point of view that delineates the phenomena to be explained and modes of acceptable explanation – than a set of testable propositions. The theory points to certain phenomena and key explanatory variables and mechanisms, but generally is quite flexible about the expected conclusions of empirical research, and a wide class of models is consistent with it." [Nelson and Winter 1974, p. 886] This paper reports on an ongoing research project that examines how models are viewed in modern economics. The project is a follow-up on my 1989 book about the methodology of economic model building. That book was more about how methodologists and philosophers might view models than what I want to do now. In it I discussed the separate steps one would take to build a model of a theory and the limits of using models to test theories. Much of that involved dealing with the Duhem-Quine thesis that is well-known to philosophers of science. For this follow-up I want to look at models from a perspective that is closer to where "the rubber meets the road". With this purpose in mind, I decided to ask a wide range of economists (who all see themselves as model builders) how they viewed model building in their respective fields. What I found was a major generation gap. I asked my survey subjects to read the above quotation from a well-known article by Richard Nelson and Sidney Winter. I found two different responses. On the one hand, the older generation of economists I talked to all said they understood clearly what was being said about the distinction between theories and models – many even suggested examples of what was being said. On the other hand, the younger generation usually said they did not understand the point that Nelson and Winter were trying to make – obviously, they had never read my book – hmm. Although it was not by design, it turned out that the older generation of economists usually included those who obtained their PhDs before 1980 while those of the younger generation obtained theirs much later. My main intention was to ask my subjects to discuss the alternative ways of modeling in their respective fields and then discuss the purposes and limitations of the various ways. And finally, I intended to ask them to discuss possible alternatives to modeling in their respective fields. I thought this approach would prepare me to discuss model building in modern economics. Unfortunately, it turned out that the younger generation had a profound difficulty answering these requests even though the older generation had no difficulty. Coincidentally, during the time I was conducting these interviews, a famous game theorist came to Simon Fraser to give us a seminar on his current research. During his talk he frequently referred to models and theories but did so interchangeably. It seemed that to the famous model builder, different models were different merely by including additional behaviour elements in the form of a new math object or element. Also, building the theory is done with explicitly formal elements – not representations of existing non-math elements of the theory as I discussed in my 1989 book. So, I had difficulty understanding what he was saying since I was trying to interpret his view in terms of my book. Surely, I thought, such a famous economist would understand model building as I do. But, clearly, my expectations were wrong. At first this was puzzling until I looked up when he got his PhD and discovered that it was after 1980. This, of course, requires further investigation but it appears that my younger colleagues are not so strange after all. In this paper I will offer an explanation for the discovered generation gap as well as explain how the two generations view models and theories.

John Hart (University of KwaZulu-Natal), "Terence Hutchison and the M2T group"

In the late 1950s and early 1960s a group of economists at the London School of Economics mounted a regular staff seminar in methodology, measurement and testing - dubbed M2T. Led by Archibald and Lipsey, they wanted to replace Robbins's methodology and were - via Agassi - introduced to the ideas of Popper. Already in 1938, Hutchison had criticized Robbins's methodology and introduced Popperian ideas to economics. As noted by de Marchi, Hutchison might accordingly have been regarded as a natural ally by M2T. While Klappholz and Agassi acknowledged their debt to his 1938 intervention, Hutchison's work was nevertheless largely neglected by the group. The paper attempts to explain the uneasy relationship between Hutchison and the M2T group. Hutchison, after all, influenced the group and yet was neglected by them. Apart from other factors such as Friedman's influence, two issues appear to shed light on the relationship. The first concerns the difference between Hutchison's and the group's response to Popper, in particular the view that Hutchison followed falsificationism rather than critical rationalism. The second revolves around the question of empirical testing in economics. Discussion of these issues illustrates the continued relevance of Hutchison's approach.

Michael Tratner (Department of English), "From Mercantilism to Capitalism: A Biological History"

From Mercantilism to Capitalism: A Biological History The transformation from mercantilism to capitalism is not merely a change in economic thought: rather, it is part of a vast change in notions of what human beings are, a change seen perhaps most clearly in the shift in biology from humoralism to vitalism. In the humoral worldview, an individual human body only maintains its structure because of the surrounding environment, which creates the structure of each individual via flows (of humors, vapours, ethers) into and out of the body; in other words, a "balance of trade" produces individual identity. Regulating flows (e.g., bleeding) is a crucial part of maintaining health. Mercantilist economics builds on this model, presuming that the national "body" also has its shape due to the balance of flows in and out, requiring active intervention (e.g., tariff regulations). Gradually during the 17th and 18th century, humoralism declined in favor of "vitalist" theories that the individual body is a self-regulating mechanism. Economic commentators such as David Hume similarly developed theories of the "self-regulating mechanisms" of specie flow, which, as Jacob Viner argues, were crucial to mercantilism's "collapse." Adam Smith's Inquiry into the Nature and Causes of the Wealth of Nations completes the new, vitalist model: he first demonstrates that the nation has an internal self-regulating structure (the division of labor), and then, in his blistering attack on Mercantilism, he argues that efforts to control flows of capital produce diseases within the nation. Smith directly draws on a medical analogy to make his argument, saying policies favoring British colonies are like a "great blood vessel which has been artificially swelled beyond its natural dimensions, and through which an unnatural proportion of the industry and commerce of the country has been forced to circulate." He goes on to say that the humoral cure for this disease--bleeding--is equally a nightmare: "the expectation of a rupture with the colonies" creates "more terror than the Spanish Armada." The cure instead is to remove interventions and allow Britain to return to its "natural" structure. In the paper, I will examine biological metaphors used by some early mercantilists (Thomas Mun, Gerard de Malynes, Edward Misselden) and the quite different ones used by Adam Smith and 19th century economists such as Nassau Senior. To help understand the relationship between shifts in biological conceptions and shifts in economic theory, I am also going to turn to literary texts, because in them we can see how concepts in biology and economics became metaphors which shaped the stories people told about themselves. Shakespeare's works are mercantilist and humoralist, using economic and biological metaphors to emphasize the importance of "trade" as the source of "increase" (of wealth, of health, of passion, of national strength). Those metaphors contrast with the economic and biological terms in eighteenth and nineteenth century literary works, which present contact with foreign "others" as dangerously liable to "bleed" away the value found within individuals and the nation; instead long storage and slow growth (of bodily traits, of capital) are the methods of increase.

SAT4B: ALTERNATIVE PATHS TO KNOWLEDGE

Marcel Boumans (University of Amsterdam), "Economics as a hard science: early postwar adoption of the computer in economics"

Economic systems, like national economies, are complex systems, which representations (e.g. macroeconomic models, national accounting systems, input-output tables) mirror the same complexity. So, therefore, it is not surprising that as soon as the electronic computer was developed, economists, like Leontief and Morgenstern, saw immediately the possibilities it may offer to economics. In fact the history of the computer consists of two different kinds of developments: the digital computer and the analog computer. At the end of the 1940s and the early 1950 – so very early in the history of the electronic computer – economists explored these new devices in various ways. While Leontief mainly used this new device for calculating purposes, others used it for simulations: Phillips and Newlyn (1950), Morehouse, Strotz and Horwitz, (1950), Enke (1950), Simon (1952), Strotz, Calvert and Morehouse, Smith and Erdley (1952), Strotz, McAnulty and Naines (1953), Smith (1953). This paper discusses these early attempts of adoption of this new scientific tool. This adoption included the promise of economics (or more generally) social science reaching the same (high) level of the hard sciences like atomic physics. There would be no difference between these disciplines with respect to methods and technology, only the questions would be different.

Juan Zabalza (University of Alicante), "The Institutionalisation of Political Economy in Spain. Spanish Economic Periodicals (1900-1960)"

Periodicals, and more precisely, scientific journals, represent one of the main supports through which science in general and economics in particular is communicated. Accordingly, the nature and grade of development of such scientific media constitutes a reliable indication of the grade of modernisation and institutionalisation of a certain scientific discipline in a country. The analysis of economic periodicals involves addressing questions like the role played by such publications as a way of disseminating the scientific findings, their contributions to the economic debates at the time, their possible influence on the economic policy, their grade of scholarship, their contribution to the development of political economy and many others. Coming to grips with such questions demands the analysis in-depth of the content of the journals, their contributors, the motivations, goals and ideology of their promoters, the significance of this way of scientific communication regarding others like handbooks or monographs and so on. The paper tries to shed light on the institutional evolution of political economy in Spain by analyzing such area of the structure of scientific communication during the period 1900-1960. From the beginning of the century, Spanish economists gradually began to publish their contributions, which in some cases centred on theoretical issues, in a number of journals such as Revista de Economï¿½a y Hacienda, Revista Nacional de Economï¿½a or Economï¿½a Espaï¿½ola which were connected to different groups of interests. After the Spanish Civil War (1936-1939), however, the structure of scientific communication changed dramatically as the first academic journals were founded by economists themselves. Despite such journals did not include any original contribution to economics, they gradually became recognised as a discussion forum in which Spanish economists debated about the recent changes in the patterns of economics and particularly on Keynesianism It should be remarked how periodicals escaped, at some extent, to the Francoist censorship and therefore constituted a privileged way of introduction of foreign economic ideas.

Ramon Garcia Fernández (Sao Paulo School of Economics - Getulio Vargas Foundation (FGV/EESP) - Brazil) and Huáscar Fialho Pessali , "The first quarter of a century of rhetoric and economics: a balance"

Abstract: In 1983 Deirdre McCloskey wrote a pioneering paper that launched the reflection on the process of argumentation, i.e., of rhetoric, in economics. A number of books and articles were later published within this perspective. In this paper, we make a review and balance of the achievements of this research program. With this goal in mind, we initially make a short review of the history of Rhetoric, pointing to its central place in Western culture up to the Modern Age, and then to its decline after that moment and especially throughout the 19th Century and the first half of the 20th. We then emphasize the increasing interest in this field from the 1960s onwards. This revival, combined with a new attitude towards the analysis of science and of scientific knowledge, revealed to be a fertile soil for the emergence of a new interdisciplinary field, the rhetoric of science. The movement eventually made an impact in economics in the early 1980s. The paper attempts to put together its main theoretical characteristics, and review some important analyses written under this perspective. Finally, we make a balance of its trajectory, stressing both its achievements and its problems, trying to understand why the rhetoric of economics, despite its significant initial impact among economists, has not established itself as a normal science yet.

Neil Skaggs (Department of Economics), "For the Love of Truth: Henry Thornton's Stance on the Bullion Committee Debates"

In February 1797, in reaction to what appeared to be an imminent invasion of England by Napoleon's armies, the British Government ordered the Bank of England to suspend payments in gold. The Bank of England managed its paper currency reasonably well down to 1809, when the price of bullion rose sharply and the pound exchange rate fell. In response, the House of Commons formed a committee to look into the situation. The major figures on the committee were Francis Horner, William Huskisson, and Henry Thornton. After issuing the Committee's Report, Thornton made two speeches on the floor of the House of Commons. In these speeches, Thornton appeared to be relatively unconcerned about the actual policies being debated, but he was extremely concerned that the true theory of how the British monetary system worked be stated clearly. Thornton appears to have been far more interested in truth than in winning the policy debate.

Mauricio Coutinho (State University of Campinas (UNICAMP)), "Law and Berkeley on non-metallic monetary systems"

John Law and George Berkeley are two of the most distinguished 18th century proponents of monetary systems based on paper money issuing. Law's theoretical performance "… places him in the front rank of monetary theorists of all times..." (Schumpeter), and is nowadays largely acknowledged, especially after Antoin Murphy's rigorous biographical assessment. Berkeley's land bank proposal, in spite of the theoretical lacunae of his arguments, displays the strength of the first class moralist and philosopher. Although Berkeley's land bank proposal is clearly based on Law's proposal, it may be argued that there are significant differences between the analytical frameworks underneath both proposals. Berkeley seems in The Querist to be quite unaware of the full international and monetary implications of a paper money system, whereas Money and Trade Considered displays Law's fluency on balance of trade and rate of interest debates. More-over, Money and Trade Considered is influenced by a largely debated 17th and 18th century issue, the variation of the value of money, a non-issue to Berkeley. That is, although Law and Berkeley share the perspective that trade is dependent on money, and defend paper-money issuing, their understanding of the characteristics a monetary system should have is quite different. The purpose of the paper is to provide a comparative assessment of the analytical framework of Law's Money and Trade Considered and of Berkeley's Querist. I think that an exploration of their differences might be instrumental in displaying some important features of the 18th century monetary theory, in special the connections among money, exchange rate and interest rate. Inter-currency relations (exchange rate), the coexistence of metallic and paper money, as well as the roles performed by money, are the main issues in debate.

Arie Arnon (Economics), "Baring, Boyd and Bullion: The Two Polar Views Taking Shape before the 1810 Bullion Committee"

The Restriction period began in England in February 1797 when, under the shadow of a run on the banking system, the sovereign suspended the specie convertibility of Bank of England notes. The suspension of cash payments remained in effect until 1821 and marked a crucial turning point for both banking theory and monetary policy. The first round in the debate occurred in 1801-4, with the publications of the Bullionists Walter Boyd (1801), John Wheatley (1803) and Peter King (1804), and their opponents Francis Baring (1801) (an anti-Bullionist) and Henry Thornton (1802). David Ricardo entered the scene of political economy via the second round of the debate in 1809-11. He has since been strongly associated with the Bullionist position, although he presented an extreme version of Bullionism which was very similar to Wheatley's. That second round of debate also brought us the famous Bullion Committee whose report was written by Francis Horner, William Huskisson and Thornton. The Restriction was one of those sudden events that changes the way things are done and forces people to rethink the obvious. For most mainstream monetary theorists in the eighteenth century, certainly those who remembered Law and concluded that the precious metals provide the only solid basis for the monetary system, convertibility was a presupposition. Suddenly this was not the case; the monetary system lost its anchor, and it did so under the order of the sovereign. There was no theory to assess the implications of the sudden change; some, as we know, expected the worse. However, for three years the inconvertible system functioned, and functioned relatively well. There was no inflation, no loss of trust in the (inconvertible) bank notes and in the financial system in general, and no decline to barter as some feared. The first serious attempt to analyse the new arrangements, to come up with a theory that would address the new conditions, was that of Boyd. But instead of explaining how an inconvertible system can and should work, he criticised it and proposed a return to convertibility. Thus, Boyd and the other Bullionists, in fact avoided the challenge by bringing back the old system and adopting what is basically a Humean or Smithian point of view. On the other hand, the defenders of inconvertibility did a poor job. Baring, their better known representative, used in 1801 political arguments, like claiming that the Restriction was an emergency measure that fit the needs of financing the war efforts. He did not provide a persuasive framework that could justify and explain the working of an inconvertible system. The most serious attempt to rise to this challenge had to wait another year, for the publication of the seminal treatise of Henry Thornton in 1802. By presenting the protagonists, Boyd and Baring, the paper will draw the lines that a few years later defined the poles of the famous round in the debate in 1809-11, the one that brought us the famous Bullion Committee of 1810.

