K. Christ / History of Economic Thought
5: Classical economics

Outline

I. Key Figures
   A. Major:
      • Adam Smith (1723 – 1790)
      • Thomas Malthus (1766 – 1834)
      • David Ricardo (1772 – 1823)
      • John Stuart Mill (1806 – 1873)
      • Karl Marx (1818 – 1883)
   B. Minor:
      • James Mill (1773 – 1836) and Jeremy Bentham
      • Nassau Senior (1790 – 1864)
      • J. E. Cairnes (1823 – 1875)
      • Jean Baptiste Say (1767 – 1832)
      • Robert Torrens (1780 – 1864), An Essay on the Production of Wealth (1821)

II. Ricardo and the "Ricardian system"
   • Class analysis, value and distribution, and an important policy debate over free trade in the United Kingdom during the 1840s (the “corn laws” debate).
   • Theory of wages, rents, and profits
   • Deductive approach
   • Functional theory of distribution and its implications for a capitalist “stationary state”
   • One other very important item: Ricardo, international trade, and comparative advantage.

III. Malthus and the “dismal” science
   • Radical utopians and Malthus’s response – Essay on the Principle of Population (1798)
   • The Malthusian population doctrine and the transition from Smith’s moral philosophy to Ricardo’s classical political economy
   • Later social critics, including Thomas Carlyle (1795 – 1881) who coined the term “dismal science” to describe economics, would be highly critical of the classical political economy of Malthus and Ricardo.

IV. Mill, Utilitarianism, and the extension / consolidation of Ricardian economics
   • Jeremy Bentham (1748 – 1832) and utilitarianism
   • Mill and economic methodology
   • Mill on distribution
   • Mill on the role of government in a society
   • Mill’s stationary state

V. Summing up the classical view – The “Classical Canon”
   • Class-based analysis
   • Economics as a natural science
   • Importance of personal liberty and property rights
   • A cost-of-production theory of value, specifically a labor theory of value
   • Distribution theory -- Malthusian population doctrine and the so-called “iron law of wages”
   • Views on economic growth and business cycles