Altug Yalcintas (Phd, Research Fellow, Ankara University), "The 'Coase Theorem' vs. Coase Theorem Proper: How an error emerged and remained uncorrected for so long"

This is a young scholar proposal. The 'Coase Theorem' contradicts the main message of Ronald Coase's 'The Problem of Social Cost' (1960). A survey conducted by the author shows that of about 40 most cited articles on the 'Coase Theorem,' 75 percent misrepresent Coase's contribution. Path dependent evolution of the 'Coase Theorem' is the main reason why it has remained uncorrected for so long. Even almost 50 years after the publication of the original article, the consequence of the initial condition under which Coase's contribution was first formulated – that is, George Stigler's Theory of Price (1966) – is not eliminated.

Claire Silvant (University Paris 2), "Inheritance, Property Rights and Taxation in the mid-19th Century French Liberal Thought"

(Young Scholar Proposal) The egalitarian law of inheritance established by the 1804 napoleonian Code Civil began to be questioned by the French liberal economists in the middle of the 19th century. This contesting relied on moral, political and economic arguments. This article firstly aims at describing and analyzing the theoretical arguments of these economists in the economic field, expanding the study undertaken by Erreygers (1997) and Steiner (2008). We highlight an opposition between the most of the Liberals which are against Bentham's conception and support the freedom of bequest, and some other authors (Jules Dupuit, Pellegrino Rossi...) which stand up for a state regulation of inheritance. Secondly, we link up the debate on inheritance to the more general discussion about property rights which divided the French School in the same period, using the works of Sigot (2009). We show that the division on inheritance reflects the oppositions on the question of natural or legal rights. Finally, we connect the theoretical positions of these authors on property rights and on the liberty of bequest to their recommendations of fiscal policy, particularly about inheritance tax. The specific contribution of this article is double : it analyzes the economic arguments about inheritance in the light of the discussion on property rights ; and it connects the theoretical positions to recommendations of public policy.

Nicola Giocoli (Dept. of Economics - University of Pisa), "Games judges don’t play: predatory pricing and strategic reasoning in US antitrust (1975-2000)"

The history of the law and economics of predatory pricing is peculiar on account of the seemingly inescapable contradiction between the legal habit of condemning a business practice on account of its possible unfair and inefficient effects and the necessity of providing an economic rationale for the condemnation without undermining the essence of competition itself. The apparently rock-solid equation “low price = good price” makes such a rationale neither immediate nor easy to find – and predatory pricing such an interesting issue from the viewpoint of historians of economics. How to circumvent the equation has been the challenge for several of the most brilliant minds of postwar microeconomics, as well as for outstanding law scholars. It is a fascinating story, with deep implications for at least two major historiographic issues. First, the evolution of neoclassical economics, as embodied in one of its most important branches, industrial organization. Second, and strictly related to the conference’s main theme, the relationship between the formal results of theoretical economics and their concrete applicability: in short, what kind of economic argument may be accepted in legal practice? And, conversely, how and when did the practice of industrial economists manage to find hearing in courts? This paper is the second in a pair dedicated to this story. The first paper covered the period from the 1950s to the early 1980s, that is to say, it stopped at the verge of the game-theoretic revolution in industrial organization and, above all, at the first implementations of the fundamental Areeda & Turner test for assessing predatory pricing. The present work will focus on the period 1975 – 2000, covering the above-mentioned revolution, its relationship with a couple of remarkable Supreme Court’s decisions and the evolution, in both the theory and the law, of the various tests of predation which stemmed from the Areeda & Turner one. Its main thesis is that the traditional dichotomy between alternative legal standards, those based on “stories” and those based on “rules”, provides the key for interpreting the evolution of economists’ and legal scholars’ thought about predatory pricing and, more generally, for explaining under what conditions a theoretical statement may have an effective policy impact, especially in courtrooms. What it turns out is that courts may well embrace, in different periods of time, either a rule-based or a story-based standard, but only conditionally on their conforming to the way legal arguments are usually advanced in courts. This explains why the most recent, and most sophisticated, stories of predatory pricing told by economists with the support of rigorous game-theoretic arguments have had an extremely hard time, and very little chances of, being welcomed by courts.

Tom Scheiding (Elizabethtown College) and Tiago Mata (Amsterdam School of Economics (ASE), Universiteit van Amsterdam) , "What Doesn't Kill You Makes You Stronger – Public Image, the State, and Research in Economics, 1970-1985"

Although scholars, through scholarly societies, lay claim to organize, represent and unify the interests of scholarship, patrons play just as important a role in molding, influencing, and unifying the activities and priorities of research. Over the course of the twentieth century the funding of research has become more diversified. As the number of actors have increased, the negotiations between scholars, scholarly societies, and employers intensified. These negotiations have been over the public's image of the value of economics, the identity of the economist as a researcher or as a bureaucrat, and over whether the discipline of economics should have explicit and unifying research priorities. Starting in the 1970s and continuing through the 1980s there began a dramatic change in the patronage provided to scholars in the social sciences. In this paper we explore the battles waged by economists, research patrons, and the public over the structure, trajectory, and motivation of the research activities of economists. We find that economists, unlike other social scientists, were relatively successful in portraying themselves to research patrons and the public in such a way that they were able to secure more funding for their research and were able to garner more respect and authority.

Atsushi Komine (Clare Hall, Cambridge and Ryukoku University), "Beveridge on a Welfare Society: State, Market and Community"

This paper re-examines the works of William Henry Beveridge (1879–1963)\who is associated with the development of the welfare state through integrating the trilogy published in his later years: Social Insurance and Allied Services (1942), Full Employment in a Free Society (1944) and Voluntary Action (1948). These three works addressed the issues of social security, full employment and civil society. We will seek to clarify his implicit ideal: that is to say, the construction of a welfare society, as distinct from the so-called welfare state. He tried to envision a coexistence of social security and full employment in a civil society. He emphasized not only human rights but also civil duties. His immediate goal was to guarantee a national minimum by making the economy work efficiently. His ultimate goal was to recuperate a human balance between political, economic and social areas: to create a world in which motives other than mere self-interest govern the conduct of public life. He combined various elements of his arguments, albeit that his critics have noted inconsistency, in a single vision of an ideal world. If we interpret Beveridge's ideas in the above way, his message would be still relevant to us, who are struggling to conquer failures of the so-called welfare state. Beveridge was not only an architect of the welfare state in a narrow sense but also a designer of a welfare society in a broader sense. Beveridge had a comprehensive idea of welfare that helps demonstrate the diversity of welfare economics in this period.

Sherry Kasper (Maryville College), "Edmund S. Phelps as Public Intellectual"

In 2006, the Royal Swedish Academy in Sciences awarded Edmund S. Phelps a Nobel Prize in economics “for his analysis of intertemporal tradeoffs in macroeconomic policy” (Sveriges). In a 2007 autobiography, he noted the exceptional opportunity receipt of the prize afforded him: “the Nobel award is so extraordinarily public – and on a global scale. With the press conferences and media coverage, a great many people come to know your name and think of you for a range of invitations” (Sveriges). This keen interest in discussing the implications of his scientific work for the general public is not new; in fact, unlike many economists, over the course of his career he has increasingly participated in public discourse about economics. This paper will summarize his contributions as a public intellectual, their relationship to his scientific work, the motivation his public-intellectual work, and a discussion of the implications of his public contributions for both economists and society. The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2006. 2009. Nobel Foundation. 14 February 2009 http://nobelprize.org/nobel_prizes/economics/laureates/2006/index.html.

James Ahiakpor (California State University), "The Ricardian Equivalence: A Necessary Condition for the Inefficacy of Fiscal Policy?"

Robert Barro (1974) popularized the notion of the Ricardian Equivalence of bond and tax-financed government expenditures. The argument is supposed to contradict the notion that taxation directly substitutes government spending for private-sector spending whiles bond-financed expenditures are expansionary. The general public anticipates that government borrowing to finance deficit spending entails higher taxes in the future and immediately save enough currently to pay the future tax liabilities. Even parents anticipating their death before the arrival of the tax liabilities would save enough to make bequests that take care of the higher taxes of their heirs, Barro (1989) subsequently argues. Thus, besides the necessary functions of government that Adam Smith, for example, enumerates to be financed by tax revenues, government expenditures have no expansionary effect on an economy. This is a powerful argument to undermine Keynesian fiscalism. Some historians of economic thought, including O'Driscoll (1977) and Blaug (1996), have been skeptical of Barro's attribution of the Ricardian Equivalence to David Ricardo himself. Barro (1989) invokes Stigler's Law, the proposition that "nothing is named after the person who discovered it," in defense of his attribution of the equivalence idea to Ricardo. In this paper I investigate the extent to which Ricardo's skepticism of public expenditures as being conducive to economic prosperity may be claimed to be equivalent to what Barro argues. It may well be that Ricardo argues the concurrent equivalence of bond and tax-financed government spending rather than the intergenerational transfer argument that Barro articulates. If so, Ricardo's reservations more seriously undermine Keynesian fiscalism than Barro's argument. Ricardo's argument also would be more relevant to cautioning against belief in the beneficial effects of expansive government spending in recent times.

Don Mathews (College of Coastal Georgia), "The Odd Journey of an Idea: From the Invisible Hand in 'The Wealth of Nations' to the Invisible Hand in Modern Economics"

The metaphor of the invisible hand, used only once and in an almost obscure way in a specific context by Adam Smith in his 'Wealth of Nations', has been transformed into a concept of enormous prominence and importance in economics, a prominence and importance that Smith could have never intended or imagined. How did that happen? This paper offers an explanation for the transformation.

Mike Bradley (University of Maryland, Baltimore County), "The "Invisible Hand-Out?" Smith, Mill and Marshall on Markets and Inequality"

Adam Smith, John Stuart Mill and Alfred Marshall shared a concern over excessive inequality of wealth and income, along with an attachment to individual choice, free markets and a minimal economic role of government. In this paper, I address the question of the size distribution of income, or the degree of inequality. Is there anything in Smith's, Mill's and Marshall's analysis that would reduce inequality of wealth and income in a growing free market economy? I begin with Smith's version of the Invisible Hand in Theory of Moral Sentiments—in particular, his assertion that in making their spending choices and pursuing their own ends, the rich generate the same result as if "nature" had made an equal distribution of wealth and resources. The paper will draw from Theory of Moral Sentiments, Wealth of Nations, Lectures on Jurisprudence, Correspondence, and secondary literature. I analyze John Stuart Mill's familiar assertion that the laws of production are independent of the distribution of wealth. Although he was skeptical of income "leveling" schemes, he did argue for progressive taxation, subsidized education, and reducing income inequality—consistent, of course with "liberty." Although he was perhaps more concerned with the inequality of distribution of wealth and income, Mill was skeptical of "levelling schemes" that would violate liberty and destroy incentives. He did however, advocate a number of policy interventions--universal education, progressive taxation, estate taxes, etc.--that would reduce inequality. As an optimistic Victorian, Marshall thought that a large part of attaining higher living standards for the poor and working classes is rising output and income—a sort of rising tide raises all boats argument. He was also optimistic that individuals would become more benevolent as their incomes rose, so that the rich would provide more support for the poor voluntarily. He shared Mill's views on investments in education and human capital, as well as progressive taxation. One thing that emerges is all three looked for something beyond self-interest and competitive markets to reduce inequality—"sympathy," education producing people who were producers and better people, and "economic chivalry," for example.

David Andrews (State University of New York at Oswego), "The Price Level in the Keynes-Hayek-Sraffa Exchange of the Early 1930s"

The debate over monetary theory and policy among J.M. Keynes, Friedrich Hayek and Piero Sraffa in the early 1930s stands out as a remarkable event in the history of economic thought. Leading representatives of three significantly different approaches to economic theory engaged head to head on central theoretical issues in major economics journals. Keynes's Treatise on Money was published in 1930. Hayek wrote a highly critical two part review of Keynes's book that was published in 1931 and 1932. Hayek's Prices and Production was first published in 1931. Keynes's response to Hayek's review, which morphed into a review of Hayek's book, was published in 1931. Hayek then wrote a response to Keynes's rebuttal. Keynes invited Sraffa to intervene with a review of Hayek's book and that review was published in 1932. This brought a response from Hayek which was followed by a further comment by Sraffa. While the episode has received considerable attention in the literature, one important aspect has been overlooked, namely, the fact that on one issue, the use of the indexes of price levels, Sraffa and Hayek were united in opposition to Keynes. While price indexes played important roles in Keynes's theory, both Hayek and Sraffa argued that they should play no role in monetary theory. This paper is concerned to examine this aspect of the exchange. This paper begins with Keynes's early essay on price indexes and his theoretical position in the Treatise on Money. Then it examines the nature of Hayek's explicit objection. Next the paper turns to Sraffa. He did not develop his own objection to the general price level in detail, and he appears to commend Hayek's position. Nevertheless, I argue that this appearance is misleading and that Sraffa's position is best understood in the context of his other writings on value theory. Hayek's objection was based on the Austrian theory of capital and the subjective theory of value. Sraffa was sharply critical of both of these theories. Sraffa's objection appears to have been based on Ricardo's conclusion that it is impossible to discover an invariable measure of value. The paper next examines Keynes's response to these objections, and concludes that while Keynes first defended his original position from both Hayek and Sraffa, he later came, in the General Theory of Employment, Interest and Money, to hold the position that Sraffa had taken.

Yusuke Yoshino (Postdoctoral Research Fellow), "Are Their Evolutionary Theory Darwinian? --Examining dialogue by F.A. Hayek and Kinji Imanishi--"

In this paper, I will attempt to compare the evolutionary theory of Friedrich Hayek (1899–1992) with that of Kinji Imanishi (1902–1992) by examining three of their conversations, which were held in Japan in 1979. Presently, many researchers hardly focus on their discussions because it seems that their opinions were highly antagonized. Hayek introduced the concept of cultural evolution in. Further, in his last book, he repeatedly referred to cultural evolution spontaneous order. His intertwined ideas are central to his late social philosophy. His evolutionary theory can be summarized as follows: 1) irrationalism, 2) selection of rules of conduct, and 3) diffusion of institution. Furthermore, in the discussions, he defines spontaneous order to be self-generating order. Hayek distinguished his cultural evolutionism to social Darwinism what Darwinism simply extend. On the other hand, Kinji Imanishi, formerly a professor of natural anthropology at Kyoto University, Japan, was a famous twentieth century scholar distinguished for his contributions to ecology, anthropology, and evolutionary theory. He also introduced lifestyle partitioning in Japanese) and species-society called special by Imanishi as his key concepts. These concepts illustrate that insects and animals live separately, and thus, individuals and species are a whole. However, Imanishi differentiated his theory from Darwinism and social Darwinism. His evolutionary theory can be characterized as follows: He opposed the Darwinian concepts on the following aspects: 1) natural selection, 2) mutation, and 3) survival of the fittest. Furthermore, in his discussions, he strongly opposed Hayeks evolutionism because he considered Hayek's theory to have adopted the concept of natural selection. However, I can find some common points in their discussion. For example, Imanishi admitted to the concept of Hayek's self-generating order. In addition, I will stress that their evolutionary theory can be understood in the context of one of Darwinism. Thus, upon examining their discussions in terms of the evolutionary theory or social philosophy, I will suggest that their assertions were complementary to each other.

Robert Van Horn (University of Rhode Island), "“Comrades in Arms: An Exploration of the Political and Intellectual Relationship of F. A. Hayek and Aaron Director (1945-1950)”"

This paper will explore the political and intellectual relationship of F. A. Hayek and Aaron Director. Exploring the relationship of these two figures is useful, not only because it is about two of important conservative economists of the 20th century, but also because it leads to insights about the rise of the postwar Chicago School. This paper will advance three claims. First, Director very much shared the worldview that Hayek advanced in The Road to Serfdom, and should be viewed as a disciple of Hayek in the immediate postwar period. Second, arguments in The Road to Serfdom served as a point of departure for Director's Chicago Law School-based investigation (1946-1952) of the legal foundations of capitalism. Third, the postwar Chicago School should be viewed, at least in part, as a political movement. In conclusion, this paper to explores the historical implications of recognizing the influence of Hayek on the rise of the Chicago School, particularly on Chicago law and economics.

SUN1D: KEYNES AND CONTROVERSY

Amos Witztum (London Metropolitan University), "Keynes's Digression and the role of Governments"

The debate about Keynes seems to have been stretching from the one end where Keynes seemed to have argued the complete abolition of equilibrium analysis to the other where Keynes is viewed as merely tweaking with the margins of neo-classical economic analysis. It is quite clear that Keynes did not mean the former extreme as he has not really offered any insight into the significance of those axioms he attributed to individuals and which would destroy equilibrium analysis. Moreover, as he was discussing aggregates, it is not entirely clear how his attributes to individuals translate into an aggregate. On the other hand, the tweaking of equilibrium approach creates a logical inconsistency which is not very easy to bridge. Indeed, in spite of Keynes's expressed motivation to contest the universality of what he calls the 'classical' conception of the labour market's mechanism, according to the General Theory he has not really parted way with that school. For one, he famously agreed that once we are in full employment, the classical school 'comes to its own'. But more importantly, in spite of the failing of the labour market, he clearly believed that the classical model allocates all the employed resources well. He does so, in spite of a general complaint about the failure of society to provide an acceptable distribution of income, which he clearly interprets as a question of the relationship between wages and the interest rate. Therefore, implied by this is that the problem society really faces is that of multiple equilibria which are all, in a somewhat peculiar way, efficient. To be precise, Keynes's views imply that the competitive paradigm produces efficient allocations with respect to those who participate in the system. As only one of these allocations would also entail full employment, the role of government—in a similar manner to that in modern welfare economics—is to find ways of shifting the economy from one decentralised (and ostensibly, efficient) equilibrium to another. Evidently, the decentralised nature of efficient equilibria suggests that whatever the government does, it must remain exogenous to the system and thus, in spite of Keynes's use of a notion of socialising investment, he does not propose for governments to become part of the system but merely to induce the system to move into a specific direction. In this sense, he remains completely respectful of the major tenets of the 'classical' paradigm. Whether or not this amounts to a revolution is not entirely clear. If indeed one interprets neo-classical economists like Marshall or Walras and the real classical school a la Smith and Mill as advocating no government intervention, Keynes's position constitutes a revolution. But if one examines the classical position more carefully, this may seem rather as a distraction than a real revolution. Both Smith and Mill were acutely aware of the possibility that a decentralised competitive environment may produce outcomes which are socially undesirable. Notwithstanding the obvious role of competition in combating misguided conceptions of wealth creation emanating from the Mercantile school (in the case of Smith) and in freeing society from the stifling effects of customs (in the case of Mill), neither of these scholars had any illusions about the social pitfalls of decentralised competitive institutions. This, I believe, stands in sharp contrast to Keynes's position. While Keynes is only concerned about those who are outside the system (the unemployed), for Smith and Mill there were grounds for concern about those who are in the system. In other words, Keynes's position had strengthened the view according to which government should not interfere with the working of competition except for providing a guiding hand to lead it—from afar- to the state of full employment. In so doing, Keynes distracted attention from what was the real problem for classical economics—i.e. the working of the competitive paradigm—to a minor problem of how inclusive it was. The problem of unemployment was not foreign to all classical economists. We find that in Mill the concept of aggregate demand driven unemployment exists but the cause of unemployment was not the level of the demand but its internal composition. Moreover, unemployment would not have been resolved by the lowering of wages as the adjustment mechanism would only restore the average wages which could leave a labour market with some occupations fully employed and highly paid and others, underemployed and underpaid. However, we show that the real difficulty of the labour market in the eyes of classical economists like Mill and Smith is not necessarily the unemployed as it is the employed. Given the fundamental difference between the classical and neo-classical economic problem, there is a methodological equivalence between wages below subsistence in the classical school and unemployment in the neo-classical one. Hence, it is evident that classical economists recognised the fact that competitive markets may fail to solve the economic problem; something which has, at the time, alluded neo-classical economics. As a result, we identify the presence of a 'bad' and 'good' equilibrium (as opposed to efficient or inefficient). In modern economics there may be many equilibria which are efficient and the role of government, from outside the system, is to move the economy from one place to another without interfering with the working of the markets. For classical economists, the move from a 'bad' to a 'good' equilibrium requires a much more involved government. We distinguish between the two by calling the former 'exogenous' government while the latter, 'endogenous'. Moreover, as the nature of 'bad' equilibrium highlighted the plight of those who are employed it meant the problem of involuntary employment seems more pressing from that of the involuntary unemployment. Clearly, to resolve these issues there is a greater need for an 'endogenous' government. To this effect, Keynes's contribution has deflected attention from those important insights emanating from the real classical economics. By focusing both on the unemployed and the exogenous government, he has allowed neo-classical economics to completely overshadow the agenda of classical economics which, in many ways, is the more relevant for present day societies.

Jose Guillermo (Universidad Autonoma Metropolitana-Xochimilco), "J. M. Keynes' paradox: The saving glut"

J. M. Keynes' paradox: The saving glut The present paper offers an opportunity to explore Keynes' contribution to our understanding of crisis by returning to him seminal contribution in the Theory of the Effective Demand. The analysis contrasts this approach with the neoclassical orthodoxy regarding the theory of the interest rate and the relation between saving and investment. We pose the fundamental question: Can a policy of stimulating saving promote investment? By using the "Saving Paradox" presented in Chapter Sixteen, as a framework for interpreting Bernanke's (2005) description of the saving glut and the current account deficit of the U.S. economy, we offer an answer that is useful for understanding the current situation.

Daniel Schiffman (Ariel University Center) and Robert Leeson (Hoover Institution and University of Notre Dame Australia) , "Pigou's Theory of Unemployment: A Reassessment"

This paper reexamines A.C. Pigou's Theory of Unemployment (1933), a work which is central to the history of macroeconomics but is seldom read today. Six years after the publication of Industrial Fluctuations (1927), Pigou produced a highly abstract analysis of unemployment, which was accessible only to a small group of mathematically trained economists. The Theory of Unemployment was divided into two major portions, containing real and monetary analyses. It was harshly criticized by Keynes, particularly in Chapter 19 of the General Theory. For Keynes and his circle, Pigou's theory exemplified everything that was wrong with classical economics. The Keynes-Pigou controversy has sparked a vigorous debate among historians of economic thought. To what extent did Pigou's theory support a policy of wage reduction as a remedy for unemployment? Did Keynes deliberately misrepresent Pigou's theory in order to promote the General Theory as a revolutionary break with the past? To clarify these issues, we undertake a careful, non-ideological reading of the Theory of Unemployment, including the monetary portion, which appears to have been neglected by Keynes. In our reading of Theory of Unemployment, we identify a number of instances in which Pigou anticipated modern theoretical ideas. These ideas include the two sector growth model, the financial accelerator, and the insider-outsider theory of unemployment.

SUN1E: ADAM SMITH AND THE CLASSICAL TRADITION

Nancy Bertaux (Professor of Economics, Xavier University, Cincinnati, Ohio), "Adam Smith, Selfishness, and Self-Interest"

Recently, interest in the connections between Adam Smith's moral and economic theories has increased. In this paper, Smith's Theory of Moral Sentiments and Wealth of Nations are examined and a differentiation is made between Smith's concept of "selfishness" and his concept of "self-interest," the latter being at the heart of the capitalist system as theorized in his Wealth of Nations. The relevance of this differentiation for recent economic events centering on the world financial crisis is considered.

Tomoyuki Arai ((phD candidte) Chuo University), "From Adam Smith to Dugald Stewart: On the Question of Poverty"

In this paper, we will discuss Dugald Stewartfs view on poverty comparing it with that of Adam Smith. For Smithian political economy, the high productivity of industry and international free trade were pivotal to solve the question of poverty in the long term, and these depended on the enlargement of division of labour and the accumulation of capital. However he, who did not experience the increase of poverty after 1790, scarcely touched on the subject of short-term remedies. On the other hand, Stewart emphasized the importance of poor relief in his influential Lectures on Political Economy (1800-1810). He was sensitive to the increase of the poverty particularly after French Revolution, for it seemed to him to threaten the order and peace of society. In the course of Lectures, while following Smithian political economy in the theories of free market and foreign trade, Stewart departed from Smith in the short-term analysis. In this paper, we attempt to explain the significance of Stewartfs realistic view of the evils of charitable workhouses, factory labour, and so on. Moreover, we shall bring to light the important fact that Stewart proposed various forms of poor relief, focusing mainly on his criticism of poor laws as increasing poverty. The basic components of Stewartfs policies of the poor relief can be summarized as follows: the possession of property among the lower classes, improvements of the prison system, and a gradual advancement of wages through the economic development. Although Stewart argued in more detail the policy of poor relief than Smith, as Hont and Ignatieff have argued, since one of the central themes of Smithian political economy was the issue of justice, it is by no means easy to compare the character and structure of Smithfs economic thought with that of Stewart. Nevertheless, we will try to show the significance of Stewartfs poor relief through his approach toward the dispute on poverty after Smith.

Guillermo Cavazos (Universidad Autonoma Metropolitana), "Ricardo vs. Malthus: the first debate on the method in economic science and its consequences."

Although in many ways the work of David Ricardo is a contribution and a continuation of the thought of Adam Smith, there is a substantial difference and a clear break in the method of reasoning between them. While Ricardo's reasoning is purely abstract and deductive, Smith assumes a mixed methodological approach, moving frequently from induction to deduction. For example, his idea of the invisible hand is obviously abstract and from it Smith gets many of his results. However, the division of labor is obtained inductively with the example of the pin factory. This paper shows that the methodological approach taken by Ricardo gave birth to the first debate on the method in the science of political economy, which faced to Ricardo and Malthus. So, the debate between them besides their deep theoretical content, it had an important methodological connotation. Malthus advocated pluralism, a mixture of abstraction with induction which is clearly opposed to pure deductivism of Ricardo. More than a century later, Keynes exposed this debate to support not only the theoretical work of Malthus, but also defending his methodological stance and establishing the need to reinstate it for a better understanding of economic phenomena. This as opposed to purely abstract and deductive approach of neoclassical economic theory, which borrowed philosophical and methodological elements of the eighteenth and nineteenth centuries, rather than theoretical, mainly the individualism of Smith, the utilitarianism of Bentham and the deductivism of Ricardo.

SUN1F: IDEAS SHAPING INSTITUTIONS

Florencia Sember (Università di Macerata and PHARE), "The role of Raúl Prebisch in the creation of the Central Bank of the Argentine Republic"

YOUNG SCHOLAR PROPOSAL At the end of the thirties, the anti-cyclical policy carried out by the Central Bank of the Argentine Republic (BCRA) was considered an example for all primary-exporting countries (Nurkse 1944, Triffin 1966). The BCRA was able to implement these policies because its statute was designed deliberately –by Raúl Prebisch –to provide the bank with a wide range of instruments to do so. However, contrary to what happens in the field of development, Prebisch's legacy in central banking matters is often neglected. As Undersecretary of Finance, Prebisch participated in 1931 of a Commission that elaborated a project for a Central Bank. This project was not applied, but contained several elements that would be taken up again by Prebisch in 1935, when the creation of the BCRA effectively took place. Between these two projects, the British expert Sir Otto Niemeyer was invited to Argentina to advise on banking and currency reform. The final project written by Prebisch and approved by the Congress in 1935, had the same formal structure of the Niemeyer project. However, fundamental changes were made to it, without which the implementation of the mentioned anti-cyclical policies would have proved impossible. Prebisch considered that Niemeyer's project was not fit to the Argentine reality, and, moreover, that it did not take into account the critical situation in which the depression had left Argentine banks. Accordingly, he made essential changes to it. In doing this, he took into account the specificities of the Argentine economy, and in particular what he called "the Argentine economic cycle", which he had theorised in the early twenties. To soften the cycle –provoked by external vulnerability –the BCRA was provided with several instruments: rediscount, open market operations and exchange control. Moreover, to deal with the illiquidity and insolvency of banks, the Institute for the Liquidation of Bank Investments (ILBI) was created. The BCRA and ILBI were capitalised and financed with the revaluation of the gold reserve of the Conversion Office, a policy which was rejected by Niemeyer. The aim of this paper is to show that Prebisch's role in the creation of the central bank was more important than normally acknowledged and that –far from being minor changes –the modifications Prebisch did to Niemeyer's project stemmed from completely different visions of the functioning of the Argentine monetary and banking systems. These conclusions are supported by the archival sources of the Bank of England, not used until now to examine Prebisch's role in the creation of the BCRA.

Maurice Lagueux (Université de Montréal), "Places for learning economics and finance"

The number of business schools that moved into brand-new buildings in universities during the last two decades or so is fascinating. These buildings were very frequently designed by some of the most celebrated architects of our time (Frank Gehry at Case Western Reserve, Charles Moore at Berkeley, KPD at the University of Michigan, Rafael Vinoly at the University of Chicago, Edward Barnes at Duke, etc.). Others were built by locally prominent architects who did exceptionally good jobs (Jacksonville, York and Concordia Universities, HÉC Montréal, etc.). This phenomenon was also observed in Britain, where Norman Foster built a business school at Aberdeen, and in Australia, where Gehry was chosen to build such a school in Sydney. Sometimes economics departments are associated with these business schools, but, more typically, in spite of a few exceptions (University of Cambridge, University of Toronto, etc.), they tend to be parts of larger university structures and to remain architecturally unidentified. The paper will analyse and illustrate this situation and discuss some explanative hypotheses. Business school frequently obtain sizable donations from the business milieu, allowing them to hire outstanding architects. In fact, many of these schools bear the name of the rich donator who provided the funds for building them. Moreover, in contrast with economists, who are more turned towards theoretical explanations, business people are apparently more concerned by the management and the prestige of their own house, which, at its origin, was frequently independent from the university and sometimes founded before it. The architectural styles of these business schools and their grouping with other departments will be also considered in these connections.

Edward Nik-Khah (Roanoke College), "Getting Hooked on Drugs: The Chicago School, the Pharmaceutical Project, and the Construction of Medical Neoliberalism"

Science studies scholars have coined the term "medical neoliberalism" for the purpose of tracing salient features of the modern medical marketplace to their supporting political and ideological context. While the term "medical neoliberalism" is apt, the meaning assigned to it by the extant literature is too imprecise to be of use in explaining the development and form of specific policies. This paper aims to overcome this problem by tracing medical neoliberalism to the ideas of a specific set of scholars and the institutions these scholars built to promote their ideas. To achieve this end, this paper documents the role that economists, legal scholars, and a handful of multinational pharmaceutical companies played during the 1970s and 1980s in constructing and promoting doctrines pertaining to regulation and intellectual property. In particular, this paper argues that the efforts of economists and legal scholars should be viewed as one local component of a larger interdisciplinary project undertaken mostly by scholars at the University of Chicago to formulate a new liberalism, or a "neoliberalism," and that this project has provided both normative and infrastructural undergirding for efforts to construct the modern medical marketplace.

Marianne Johnson (University of Wisconsin Oshkosh), "Public Finance and Wisconsin Institutionalism"

This paper examines the development of public finance as subfield of study at the University of Wisconsin from 1892 through 1929. Considered is the historical evolution of faculty and course work in public finance at Wisconsin, with comparisons offered to Harvard and Columbia. While Wisconsin economists made notable contributions to both the theory and practice of public finance in the United States during this period, we conclude that the failure to develop a particularly “Wisconsin Institutionalist” version was due to (1) the absence of a dominant proponent/advocate during a pivotal time, (2) the necessity to differentiate graduate programs, (3) the number of competing subject areas providing contemporary economics problems to study, and (4) the co-opting of the department of economics at Wisconsin to serve Commons’ labor research program.

Glen Weyl (Harvard Society of Fellows), "Simon Kuznets: Cautious Empiricist of the Eastern European Jewish Diaspora"

Young Scholar Proposal Simon Kuznets, Eastern European Jewish immigrant and Nobel laureate, typified data-driven caution of the discipline of empirical economics he helped found. Yet a motive force behind his path-breaking development economics of inequality, culture, institutions, demographics and human capital was a desire to understand his past and people. This connection, hidden in his relationship to mainstream economics, manifests itself in his less-known work on Jewish history and economics. The subtle synergy of Kuznets’s motivation and methodology parallels a broader paradox of how, in the twentieth century, Jews of Eastern European descent transformed one of the most informal and anti-Semitic American sciences.

Till Düppe (University of Hamburg), "Gerard Debreu's Secrecy: His Life in Order and Silence"

During research seminars, it hardly ever happened that Gerard Debreu posed a question - and if he did, not without already knowing the answer. While some admired him for the tranquility of his austere rigor, others wondered how little he had to say in economics. To whatever effect, Debreu himself was committed to mathematics since he could earn recognition without exposing himself as a person. This essay presents his life and career in light of this personal need for protection by mathematical purity. My account profited from Debreu's personal papers as well as the memories of former colleagues, friends, and family who communicated more freely about Debreu than he himself ever could.

Roberto Lampa (Università degli Studi di Macerata - Macerata - Italy), "Rewriting the economic theory for a world to come: Oskar Lange's early works (1934-1945)"

(Please Note: Proposal addressed to the Young-Scholar Session) In the "American interval" of his life, Oskar Lange produced the greatest part of his economic writings, as well as his most significant contributions among them. The author's great breadth of interests together with the variety of topics he dealt with, could suggest that he was, in those days, an eclectic economist who alternated a theoretical analysis of the strongholds of Marginalism to a series of policy proposals for the Socialist systems. The purpose of this paper is to show that, rather than being two separated spheres of investigation, the two lines of research mentioned above constituted the two halves of a unique scientific project. In fact, since the methodological assumptions (1935), Lange seemed to conceive the economic investigation both from an "objective" (as well as abstract) and an institutional point of view. Such assumption induced him to reflect on a recurrent topic (1934; 1936; 1938; 1942; 1944), that is the "un-coincidence" between the theoretical purposes of the most important economic theories (partial equilibrium; general equilibrium; Schumpeter and Keynes) and their application to a capitalist system, that is the "un-coincidence" between the abstract and the effectual functioning of such theoretical approaches. Contemporaneously with this, the belief that economics is for a significant part a social science, drove Lange to elaborate several editions of a Socialist model, deeply influenced by Austro Marxism and left-wing Socialism (particularly Otto Bauer and Max Adler), aiming to show the compatibility between a Socialist society and a rational functioning of the economy, as well as the practicability of such a kind of solution. Subsequently, the two fields of research merged into an attempt of re-writing a more "generalised" economic theory (1945) not relying (beginning from the methodology adopted) on to the tacit assumption of a capitalist system and compatible with different institutional contexts, first of all with a socialist society, or to put it better to a particular kind of Socialist society (called "market socialism" afterwards).

SUN3B: EARLY 20TH CENTURY CONTRIBUTIONS

Steven Sawyer (Fashion Institute of Technology), "The Macroeconomic Foundations of Veblen's Microeconomics"

Abstract: Thorstein Veblen's analysis of firm and industry behavior is predicated on certain macroeconomic assumptions, whose fundamental ideas can be traced to the pre-Keynesian macroeconomic literature. This paper will deal with the contributions of three major authors of that literature: J.A. Hobson, M.I. Tugan-Baranovsky and Arthur Spiethoff and will explore their relevance to Veblen's own macroeconomic analysis. All three authors are cited by Veblen and their analyses, much like Veblen's, center on the causes of overproduction, the impact that glutted markets have on industries and finally the actions taken by firms to both survive and even thrive while under the constant threat of overproduction crises.

Jeff Biddle (Michigan State University), "The Introduction of the Cobb-Douglas Regression"

The first Cobb-Douglas regression was estimated in 1927, by applying least squares regression to aggregate times series data from the US manufacturing sector on labor, capital, and physical output, with the goal of understanding the relationship between the level of output and the quantities of inputs employed in production. This was the beginning of a twenty year research program in which Paul Douglas, working with various collaborators, estimated the regression using a variety of time series and cross section data sets. In this paper I describe the first phase of the research program, when Douglas was estimating the regression with time series data. During this period Douglas came to view the program as being complementary to research on the statistical estimation of supply and demand functions, and he explicitly embraced the marginal productivity theory of distribution as a framework for interpreting his results. I also look at the reactions of other economists to Douglas's research.

Sandra Peart (Jepson School Leadership Studies) and David Levy (George Mason) , "Common Sense at 100"

2010 marks the 100th anniversary of Philip Wicksteed's Common Sense of Political Economy. We consider how Wicksteed's dual-vantage as W. S. Jevons' disciple and professional medievalist / classicist (his translation of Aristotle's Physics is still in print) integrated neoclassical optimization with insights from Greek household management. Many of the insights which are attributed to behavioral economics, intransitive preferences, concern for others, are developed in Common Sense. Lionel Robbins drew attention both in his commentary and his Nature and Significance to one of the most remarkable aspects of Common Sense, the assertion that individuals are less sympathetic optimizers when they act as trustees than when they act as independent agents. As trustees they are under obligation not to be generous with other people's money. This testable prediction flows from the classical assertions of innate sociality and offers an interesting way to separate sociable from reclusive economic assumptions. Robbins, Lionel. 1930. "The Economic Works of Philip Wicksteed." Economica no 30 (November): 245-258. Robbins, Lionel. [1932] 1935. An Essay on the Nature and Significance of Economic Science. Second edition, revised and extended. London: Macmillan & Co. Robbins, Lionel. 1933. "Introduction." In Philip H. Wicksteed. The Common Sense of Political Economy and Selected Papers and Reviews on Economic Theory. London: George Routledge & Sons. Wicksteed, Philip. [1910] 1933. The Common Sense of Political Economy and Selected Papers and Reviews on Economic Theory. London: George Routledge & Sons.

SUN3C: ORIGINS OF SEMINAL CONCEPTS

Hamid Hosseini (King's College PA,and Visiting Scholar U of Pennsylvania), "George Katona:A Founding Father of Behavioral Economics"

According to a Feburary 2001 New York Times essay by Louis Uchitelle,behavioral economics, arrived in 1994,when Harvard University's Department of Economics hired David Laibson.My arguent is that behavioral economics had arrived before,during the 1950s and early 1960s at the University of of Michigan,and then Carrnegie Insitute of Technology (now Carrnegie-Mellon Univeristy)by Herbert Simon. What I intend to to do in this paper is to describe and analyze the contributions of George Katona,a Hungarian immigrant,at the University of Michigan that led to the branch of economic theory we now call behavioral economics.In fact,it was George Katona who forged the term behavioral economics.Of course,the paper will discuss tenets of behavioral economics,the contributions of major behavioral economists,and the application of this brand of economics the other fiels of economics and business.

Viviana Di Giovinazzo (University of Milano Bicocca), "Towards an Alternative Paradigm of Consumer Behavior"

This paper explores Scitovsky's contribution to behavioral economics and examines in particular the changes his theory based on the findings of human brain psychophysiologists has brought to choice theory. The evidence here gathered points out how Scitovsky was making his suggestions for an alternative to the rationalist-based theory of choice model as far back in the early 1970s. The same evidence singles out Scitovsky as one of the most influential forerunners of a successful program of psychologically-based economic research which has only recently been acknowledged as a promising field for further investigation.

Pedro Garcia Duarte (University of São Paulo (FEA-USP)), "Another Chapter in the History of Ramsey's Optimal Feasible Taxation"

Frank Ramsey made seminal contributions to many areas, including to optimal taxation in 1927. Economists in this field consider him a sleeping giant: a genius ahead of his time who used a mathematics too advanced for his contemporaries. Only in the 1970s, when economists became more mathematically literate, Ramsey was rediscovered by a new generation of public-finance economists. My goal in this paper is to understand the historical context of the emergence of the optimal taxation literature in the 1970s and the transformation of Frank Ramsey in a giant of this field. Important aspects of this context include the movement toward formal general-equilibrium models in the postwar period and the increasing consensus about the nature of the normative judgments that economists can make. The economists who rediscovered and generalized Ramsey's result in a general-equilibrium and formal framework were quick in adopting an account of the developments of this field at the time provided mainly by Paul Samuelson and passed on to his students.

Philippe Fontaine (École normale supérieure de Cachan et Institut universitaire de France), "A preliminary history of free riding"

A preliminary history of free riding Following the Second World War, free riding (and the free rider) referred to unfair behavior in securities markets. Economists and legal scholars alike emphasized its immoral nature and thought of various ways to counterbalance its negative effects. Controversy over the right-to-work laws played a significant part in prompting economists and legal scholars to define and analyze free riding in the context of unionism. Finally, in the 1960s, the notion seems to have gain wider currency, following the work of Buchanan, Olson and others. It was no longer restricted to the securities markets or labor. By then, the moral dimension of free riding was downplayed and its rationale emphasized with economists playing no minor role in sketching the contours of the phenomenon. Free riding may have appeared as unfair, its reasons were known and described in theoretical terms. It depended on the circumstances surrounding individual choice. And though Olson and others continued to refer to free riding in the context of groups in the mid-1960s, it included a message which concerned society as a whole, not just groups.

Virginie Gouverneur (LED Paris 8), "Sexual division of labour in Mill and Jevons' Political Economy"

This is a young scholar proposal. Many criticisms have been raised regarding the manner in which British liberal economists of the Victorian era dealt with the subject of women. These criticisms are diverse and take various forms. However, one of them in particular emerges from many commentators' writings: the adherence of British liberal economists to the patriarchal order which is evident in their acceptance of the traditional sexual division of labour. Even if one admits to the truthfulness of this proposition, it raises problems to adopt it insofar as it leads to masking important differences between British liberal economists. My paper will focus on two of these economists, namely: John Stuart Mill and William Stanley Jevons. Although, as utilitarians, they both consider the utility or the greatest happiness for the greatest number of people as the criterion to make political decisions, they nevertheless advocate quite different policy measures for women. In particular, Mill is opposed to the Factory Acts which limit the work hours of women, while Jevons not only accepts them but goes further in advocating additional restrictions. The first part of my paper shows the difference between Mill and Jevons' approaches to the issue of the negative externalities produced by married women's work and brings to light the causes of this difference. For this purpose, I analyse Mill and Jevons' opposition on the question of the legitimacy of the freedom of women to work. More precisely, I consider the impact of such a sacrifice on utility for each author. While for Mill, the denial of the individuality of women comes into conflict with utility, especially in the case of work, according to Jevons, utility justifies the intervention of the law with respect to women's work. This divergence leads to two different theories on the prevention of the negative externalities emanating from married women's work. Mill rejects the regulation of their work to adopt an analysis in terms of individual choice while Jevons develops a discriminating approach between the sexes and asserts that the particular question of women's work should be answered by the law. The second part of my paper is devoted to a reconstruction of the models developed by Mill and Jevons and to an analysis of the consequences of these models on the condition of women. Mill develops a model wherein free and independent women voluntarily specialise themselves in domestic activities according to their specific capacities and preferences. On the contrary, for Jevons, only an authoritarian regulation of women's work, such as the prohibition of child bearing women's work, provides an adequate remedy for the observed negative consequences of this work. These two models have important consequences on the status of women in the family structure. Indeed, Mill's model implies a legal equality between spouses that could be obtained through a reform of marriage, while Jevons adopts a conservative and paternalistic view of women's place within the family. Finally, the stress laid on the common acceptance of the traditional sexual division of labour by Mill and Jevons hides important differences between their respective positions. Indeed, in the case of Mill, it expresses the limits of the feminism of an author who is himself implicated in the women's cause. On the contrary, it reveals Jevons' "pure" anti-feminism that leads him to reject economic independence for married women and, furthermore, to define and to advocate measures to hinder it.

Edith Kuiper (Economics Department: State University of New York at New Paltz), "Integrating women and gender in the history of economics"

This paper addresses various historiographical approaches in the history of economic thought and in feminist research in philosophy, history and economics with the aim to find common ground for the integration of women and gender in the history of economic thought. By now a substantial amount of literature has emerged on women's contribution to the history of economic thought (e.g. Groenewegen (ed.) 1995; Dimand, Dimand & Forget 2000; Madden, Seiz & Pujol 2004; Barker & Kuiper 2010) and the role gender has played in the development of economic theories and concepts (e.g. Pujol 1992, Shaw 2006, Folbre 2009). This paper evaluates the various historiographical approaches taken in this research and argues for a next step; one that integrates women's economic writing, including that produced outside academia, as important background information and input for a new perspective on the development of economic thought. The paper builds on work by feminist scholars such as philosopher Charlotte Witt and historian of political science Peggy Weiss, and illustrates this approach in reference to the work of women economic writers such as Mary Collier and Sara Trimmer.

Carlo D'Ippoliti (Sapienza University of Rome), "The Private is Political (Economy)!"

Almost one century before the famous feminist motto, two leaders of their countries' economists, Gustav von Schmoller and John Stuart Mill, discussed at length the Frauenfrage/ Woman Question in their major economic works - the Grundriß der allgemeinen Volkswirtschaftslehre and the Principles of Political Economy. While many economists of the time considered specific issues by distuinghing men from women (e.g. concerning wages), Schmoller and Mill's treatments emerge for their general analythical character. Specifically, both authors consider the sexual division of labour within households as complementary and prerequisite of the social and economic division of labour, in the market and between the market economy and the public sector. Hence, both authors discuss family policy and policies aimed at addressing gender unbalances as a constitutive part of economic and social policy, explicitly dealing with issues that today would be considered as solely residing in the individual private sphere. Since the division of labour may be considered as the founding block of classical political economy, I argue that the analythical treatment of gender relations is indeed a fundamental part of both authors' economic analysis, and that a full understanding of the latter requires adequate investigation of the former.

Annie L. Cot (Centre d'Economie de la Sorbonne) and Sophie Pellé (University of Paris Sorbonne), "Progressive Ideas across Boundaries: Bentham and Sen on the Rights of Women"

1785: on the grounds of utilitarianism, Bentham was one of the first writer in social sciences who defended liberties for women, from enfranchisement to contraception and the freedom to abort. Through his virulent case against the theories of natural rights, and based on his "felicific calculus", Bentham offered a rational foundation for political action which aimed at freeing all individual and, among them, women. 1985: Sen, following the path opened by John Rawls, attacked utilitarianism on the grounds of its limited definition of well-being and human advantage. This criticism led him to the capability approach and to a vehement defense of women's rights and liberties. Focusing on "hidden" inequalities, occurring within the household, he developed a framework allowing the assessment of women's deprivation. His perspective aimed at enriching the "old and dusty" thesis of utilitarianism by replacing utilitarian calculus with a focus on individual capabilities. Through the comparison between these two defenses of women's freedom and rights, our paper aims at showing how progressive ideas can overturn: if Bentham and Sen hold opposite views on utilitarianism, they share a similar concern for the situation of women and, through rather different analytical frameworks, both develop a progressive advocacy on the rights of women.

SUN3E: INVESTIGATIONS INTO 19TH CENTURY FIGURES

Jeffrey Young (St. Lawrence University), "Thomas and Robert: A Tale of Two Malthuses"

Exactly a hundred and fifty years ago a reverend gentleman called Malthus wrote a pamphlet pointing out that the population of the world was growing, that the physical capacities were limited, and that a stage would soon be reached where there was not sufficient food to feed the people of the world. It was therefore wrong, he suggested, to bring in measures of social amelioration, for preventing the death of infants and for keeping people healthy, because if that were done more people would survive and the problem would become worse…Even as an account of the earliest views of Malthus this statement is a tendentious distortion." (Flew, 1970) Yet it is a distortion which continues to thrive more than two centuries after the 'reverend gentleman' published his pamphlet. My colleague Steve Horwitz has recently pointed out in a his review of Stephen Medema's Hesitant Hand: Where Medema is at his best in this book is suggesting that what we think of as Smithian laissez-faire, Pigovian welfare economics, and Coasean analysis do not have nearly as much to do with what Smith, Pigou, and Coase actually said as the adjectives might suggest. (Steve Horwitz: http://eh.net/book_reviews/hesitant-hand-taming-self-interest-history-economic-ideas) We have a similar problem with Malthus where the adjective, "Malthusian", bears only rudimentary resemblance to the noun, "Malthus". And furthermore it has been recognized as such repeatedly over the same time period, yet distortions of Malthus seem to be incorrigible.

Christophe Depoortère (LED - University of Paris 8 Vincennes Saint Denis), "William Nassau Senior and David Ricardo on the Method of Political Economy"

Many historians of economic thought seem to consider the method of political economy exposed by William Nassau Senior (1790-1864) as the method used by classical economists in general and by David Ricardo (1772-1823) in particular. My paper puts forward elements that lead to reconsider this supposed agreement of Ricardo and Senior on the question of the method of political economy. The first part shows that Senior was actually very critic about Ricardo's approach of economic phenomena and that he considered that this difference of method had important consequences on points of theory. The second part analyses the way Ricardo was dealing with economics. It shows that if Senior was right in considering that their respective methods were different and led to important analytical divergences, he nevertheless misunderstood Ricardo's method. More precisely, he mistook Ricardo's abstract method with an hypothetico-deductive one. Therefore, and as the third part shows, Senior's criticisms on Ricardo's theories of rent and natural wages as well as on the tendencies of the agricultural returns to decrease and of profit to fall were ill-founded, being based on a misunderstanding of the way they were established. I conclude that Senior contributed, through his criticisms, to popularise the view of Ricardo as an a priori theorist deducing predictions infirmed by facts. A view that is still developed by many commentators but which is totally at odds with what Ricardo actually was.

Damien Fessler (IFD - Université Paris Dauphine / PHARE, Université Paris I), "Cournot on Supply and Demand"

A-A Cournot whose Researches into the Mathematical Principles of the Theory of Wealth(1838) can be considered as the first serious book of mathematical economics, is generally presented as a precursor of neoclassical economists. Among other seminal insights one can find in his 1838 book, it is worth mentioning that he wrote down the mathematical conditions of price determination depending on 2 equations: (1) one corresponding to the “law of demand” and (2) another representing production costs. These conditions were also illustrated by the graphical representation of the two corresponding curves (upward and downward sloping). We argue in this paper that the above-mentioned and common description results mainly from a rational reconstruction –in the sense of Richard Rorty (1984)–, and that Cournot was not a promoter of such a symmetrical conception of price determination. Indeed, Cournot was attached to a classical conception of (absolute) value: in such a conception, value corresponds to production cost and supply and demand only explain short term perturbations of market price. As a consequence, the mathematical developments of the 1838 book are not to be understood as a “pre-neoclassical” theory of value, but as the development of a mathematical (and possibly applied) apparatus in order to solve a classical problem of measurement of value.

Petter Sandstad (University of Oslo), "The methodological lessons of Say’s Introduction to his Treatise"

Jean-Baptiste Say was one of the most, if not the most, influential economists in the 19th century. Still today he is studied, and in certain schools of economic thought he still plays a prominent role. Yet his economic ideas were often in the 19th century, as well as later, misunderstood. Much of the cause of this misunderstanding comes from not understanding Say’s methodology. Inheriting the methodological views of the Philosophes, especially that of Diderot, Say uses this methodology to perfect and improve the political economy of Adam Smith. On the whole, this methodology is identical to Baconian induction. This methodology is essential to fully understand the writings of Say, yet it is an area that is strongly neglected and misunderstood. By a close reading of the introduction to his Treatise, this paper carefully examines the methodology of Say.

SUN4A: MARKETS AND MORALS

Anna Greco (University of Toronto), "Plato on Greed and Injustice"

In this essay I analyze a multifaceted notion of greed in Plato's moral and political writings, as it is reflected by terms such as pleonexia (having more than one's share or desiring to have more than one's share), aplestia (insatiable greed – never having too much of something), and philochrematia (love of money or wealth). Whereas philochrematia is, for Plato, a trait that has its place in a well-regulated society, aplestia is the aberrant and radical type of greed that is, at the same time, the most disruptive but also the least interesting – because it is essentially a pathological condition. What constitutes a challenge for a theory of social justice is how to deal with pleonexia, which is both a vice, i.e. a moral shortcoming of the citizen as individual, and an expression of dysfunctional social interaction. Although focused on Plato's views, this essay will present some reflections on the timeless issue of greed and injustice, in an effort to differentiate between situations in which greedy individuals take advantage of social and political institutions to indulge in pleonectic behaviour (e.g. the politician taking bribes in return for political favors), and situations in which pleonectic behavior is, to some extent, expected and institutionalized (e.g. bankers indulging in excessive risk-taking with other people's money or the company executive receiving outrageous bonuses that do not count as a fair return for services rendered).

Edd Noell (Westmont College), "What is Legitimate Economic Gain? Financial Innovation and the Scholastic Influence on Puritan Conceptions of Usury and Profit"

How did the heirs of John Calvin understand legitimate profit? What separated usury from honest dealing in their minds? The literature on usury and profit in Puritan economic thought tends to emphasize an alleged contrast between Scholastic intolerance and Protestant acceptance in the 16th and 17th centuries. Where Scholastic thinkers in the Catholic church remained rigid in their narrow Aristotelian understanding of money as merely a means of exchange, Protestants are said to be much more tolerant of trading ventures funded by credit, viewing money more broadly as a means for legitimately adding value. By emphasizing the significance of the concepts of economic compulsion and commercial justice, this paper finds more continuity between Puritan and Scholastic thought on usury and profit than has been suggested previously in the literature. In the 16th and 17th centuries, institutional changes in financial mechanisms such as brokered loans and bargaining which accounted for risk in setting the price of credit demonstrate how credit increasingly took on the status of a commodity. This development draws Puritans into a reconsideration of the bounds of legitimate economic gain, both in financial and product markets. In particular Puritans engage in moral reflection on debt bondage, risk-assignment, and financial fraud. The discussion of the proper placement of risks and tolerance of profits for both creditors and debtors in the primary Puritan literature of England and New England displays a significant reliance on Scholastic concepts. In particular, the common thread of Christian economic values which identifies and seeks to constrain avaricious dealing and ameliorate economic compulsion is examined for the manner in which it is applied towards innovations in the use of credit in this period.

Massimo Dimatteo (Dipartimento di Politica Economica, Finanza e Sviluppo Università di Siena), "Time and the concept(s) of equilibrium: Da Empoli vs Marshall?"

Time and the concept(s) of equilibrium: Da Empoli vs Marshall? Massimo Di Matteo Dipartimento di Politica Economica, Finanza e Sviluppo Università di Siena Piazza S. Francesco, 7 53100 Siena Italy tel. +39 0577 232605 fax: +39 0577 232793 e-mail: dimatteomassimo@gmail.com Attlio da Empoli (1904-48) is a relatively unknown Italian economist who for various reasons, included a premature death, is not recognized as a brilliant scholar. One of the main preoccupation of Da Empoli's scientific research was to analize and refine the concept of equilibrium. In the paper I review two main attempts in this direction elaborated in books and papers mostly in Italian (or in a not easily accessible book). The first (da Empoli 1926) concerns the introduction of the concept of ultramarginal cost to complement Marshall's analysis. I show that Da Empoli is a forerunner of several concepts to be introduced later, such as kinked demand curve, entry preventing price, limit price, etc. In particular I compare Da Empoli's analysis with Sylos Labini-Modigliani's theory. After this work Da Empoli continued his research and, in the context of a discussion about the theory of international trade, came across a difficulty with the Marshallian analysis of short and long periods. In the second part of the paper I review the discussion that took place in the Rivista Italiana di Scienze Economiche stressing three aspects. First, the analysis was not confined to the comparison of two equilibrium positions (as traditionally made in the pure theory of trade) but it was investigated how the costs that the economy incurs in moving from free trade to autarky may modify some traditional results. Secondly, a link can be established (although Da Empoli himself refrains from doing so) between the concept of ultramarginal cost and the analysis of "costi intermedi" put forward by Borgatta (1939) and Mazzei (1939, 1940). Thirdly, the analysis of those costs calls into question the problem of time and the different definitions of equilibrium according to the temporal dimension involved. Da Empoli spotted a contradiction in the definitions of short run equilibrium that Marshall gave in his Principles and, on the basis also of the most recent literature on the subject (Diamond 1994), an interpretation of his position that leads to a rejection of the concept of long run stationary equilibrium will be proposed. Borgatta, G., 1939, Appunti su problemi dell' autarchia, Rivista Italiana di Scienze Economiche Da Empoli, A., 1926, Riflessioni sull' equilibrio economico, Reggio Calabria: Vitalone Da Empoli, A., 1931, Theory of Economic Equilibrium, Chicago: Cristiano & Catenacci Da Empoli, A., 1942, Studi sulla teoria del commercio internazionale, Rivista Italiana di Scienze Economiche Diamond, P.A., 1994, On Time. Lectures on Models of Equilibrium, Cambridge: Cambridge UP Mazzei, J., 1939, Deduzioni dalla teoria dei costi comparati a favore dell' autarchia, Rivista Italiana di Scienze Economiche Mazzei, J., 1940, Problemi sull' autarchia e la teoria dei costi comparati, Rivista Italiana di Scienze Economiche

Gianfranco Tusset (University of Padua (Italy)), "Going back to the origins of econophysics: the Paretian conception of heterogeneity"

Considering Vilfredo Pareto's writings from a unifying perspective that embraces his economic and sociological studies, individual and social heterogeneity stands out as one of his most intriguing insights. Pareto's notion of heterogeneity frequently is confined to the political and sociological analyses of his thought, but this notwithstanding, individual and social heterogeneity has had weighty economic meaning. It is sufficient to remember that heterogeneity leads to investigate income and generally aggregate economic variables by means of statistical distributions. We intend to examine Pareto's experimental approach to heterogeneity also by investigating how such a concept was received by Italian Paretians, who approached aggregate magnitudes by abandoning a strictly deductive methodology in favor of a more observational, empirical, and sometimes historical method. Moreover, during the early decades of the twentieth century, the Italian statistical school contributed substantially to the attempt of safeguarding heterogeneity insights in economic analysis. Reading Paretian works on wealth distribution and reviewing their attempts to give a statistical interpretation of both income curve and cycle, we may find that authors such as Amoroso, De Pietri Tonelli, and Palomba sketched an embryonic idea of "econophysics," the research area that surfaced during the 1990s. Heterogeneity, statistical and observational methods, and distribution are all common concepts to this new field. Finally, the link between past and present appears less imaginary than one may think if the homage that present econophysicists have rendered to Pareto and Amoroso as authentic pioneers of the statistical studies on income distribution is taken into consideration.

Curt Stiles (University of North Carolina Wilmington), "Community Entrepreneurship in Early Railroad Development: Transportation Networks as Economic Clubs"

This essay examines two early community entrepreneurial ventures in railroads, each centered on a river system. It analyzes the two ventures in terms of the economic theory of clubs and reveals that the new technology permitted the formation of new communities of economic interest that could build upon the advantages of the natural river systems while not being constrained by the fixed properties of the river. The new communities of interest had the nature of a “club” in that they could offer their members a competitive advantage potentially greater than that offered by the old clubs built around a natural river system.

Masazumi Wakatabe (Faculty of Political Science and Economics) and Goushi Kataoka (Waseda University) , "Great Inflation in Japan: How Economic Thought interacted with Economic Policy"

Recently the Great Inflation of the 1970s has become one of the most discussed topics of macroeconomic policy and thought studies. Although Japan recorded the highest inflation rate in 1974, 23 % increase in CPI over the same month of the preceding year, in the literature, the story of the Japanese side has not been fully examined, especially from the view point of economic thought. The paper is an attempt to fill the void. Three hypotheses have been proposed to explain Great Inflation in the United States: political, output gap mismeasurement, and monetary policy neglect hypothesis. The paper would argue that, although political process was influential, monetary economic thought during the period played an important role in the policy discussion. In this connection, the paper would also assess the relative importance of Keynesian and other economic thought in Japan, and impact of Milton Friedman and monetarism on policy discussions. The paper would show that the interaction between the political process and the economic thought is indeed intricate and subtle.

Adam Lutzker (University of Michigan-Flint), "From Labor to Capital: Michel Foucault as Historian of Economic Thought"

In The Order of Things (1966), Foucault interprets nineteenth-century economics through the category of labor. He uses this analysis to question Marx's importance in a manner similar to Paul Samuelson's quip that "Marx is a minor post-Ricardian." The Marginalist Revolution of the 1870s plays no role in Foucault's analysis at this time. By the late 1970s, Foucault uses his lectures at the College de France to highlight the significance of the category of capital in twentieth-century economic neoliberalism. In this paper, I explore the causes and consequences of this transition in order to articulate a relationship between the two analyses. I further explore Foucault's relationship to Marxism and his analysis of the present.

Robert Urquhart (Department of Economics, University of Denver), "The social world, labour-power, and time in Marx's theory of value"

The social world, labour-power, and time in Marx's theory of value Central to Marx's theory of value is the claim that value is created by abstract labour measured by socially necessary labour time. The first statement of this claim, in the first chapter of Capital, volume I, is largely formal. It is given content through the progress of the argument, especially in Parts three to seven of volume I. So the first statement must be filled out by the later development; but the later development is as it is because it is the working out of the first statement. The complexity of the argument as it develops leaves it open to a range of interpretations. In earlier work I have claimed that the best interpretation is one that recognizes Marx's appeal to Aristotle's concepts of nature and of form as it exists in nature and in craft. Here, I want to explore some implications of this claim so as to justify Marx's insistence on time as the measure of abstract-labour, and, so, as the medium in which wealth in a capitalist mode of production is created. This exploration turns on understanding both what the capitalist mode of production has in common with earlier historical epochs, and what is radically distinct about it. Especially important here is the question of the standing of wage-labourers and capitalists to earlier productive classes; and also the question of which aspects of the production of wealth are common to all societies and which are specific to capitalism. Central to both questions is the ambiguity of the position of wage-labourers: they are juridically free and equal commodity owners who must be paid the full value of their labour-power; yet they are also simply the embodiment of the living labour required by capital for the production of value and surplus-value. They are paid what their labour is worth, yet they have no choice but to give up their lives to labouring. The way to the answers is through understanding labour-power as a commodity, which guarantees the universality of the commodity form in the capitalist mode of produciton. For the commodity character of labour-power is what allows the value of workers' labour to less than the value of the product of their labour; and the difference between the two is an amount of time.

SUN4E: TOPICS IN LAW AND ECONOMICS

Ana Rosado (Complutense University of Madrid), "How Much Competition's Guidelines Have Been Influenced By Economists?"

Guidelines are the framework used by judges in order to solve competition trials. They are not strictly legally binding, but they mark the line which separates the right from bad behaviour in business agreements. Guidelines have been used in United States since 1968 and have been transformed in order to accommodate the skeleton advice for the changes in a global market. The first guidelines follow the line of Joe Bain and John Bates Clark through the design of a market structure and assuming the real conduct of the companies within their markets under this kind of structure and demonstrating its natural consequence in performance. The target is to increase competition in markets and since economic theory was able to built new models they have been used as tools by lawyers, attorneys and defendants in trials. Under the lens of economists, the way to demonstrate the ugly behaviour of firms is because incumbents erect barriers to entry against their rivals; while entry barriers work incumbents will get extra-profits. The economic efficiency is erode whereas customers are the worst affected because the indicator of the existence of a barrier to entry should be a high price over the competitive price, customer must pay more than in a competitive market for the same product. Some of these economists proposals have been included in guidelines, for example, Hirschman-Herfindahl index which shows market concentration in a few companies and market power exercised by these firms in the industry; the use of installed capacity in an industry; which demonstrated the capacity of the incumbents, in all and for whichever industry, to reduce the output and raises the price. The question is whether economy theory thinks in the same way which lawyers do, because in this case the economic scientific production has to be reflected in worthwhile tools for trials. This paper tries to demonstrate how many articles could be considered as relevant in the period 1956-2000 because they have been used in guidelines, and how many of these articles were just written to confirm predecessors' proposals. The starting date is the publication of Barriers to New Competition Joe Bain's main book and the end date is latest guidelines publication.

Samuel Ferey (Université de Nancy 2 (France), Beta-CNRS), "Pluralism in law and economics: a methodological view"

Law and economics is nowadays one of the most prominent fields of research within institutional economics. However, one of the most striking features of contemporary law and economics is its theoretical and methodological pluralism. Chicago school, which used to be the leading school in law and economics, is not the only approach anymore but only "primus inter pares". Austrian law and economics, behavioral law and economics, contract theory, are now challenging the leading role of Chicago school. However, such pluralism is difficult to understand: Must we consider it only as a "Kuhnian competition" between opposed approaches? The issue the paper addresses is precisely to show it is possible and fruitful to differently characterize contemporary pluralism. Our hypothesis is the key element in law and economics literature is how economic agent constrained by legal rules may behave. First, we insist on the fact that from a methodological point of view, the key element is how economic agents may form expectations about legal rules to – efficiently - behave. One of the analytical cores of law and economics is concerned with the cognitive skills of the agents in order to correctly form their expectation about law. That is why economics rejoin legal theory since legal theory addresses a similar issue when it deals with the interpretative issues: how judge or people may interpret a general legal rule to know what is its "true" meaning. In other words, legal theory addresses the same issue that economics but with different words. Then, by comparing the main authors of each school of thought (namely Hayek, Posner, Sunstein and Hart) we show how their conceptions of information in economics fit with their conception of interpretative practices in law. With this twofold conception "information in economics/interpretation in law", it is possible to take account of pluralism beyond the traditional explanation in terms of competition of paradigms.

MON1A: WHAT'S NEW IN THE HISTORY OF ECONOMICS?

José M. Edwards (CES Université Paris I Panthéon-Sorbonne) and Philippe Fontaine (École normale supérieure de Cachan, Institut) and Yann Giraud (THEMA, Université de Cergy-Pontoise) , "History of Economics in the Noughties: A Quantitative Overview"

History of Economics in the Noughties: A Quantitative Overview José M. Edwards (CES, University of Paris I) Philippe Fontaine (H2S, ENS Cachan) Yann Giraud (THEMA, University of Cergy-Pontoise) The history of economics has witnessed significant changes over the past two decades or so: its decline as a subfield of economics, the emergence of new frameworks borrowed from cultural history and science studies, as well as calls for adopting higher historical standards or joining history of science departments. All these features have been discussed on a number of occasions (Weintraub 2002, Tubaro & Angner 2008). However, most of these contributions are prescriptively oriented, in that they speculate on the future of the discipline. By contrast, few descriptions (for instance, Schabas 2002, Weintraub 2007 and Palma 2008) of the situation of the history of economics in recent years have been attempted. This paper strives to provide such a description by attempting a quantitative overview of the past ten years. On the basis of the three leading journals in the field, the European Journal of the History of Economic Thought (EJHET), History of Political Economy (HOPE) and the Journal of the History of Economic Thought (JHET) and a number of other history of science or history of social science journals, we try to assess whether new trends in research have emerged over the period.

Bruce Caldwell (Duke University), "What's New at the Center for the History of Political Economy"

This will be an informational contribution about recent initiatives at the Center for the History of Political Economy at Duke. Some of the topics I will discuss include a description of the NEH-sponsored Boot Camp on the History of Political Economy that had just finished up at Duke (it ran from June 6-25), the summer in the archives program, and an update on the status of the Economists' Papers Project, especially the status of the recently acquired Paul Samuelson collection.

Ken Carpenter (Harvard University Library, retired,), "Translations of Economics before 1850"

Ken Carpenter, formerly in charge of the Kress collection at Harvard, will talk about his project examining translations in economics in all languages before 1850. The results of this project could be used, among other things, to trace the diffusion of ideas in economics.

John Davis (University of Amsterdam and Marquette University), "Teaching Recent History of Economics"

John Davis has taught the history of recent economics for eight years here, and will discuss what he thinks this involves and what his students have been like. Amongthe things that he will emphasize is that there are significant methodological issues surrounding how one approaches recent economics.

MON1B: INSTITUTIONS AND ECONOMIC IDEAS FROM THE DEPRESSION TO POSTWAR RECONSTRUCTION

Michele Alacevich (Columbia University) and Pier Francesco Asso and Sebastiano Nerozzi , "Cambridge meets the crisis. Four Harvard economists and the shaping of New Deal reforms"

The paper aims to describe the contribution of four Harvard economists to the interpretation of the Great Depression and the policy decision making from 1933 to 1938. Lauchlin B. Currie, Jacob Viner, John H. Williams, Harry D. White, eminent scholars in the field of monetary and international economics, were deeply involved in policy decisions during the New Deal. In our synoptic analysis we will benefit from extensive scholarly work that has been provided in the last few years. We will then rely upon a substantially improved body of literature, together with first-hand analysis of their writings and archival papers. We shall examine the extensive biographical connection between Currie, Viner, White and Williams with special regard to their common training at Harvard. Then we shall compare their interpretations of the causes of crisis and their proposals in fiscal, monetary and banking policy. Finally, we shall describe their advisory activity in the Roosevelt administration and try to assess their influence.

Michele Alacevich (Columbia University) and Pier Francesco Asso and Sebastiano Nerozzi , "The theory and practice of price controls: Modigliani's Meat Plan and the Search for a Neoclassical Synthesis"

This paper aims to assess Modigliani's contribution to the American post war debate over price controls and stabilization. We will focus on his unpublished "Plan for meeting the domestic meat shortage without price control and rationing." Elaborated by Modigliani in the summer of 1947, the plan was designed to cope with meat shortages arising from the implementation of the European Recovery Program. It was based on a system of taxes and subsidies aimed at fostering a proper distribution of disposable income and permitting a minimum of meat consumption without encroaching on market mechanisms and consumers' freedom. We will describe the contents of the plan and its refinements, the comments and reactions from economists and politicians, and the reasons for its failure. Finally, we will try to assess the importance of this proposal in Modigliani's professional career and in the development of his approach to Keynesian economics.

Michele Alacevich (Columbia University), "The World Bank, Reconstruction and Development in Italy, 1947-1953"

While a vast literature exists on the Marshall Plan, less has been written about the contribution and strategies adopted by multilateral organizations to foster economic development in early postwar Europe. Among them, the World Bank played a key role. Originally established to help European postwar reconstruction, the World Bank's role became redundant with the inception of the Marshall Plan. The Bank subsequently redirected it efforts to development programs in so-called backward regions: Latin America, East Asia, and Africa were important recipients of its assistance. Yet the Bank did not leave Europe. The financing of a development plan for southern Italy became a pilot program for the Bank, which focused on infrastructures and productive investments but also on monetary issues and the balance of payments. This study shows how the Bank shaped its loan policies in the early postwar years, when it blended together the roles of bank and monetary fund. The paper will be based on archival research in the World Bank Archives and the Archives of the Italian Central Bank.

Stephen Meardon (Bowdoin College), "The course of economic warfare: the decline of the trade agreements program, 1938-1940"

From 1938 to 1940, the U.S. Department of State continued a trade agreements program aimed at promoting peace even as the goal became increasingly unlikely. The Department's Trade Agreements Division, headed by Harry C. Hawkins, planned the negotiation of new agreements. An Interdepartmental Committee on Trade Agreements, chaired by Hawkins but including representatives from Treasury, Agriculture, and other departments, aired other views about the plan. The Interdepartmental Committee was the source of gathering doubts and disputes about the State Department's view of the continuing relevance of the trade agreements program. This essay studies the substance of the doubts, the responses of the program's advocates, and the consequences to the program as war erupted. What specific ideas about the connection between international trade and world peace caused the State Department to continue to press for the program? How, when, and by what reasoning was U.S. trade policy finally modified to be consistent with, as one member of the Interdepartmental Committee put it, "the course of economic warfare"?

Paul Burnett (University of Pennsylvania), "Planning for Capitalism: Economists and Corporate Agricultural Policy Advocacy during World War II."

This paper centers on the activities of a network of agricultural economists who attempted to shape agricultural policy in their work with private policy associations. Led by University of Chicago economist Theodore W. Schultz, these policy intellectuals attempted to prepare the US system of agricultural subsidies for an anticipated era of liberalized trade. They articulated a new policy program couched in terms that circumspect farm organizations would support. Although he failed to have his program adopted in the late 1940s, Schultz and his colleagues inspired a thought collective of leading agricultural policy experts, including future Secretary of Agriculture Earl Butz, who would gradually shift policy away from conceptions of farm welfare and rural planning toward export promotion, direct payments in place of price supports and domestic protection.

Ivo Maes (National Bank of Belgium), "The evolution of Alexandre Lamfalussy's thought on European monetary integration (1961-1993)"

Alexandre Lamfalussy has been highly influential in the process of European monetary and financial unification. He is especially known as the first president of the European Monetary Institute, the predecessor of the European Central Bank, and as the Chairman of the Committee of Wise Men, which developed a new approach for the regulation of European financial markets. In this paper we will analyse the work of Lamfalussy on European monetary integration until he became president of the European Monetary Institute, the period from 1961 to 1993. Lamfalussy pursued a threefold career: as a private banker, a central banker and an academic. Partly under the influence on Triffin, he quickly became interested in international and European monetary issues. He has always advocated a strengthening of European (monetary) integration, even if, at the end of the 1960s, he accepted a greater degree of exchange rate flexibility. In this paper, we provide first an overview of the main phases in his career. Thereafter we go into his views on the international monetary system and on European monetary integration, paying special attention to his contributions to the Delors Report.

Ilaria Pasotti (University of Florence; Catholic University of Milan), "How to get out of the "Triffin dilemma": Triffin's reflection on the international monetary system (1958-1971)"

This paper aims to explore Robert Triffin (1911-1993)'s analysis of the gold-exchange standard under the Bretton Woods Agreements and his proposal for reforming the international monetary system in the period between the restoration of the European currencies convertibility at the end of 1958 and the suspension of dollar convertibility on August 15th 1971. Throughout these decades, Triffin pursued a twofold career: as an economics professor at Yale university and as an economic adviser for various US governmental institutions (i.e. the Joint Economic Committee of the US Congress during the Eisenhower, Kennedy and Johnson Administrations and for President Kennedy's Council of Economic Advisers) and for the European Commission unity delegation at the IMF Annual meeting. Since the mid-1950s Triffin warned on the inevitable crisis of the Bretton Woods system, recalling the collapse of September 1931. Essentially, Triffin argued that under the Bretton Woods system, in which the US dollar was acting as an international reserve currency alongside with gold, a "dilemma" arose: if the US stopped running balance-of-payments deficits, the world economy would lose its largest source of reserve supply and would be pulled into a deflationary spiral, while if the US continued to fuel the world economy, increasing their balance-of-payments deficits and issuing dollar-denominated obligations to fund it, the excessive US deficits would erode confidence in the value of the US dollar and hence provoke the breakdown of the fixed exchange rate system. In order to overcome these problems, Triffin sketched out his proposal for reforming the Bretton Woods system for the first time in Europe and the Money Muddle (1957) and then he described it with more details in 1959 both in "Tomorrow's Convertibility: Aims and Means of International Monetary Policy" published in Banca Nazionale del Lavoro Quarterly Review and in a statement before the Joint Economic Committee of the US Congress. The reform was based on the creation of fiat reserves by the IMF which would take the place of the national currencies and of gold in international monetary reserves. His plan was strongly influenced by his historical perspective on the development of modern national central banks and monetary systems. In this paper, after a short introduction on the main events which characterized the evolution of the international monetary system between 1958 and 1971, we provide a general survey on the main issues which were debated with a view to reform the international monetary system. Then, we go into Triffin's contributions throughout the various experiences of his career, emphasizing the originality of his views and assessing the intellectual and practical impact of his proposals in the period in which they were expounded.

Nesrine Bentemessek (ESG - Phare) and Jérôme de Boyer des Roches (Paris Dauphine - Phare) , "Financial Institutions and Public Debt Liquidity in England [1694 – 1720]"

The methods England took to restructure its public debt during the British Financial Revolution consisted of improving liquidity. Accordingly, the State sought to reestablish its solvability by backing its debt on tax revenues as well as to homogenize it, reduce its cost and improve the functioning of the primary and secondary debt markets. Finally, it favored the creation of new institutions, i.e., the establishment of companies with stocks whose commercial and/or financial activities would be connected to its debt. The Bank of England and the South Sea Company, created in July 1694 and September 1711 respectively, are two prime examples of this. In this article, we highlight the role of these two financial institutions in the process of the creation of liquidity through the managing and restructuring of the national debt. We establish the fundamental differences between the financial experiments led by these two establishments. Indeed, if the project of converting the titles of national debt into shares of the South Sea Company led to the creation of the South Sea Bubble, the circulation of short-term government bonds (exchequer bonds) by the Bank of England after 1707 constituted an unrivaled financial success. Finally, we discuss the diverging commentaries of Hume (1752), Steuart (1767) and Smith (1776) on these financial experiments.

Rebeca Gomez (Université Lyon 2 - Triangle) and Jérôme de Boyer des Roches (Paris Dauphine - Phare) , "US Monetary System under the National Banking System (1863-1913)"

During the US Civil War, in 1863, the North federate states established a National Banking System. It contributes to the financing of the War and to the circulation of banknotes. This system was extended after the civil war and survived 50 years, until the establishment of the Federal Reserve System in 1913. The aim of this article is to analyze the features of this system, its weaknesses, as they appeared during the debates surrounding the 1907 panic, but also its strengths, as the role of the State to guaranty the liquidity of the National banknotes. We particularly emphasize on the types of banks and of banknotes existed at that time. We explain what does exactly mean "bond-backed currency system" and the alternative proposals for "asset-backed currency system". By pointing on the impact of seasonal variations of demand of credit on the US Money Market, and using some accounting examples, we put into the light how the system worked and how it regularly incurred to liquidity crises.

MON1D: NEW INSIGHTS INTO SOME 2OTH CENTURY CONTRIBUTIONS

Robert Scott (Monmouth University), "Kenneth Boulding's Centennial Year"

Kenneth Ewart Boulding was born 100 years ago this year (1910-1993). Born in Liverpool, England he came from a working class family. He attended Oxford University on scholarship and discovered economics during his first year. While still an undergraduate Boulding got his first paper published in the Economic Journal whose editor was John Maynard Keynes. This set a precedent for Boulding's career as a successful economist. He studied under Frank Knight and Joseph Schumpeter among others. He was the second winner of the John Bates Clark Medal in 1949—in large part because of his successful economics textbook, which was the standard text in most introductory economics courses in the US. In that same year he joined the faculty at the University of Michigan where he was for 18 years. At Michigan he refined his General Systems theories and wrote many books and articles outlining his vision of the economy as an ecological system. His book Conflict and Defense (1964) is considered to be a classic in the field of conflict and game theory. In 1966 Boulding's essay The Economics of the Coming Spaceship Earth is often considered the starting point for modern ecological economics. In 1967 he moved to the University of Colorado-Boulder the year before he became president of the American Economic Association. While in Colorado, Boulding became more interested in developing a pluralist methodological approach to economic problems. He believed economists were becoming too myopic and that they needed to learn from other disciplines in order to solve pressing economic and social problems. This paper outlines the intellectual contributions of Kenneth Boulding and discusses the many ways his ideas have influenced (and are continuing to influence) economic thinking.

Floris Heukelom (Radboud University Nijmegen), "Kahneman and Tversky's collaboration of the 1970s"

Kahneman and Tversky's collaborative work of the 1970s was a combination of the research conducted by both individually in the 1960s. Towards the late 1960s, Tversky became increasingly dissatisfied with the approach and theory of behavioral decision research and decision theory. The normative models were consistently violated by subjects, and there did not seem to be an explanation for this. Elimination-by-aspects was an attempt to solve this problem by providing a new normative theory of rational decision making. However, its experimental merits and its implications for measurement theory were not clear. Kahneman offered an alternative route by introducing the idea that in every decision situation there is but one optimal, or normative, solution, determined by the scientists. Instead of placing the burden on the theory, as was done by Savage and Edwards, as well as in Tversky's early work, Kahneman proposed that the burden of the violations be placed on the human beings in the experiments. Tversky's work on decision making and the conceptual twist added to it by Kahneman formed the basis of their subsequent collaborative research.

Robert Dimand (Brock University and McMaster University), "Tobin as an Econometrician"

This paper examines the econometric work of Nobel laureate James Tobin, starting with his 1947 doctoral dissertation on the consumption function (introducing wealth as an argument in the consumption function), continuing through his work on the econometrics of rationing and of limited dependent variables (including the Tobit estimator), and culminating in the efforts of Tobin and his colleagues and students (e.g. William Brainard, David Backus, Gary Smith) to construct and estimate a stock/flow consistent macroeconometric model with a disaggregate financial sector, notably in the 1980 supplement to the Journal of Money, Credit and Banking. This effort to create an empirical, operational counterpart to Tobin's "general equilibrium approach to monetary theory" is contrasted with other trends in macroeconometric modeling at the time which came to be more widely influential. This paper draws on archival research in the Tobin Papers in the Yale University Library.

Elodie Bertrand (University of Littoral Cote d'Opale (EQUIPPE-PHARE)), "A key to Coasean thought: the notion of cost"

Although the themes studied by Ronald Coase (industrial organization, empirical studies of monopoly and public utilities, rationale for the existence of firms, analyses of externalities, statistical analysis of anticipations, etc) cover a significant spectrum of diverse economic questions, common methodological elements are well understood, such as a claim for realism and a criticism of the abstraction of standard microeconomics. The theoretical unity of his works is less obvious. In this paper, we show that it can be achieved thanks to the notion of cost. The main contributions of Coase are linked to a reflection on the concept of what a cost is. Commenting on “The nature of the firm” (Coase 1937) fifty years after its publication, Coase (1988) explains that the fundamental question he faced, and to which he claimed to have answered with the notion of transaction costs, was “linking up organization with cost”. “The problem of social cost” (Coase 1960) derives from a critique of Pigou’s approach (1932) to private and social costs, the concept of opportunity cost being central to his proof of the “Coase theorem”. Other lesser-known Coasean works are also related to this concept of cost. In the 1930’s, Coase critically studied the theories of imperfect competition and natural monopoly pricing. As Arena (1999) notes, it is the subjective aspect of cost (and hence of the entrepreneurial decision) that is put forward. By the same token, the “Coase conjecture” on monopolies producing durable goods is fundamentally based on the idea of inter-temporal opportunity costs. Coase has effectively investigated the concept of cost in the 1930’s. In 1935, he comes back to teach at the London School of Economics and works with the research group on applied economics, led by Arnold Plant. This team revisits the methods of private accounting by using the then-recent developments of microeconomics and the concept of opportunity cost in particular. This concept arises from Lionel Robbins, who had had a major influence on Coase and introduced him to Wicksteed’ and Knight’s theories. The study of Coase’s construction and use of the concept of cost leads us to two types of comments. First, it is significant, as Coase (1988) himself has noted, that this notion of cost has allowed him to preserve the standard theory to analyze such new objects as the firm, the market and the Law. Second, the central concept of transaction costs can itself be seen as an opportunity cost of a market that is not as efficient as it should. More broadly, the costs of each arrangement are the opportunity costs of a less-than-perfect world.

MON1E: HENRY GEORGE AND ECONOMICS IN RELIGION

Mason Gaffney (University of California Riverside), "Martin Luther King Jr., Mahatma Gandhi and Henry George"

The “religious right” has become a block phrase. However the founder of Christianity was a leftist, as were religious and philosophical leaders like Martin Luther King Jr., Mahatma Gandhi and Henry George.

John Medaille (University of Dallas), "Henry George, Leo XIII, and the Christian Idea of Property"

Henry George viewed Leo XIII's encyclical, Rerum Novarum, as directed specifically against the Single Tax movement, a feeling that was strengthened, no doubt, by the prior suppression of his friend and supporter, Father Edward McGlynn. But while the McGlynn case was amicably resolved, the Vatican and the Georgists never warmed to each other, even though they shared similar aims, as Henry George himself acknowledged. What then was the source of this difficulty? George was challenging the very notion of property which Leo was supporting. Indeed, Leo viewed the then current property arrangements as "natural" and any challenge to them as "socialism," a doctrine against which he fulminated at great length, but without precisely defining his target. Leo identified "Socialism" not only with any limitation of the rights of property, but also with nihilism, communism, free love, anarchy, revolution, and all manner of social ills. This paper compares these competing views of property with the traditional teaching of the Roman Church as expressed in the Fathers of the Patristic Age and the Scholastics of the Medieval period, especially St. Thomas Aquinas. I conclude that Leo was more the Lockean and George more the traditionalist. The task fell to subsequent popes to modify Leo's teaching on property to be more in line with the tradition of the Catholic Church.

Francis Peddle (Dominican University College, Ottawa, CA), "The Eyes of Patmos and Economic Rent"

Henry George towards the end of Progress and Poverty invokes a Biblical reference that "it is what he saw whose eyes at Patmos were closed in a trance." This is the epiphany of St. John the Evangelist on the Greek Island of Patmos - an epiphany that led to the enigmatic Book of Revelations at the end of the New Testament. It is evident that Henry George saw the realm of political economy as articulating the omnipresence of economic rent in individual and communal life. Economic rent can be a positive sign of superabundance or a harbinger of dark apocalyptic times. It carries the risk of either a negative or a positive eschatology. The gift of land, the economy of gift, the joy of human labor and invention, if shorn of the evils of the institutionally sanctioned private appropriation of rent contained, for George, the salvatory possibility of an eschatological horizon of hope and harmony with the divine order of the universe. This paper is a brief exploration of the eschatological and theological themes implicit in George' s "eyes of Patmos" declaration as they relate to economic rent and the science of political economy.

William Peirce (Case Western Reserve University, OH), "Natural Resources and Natural Law: Religion and the Design of Tax Policy"

The Single Tax and other features of Henry George's economic analysis were grounded in Natural Law Philosophy and traditional Christianity. Moreover, George was optimistic about the benefits of industrial and population growth. Yet George had to battle against the strengthening evolutionary currents in the intellectual atmosphere of his time, which foretold conflict with elements of the Progressive movement that should have borne the Single Tax banner after George's death. As the secular ecological religion has displaced Natural Law in much of the academic world view, the purpose of natural resource taxation has increasingly shifted toward remedy of negative externalities, rather than the promotion of growth.

MON2A: AN EVOLVING CANON – STUDYING THE ROLE OF TEXTBOOKS IN POSTWAR ECONOMICS

Jean Baptiste Fleury (Economix-H2S-Cachan), "Economic Education and the Boundaries of Economics in the 1970"

The paper studies the relationship between the teaching of economics and the use of economics outside its traditional boundaries from the late 1960s to the late 1970s. During the late 1960s, some economists and students felt dissatisfied with the teaching of economics. Students' protests emphasized the lack of relevance of the discipline. Meanwhile, economists interested in economic education emphasized the problem of economic illiteracy as a consequence of the relative inefficiency of introductory courses. We explore the various responses by economists and economic educators to these issues by giving a special attention to educational experiments, textbooks, as well as papers published in the Journal of Economic Education. We wonder to what extent the study of topics such as racial discrimination and crime offered an interesting solution to the complaints related to the lack of relevance of the discipline. Moreover, many criticisms against introductory courses pointed out the fact that these courses were overloaded. In order to reduce the content exposed, teachers had to think about the distinctive characteristics of the discipline in comparison to other social sciences, implicitly or explicitly raising the question of the definition of economics. We wonder to what extent a definition of economics as a set of tools that can be used to study real world issues offered interesting solution to these teaching problem, by allowing the introductory course to narrow down to only a few principles (such as rational behavior and marginal analysis). Thus, we wonder if these developments reinforced the "economic approach" to social phenomena, characterized by a "toolbox" definition of economics and the use of economic theory outside its traditional boundaries. Indeed, Gary Becker's The Economic Approach to Human Behavior (1976) wasn't the first and only work permeated by the notion of economics imperialism at the time: some textbooks and educational experiments also expressed a similar understanding of economics.

Pedro Teixeira (CIPES and University of Porto), "Conquering or Mapping - Human Capital's Dissemination in Established and New Fields"

Human Capital theory is frequently pointed out as a success story in contemporary economics and several aspects seem to confirm it. Research on human capital increased throughout the last decades of the twentieth century to become a very popular topic. Moreover, the expression human capital became part of the jargon of the discipline, and beyond, and came to epitomise education and training. The signs of success are numerous and human capital research was able to permeate the standard views of the discipline, especially through new generations of economists. The visibility and acceptance of human capital research by professional economists has also largely benefited from the progressive institutionalisation of applied fields which since their inception were linked with human capital theory, such as the economics of education and health economics. Although the subsequent institutionalisation of these applied fields tended to give less importance to the seminal insights coming from human capital research and led them to pursue a wider research agenda, they kept giving important visibility to human capital research. However, in its early stages human capital faced significant resistances and controversy and its acceptance was a complex process. In this paper we look at the process of acceptance of human capital theory through its inclusion in economic textbooks. With the post-fifties explosion of higher education enrolments in Western countries in general (Trow, 1973), and in the US in particular, textbooks became a crucial instrument in perpetuating a certain view/paradigm in which scientific research and teaching occurs. It is particularly important to underline the changes from the fifties (where the textbook industry was very small) to the sixties, in which it became a highly competitive field. The explosion of college enrolment created a market opportunity that publishers did not fail to seize. This increase in relevance for their business made much more professional their approach, with requests for editorial counselling (which contributed to reduce the gap between the research

frontier and the core-textbook view). Although in the social sciences textbooks seem to pay more attention to the research frontier findings than those in the hard sciences (Cole, 1983), the vision purported still tends to change very slowly, especially in the cases of texts published prior to the paradigm shift (a kind of structural inertia). Although there are a few studies in other sciences about the role of textbooks in the development of ideas, there is limited work in most social sciences and economics is no exception to that. Our analysis will focus on several layers of dissemination. We start by analysing the way it was received in general texts, which are regarded as an implicit recognition that the discipline recognises it as a valuable and important part of the canon. It is noteworthy when a discipline makes it part of the intellectual bequest to be transmitted to new generations of economists, either at the general or specialised level. Thus, we will look at the impact of human capital research in more specialised fields, namely labour economics and the economics of education. The analysis of these two fields will provide several interesting insights, since whereas the former was a rather established field, the latter owed a lot of its initial visibility in economics to the development of human capital research. Hence, we will compare the patterns of dissemination of these new theoretical developments in a more consolidated and in an emergent field of economic research.

Steven Medema (University of Colorado Denver), "The Coase Theorem in the Textbooks, 1960-1979: The Case of Intermediate Microeconomics"

The set of ideas that has come to be known as the Coase theorem has been part of the economics literature for some five decades, having first appeared in Ronald Coase's classic essay, “The Problem of Social Cost” (1960). During this time, it has permeated the scholarly literatures in economics and law and has been the subject of a debate over its correctness and relevance that continues to this day. While the Coase theorem has been surveyed and analyzed from nearly every conceivable angle, one aspect of its diffusion that has not been examined is that in the teaching of economics. The present paper attempts to treat this topic through the textbook literature, and, in particular, the intermediate microeconomics textbooks. It is now a commonplace to include a discussion of the Coase theorem in intermediate microeconomics textbooks, generally in a chapter devoted to externalities or externalities and public goods, but this was not always the case. As we shall see, it took nearly two decades after the publication of “The Problem of Social Cost” for the theorem to become a well-established part of the textbook literature in intermediate microeconomics. The introduction of the Coase theorem into this textbook literature raises a host of issues for examination: When did the theorem first appear? How was it stated? Are there variations in the statements of the theorem and its attendant assumptions across authors? When did treatment of it become commonplace? How long did it take the authors of textbooks that did not initially include it to bring the theorem into the discussion? What are the backgrounds (e.g., graduate training, faculty affiliations, research fields, etc.) of authors who incorporated the theorem early on? How was the theorem treated: As a surprising result? A useful one? Negatively? As we shall see, a host of issues and contrasts emerge from the textbook treatments of the theorem, many of which appear to go to problems entailed in presenting a new and controversial idea, one with a number of nuances that were being teased out in the scholarly literature over the same period—nuances that could be helpful or harmful for the presentation of the theorem to a student audience.

MON2B: IN THE BEGINNING OF ECONOMICS; ENGLAND AND THE NETHERLANDS 1600-25

Benjamin H. Mitra-Kahn (City University London & New School for Social Research),
"The emergence of an economy in early 17th century England"

Economic historians have long pointed to England's 1619-23 crises as the earliest example of an empirical and non-religious debate on economic issues; implying a break with scholastic methods while maintaining that the concept of an economy would not be considered until the late 18th century. This paper suggests exactly the opposite. Based on primary sources and the historical context I argue that from 1619-23 the scholastic method was maintained and a space for the economy was found within scholasticism. This is important, because it changed English attitudes towards policy making and re-define the nation. Throughout the 15th and 16th century a nation's wealth and progress was defined by the monarchs personal wealth and the nations physical borders. After the 1620s crisis, the nation's wellbeing was defined as the aggregate wealth of individual citizens while progress was not to be found in expanding borders or royal wealth, but in the increased trade and exports which led to rising incomes. This paper explores how this change was driven by the highly influential economic discourse and debate during the crisis. Most controversial at the time was the role of the monarch. Either, he was the divinely appointed prince, chosen to set prices and reflect the greatness of the nation, as argued by his Assay Master, Gerard de Malynes. Or the monarch was simply another part of a wider economic context, unable to decide prices and value, and he should leave trade to find a natural balance, as argued by Edward Misselden. It was Misselden who eventually won the argument by applying empirics to scholasticism showing that it was the economy and economic forces, not monarchs, which defined and decided a nation's wealth.

Alexander Bick (Princeton University),
"The Joint-Stock Company and the State: Competing Drafts for the Charter of the Dutch West India Company, 1618-1621"

At the same time that England was gripped by economic distress, her neighbors in the Netherlands were busy creating a powerful new joint-stock company to wage war against Spain and coordinate Dutch trade in the Western Hemisphere. This paper examines the establishment of the West India Company in the period 1618-21 and asks what ideas, models, and assumptions contributed to its final design. By comparing the remaining drafts of the company's charter, along with the proposals and letters of leading merchants involved in the negotiations, it attempts to reconstruct competing visions for the management of overseas trade and the proper relationship between a joint-stock company and the state. In particular, the paper analyzes the form given to the West India Company's highest executive body, the Heren Negentien (or "Gentlemen Nineteen"), and shows the specific models at home and abroad that were considered in allocating responsibilities to merchants and magistrates, respectively. The paper thus offers insight into the competing logics that animated Dutch mercantilism and provides a counterpoint to English debates about state and economy in the late-1610s and early-1620s.

MON2C: VIEW FROM THE GIANT'S SHOULDERS: HISTORY OF THOUGHT AND THE DEVELOPMENT OF NEW THEORY

Craig McLaren (University of California: Riverside), "The marginal Revolutionaries: Divergent Perspectives on the Meaning of Utility"

Though the marginalist paradigm was born with the nearly concurrent publication of works by Jevons, Menger, and Walras, these pioneers approached the problem of exchange from widely different viewpoints. Jevons, proceeding from the perspective of British political economy, sought to understand it in terms of process within the consumer's mind. The French thinkers upon whom Walras drew regarded it as a social process. They were far more concerned with empirical measurement, and thus uncomfortable with the introduction of unobservable quantities such as utility into theory. Menger, who followed more Aristotelian views on value and human need, proposed a notion of diminishing marginal value that anticipated the work of psychologist Abraham Maslow which came more than half a century later. This paper argues that the neoclassical consumer theory as articulated by Samuelson, ignores critical French and Austrian insights, particularly those of Menger. Had mathematical techniques developed for mid 19th Century physics been more widely known, the missing insights could have been incorporated, and a more robust theory developed. NOTE: The author is a theorist whose research agenda is to develop the "robust" theory alluded to above. This paper results from historical research, undertaken to clarify the theoretical problem. This paper was intended for the proposed session View from the Giant's Shoulders: History of Thought and the Development of New Theory. The proposal for that session is unfortunately not yet complete.

Prasanta Pattanaik (University of California: Riverside), "John Stuart Mill and 'Non-welfaristic' Welfare Economics"

Despite his avowed utilitarianism, John Stuart Mill (1806-1873) had several strands in his thinking which were at odds with utilitarian ethics. In this essay, I consider how some of these themes have reappeared in welfare economics in the last four decades or so. Much of traditional welfare economics has been basically utilitarian in spirit, but, over the last few decades welfare economists have steadily moved beyond 'welfarism', i.e., the ethical position that individual utilities constitute the exclusive basis for the evaluation of alternative social policies. While I do not claim that the philosophical origin of 'non-welfaristic' thinking in welfare economics lies mainly in John Stuart Mill's writings, I discuss how Mill, who considered himself to be a utilitarian, anticipated and grappled with several issues which have been taken up only recently in welfare economics.

Mason Gaffney (University of California, Riverside), "Repeated cycles of discovering and burying the wheel: case studies of A.R.J. Turgot and Martin Faustmann"

Turgot's Réflexions, 1767, expounds deep economic truths. His examples suggest that his practical experience derived mainly from agriculture; they lack references to today's sophisticated credit instruments and financial markets, or to modern modeling techniques. Yet most modern writers, while clever and full of models, deal with trivia, while Turgot drew from his theorizing basic principles for governing a nation. Turgot was not inconspicuous, for Louis XVI made him Comptroller-Generale of France, 1774-76, in which post he set about implementing the most fundamental reforms, products of The Enlightenment. Powerful reactionaries got him removed and his ideas buried briefly; one hardly reads of him today; yet they resurfaced, if twisted, in the Revolution and the Napoleonic era, not to mention in the new Constitution of the United States, and the works of Adam Smith. They were again buried in the Metternich era, only slowly to resurface in Europe, while in the U.S.A. they created a national economy from coast to coast. Turgovian thinking, without much reference to the man, crested in the U.S.A. during and just after the Progressive Era, only slowly to be buried once again until today the corvée that Turgot fought to eliminate has been replicated in our modern payroll tax, and the personal income tax has been modified so as to exempt most property income. The gabelle that Turgot so despised has resurfaced in our states' sales taxes. Thus, modern tax policy moves back to that of l'ancien régime, and most modern tax theory, strangely, moves right back with it. The story of Martin Faustmann is simpler and less epochal, but instructive. Faustmann , a forest economist, developed in 1849 a criterion for determining the optimal financial maturity of timber. It lingered for years as a footnote in forestry textbooks, mostly patronized as being "merely mathematical" or "theoretical", meaning unrealistic. Bertil Ohlin developed it independently in 1919 or so, but never even searched the forestry literature, and let it die. Gaffney rediscovered it in 1957 at a time when, by chance, the industry was eager for it, and it had quite an afterlife, but only inside the industry and among a few economists, one of whom was Paul Samuelson. Gaffney then tried to generalize it into an overall theory of replacement policy, stressing the role of land value and tax policy, but the industry was anything but eager to be told it was being undertaxed, and again Faustmann was buried.

MON2D: PERSPECTIVES ON KEYNES

Toshiaki Hirai (Prof. of Economics), "Keynes and the Transmutation Process of the Plan for Commodity Control Scheme"

This paper proceeds as follows. In Section 2 the initial situation surrounding the commodity problem is explained. In Section 3 the Fifth Draft (14 April 1942) of the buffer stock plans „Ÿ the most important version that Keynes would have really placed his hopes in „Ÿ is examined. In Section 4 comparison is made between the following four drafts and the Fifth Draft; we then go on to see how Keynes was forced to come to a compromise with other camps. Section 5 discusses the road along which the world proceeded thereafter, while Section 6 presents our conclusions. Conclusion In this paper we have sought to clarify (i) the significance of a buffer stock plan in Keynesfs economic thought, and (ii) how and why the plan was transmuted in the political situation of the time. Our conclusions are: (i) Keynes firmly believed that violent fluctuations in the prices of primary products were attributable to the fatal defect that the competitive system abhors buffer stocks, and in order to stabilize prices (and guarantee some living standard to producers) an international organization should be set up. The Fifth Draft, the main emphasis of which was placed on the stabilization of prices, ideally epitomizes his stance, for it is firmly grounded in his social philosophy „Ÿ the New Liberalism. (ii) However, the buffer stock plan made a series of transformation due to political concessions and compromises. The essential transmutation is that in the drafts following the Fifth Draft restriction on output was increasingly emphasized. The Sixth to Eighth Drafts are quite different, in spirit, from the Fifth. We cannot find, however, any document or letter to show Keynesfs dissatisfaction with this transformation. Different from Harrod, who praised the Fifth Draft and has been very critical of the following drafts, Keynes seems to recognize that the following drafts have been not in contradiction, in spirit, with the Fifth Draft. He seems to approve an introduction of some sort of restriction on output in order to deal with the commodity problem. He is not a person who tries to make any compromise in a way that it might do some damage to his principle of belief.

Neil Niman (University of New Hampshire), "Animal Spirits and the Future of the Macroeconomy: Lessons from the Past"

In their recent book, Ackerloff and Shiller (2009) seek to apply Behavioral Economics to the workings of the Macroeconomy. Using Keynes as the source of their intellectual inspiration, they attempt to identify noneconomic motives and irrational behavior under the guise of "Animal Spirits" to develop a better understanding of the current macroeconomic crisis and suggest policy actions designed to assist the economy in recovery. A careful reading of Keynes however suggests that Animal Spirits are not necessarily the cause of business cycles, but rather offer a solution to the systemic problem of underinvestment that may prevent the economy from reaching a full employment equilibrium. As a result, one is left wondering: Are Animal Spirits the bane of human existence or the savior of the modern macroeconomy? More importantly, it seems that how one answers this question affects the choice of policy designed to guide the current economy out of crisis. Rather than beginning with the much discussed Economics of Keynes, we instead turn to the work of Henry George. The rationale for starting with George is to illustrate that certain foundational ideas were "in the air" at the time and not unique to the work of Keynes. From the work of George, we then turn to Keynes in order to gain a more complete understanding of how Speculation and Enterprise influence the development of real capital assets. We then trace Keynes' different conceptions of psychological influences and show that speculative behavior does not emerge with an unfettering of Animal Spirits. Rather, Keynes viewed Animal Spirits as the savior of Enterprise and therefore an essential component for future expansions in the economy. The conclusion reached therefore is that rather than looking for policy options designed to dampen down these Animal Spirits, we should instead seek to enhance them if we are to have any hope for meaningful economic growth.

Catherine Martin (University of Paris1 Panthéon-Sorbonne), "Malthus and Keynes: an ambiguous filiation"

Malthus and Keynes : an ambiguous filiation It is very well known that J. M. Keynes claimed that T.R. Malthus has been a forerunner of his, mainly because, thanks to Malthus "the notion of the insufficiency of effective demand takes a definitive place as a scientific explanation of unemployment" (JMK, CW, VII, 362); which has been commented on by many economists. I propose to challenge that filiation as stated by Keynes. This paper is mainly devoted to proving why what makes it possible for the effectual demand to be insufficient is very different for the two economists; and to discussing Keynes's claim according to which "Malthus is dealing with the monetary economy in which we happen to live" and not "with the abstraction of a neutral money economy" (JMK, CW, X, 97). In the Preface to the English Edition of the General Theory, Keynes writes that "the difficulty lies not in the new ideas, but in escaping from the old ones, which ramify, for those brought up as most of us have been, into every corner of our mind" (JMK, CW, VII, xxiii). However, it seems that the way Keynes misunderstood Malthus's analysis proves that it is just as well difficult to understand old ideas…. Catherine Martin