

straight to the 130 pages of bibliographical notes appended to H. S. Spiegel, *The Growth of Economic Thought* (1971), which includes virtually everything that I cite and much more besides. Nevertheless, I have not discarded the 'Notes on Further Reading' in this third edition of the book, partly because a reader may wish to check my personal preferences among the secondary literature and partly because the Notes serve me as footnotes, listing not only what I recommend to others but also what has particularly influenced me in the course of writing this book. However, in revising and updating these bibliographical essays, I have become more selective than before in the knowledge that obsessive readers have other places to go for encyclopaedic lists of books and articles.

Over the years I have had many unsolicited but welcome reactions from various readers, some of whom have pointed to errors, misprints, and downright mistakes in the text. Their names are too many to mention but I owe a particular debt to D. Hamblin for his careful reading of the previous edition and to S. P. Hersey for similar diligence applied to the present one.

London, England
December, 1976

MARK BLAUG

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2. MALTHUS' THEORY OF GLUTS: Malthus' Case. The Doctrine of Underconsumption. Exponential Growth. What Malthus Actually Said. Ricardo and Malthus.

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6 John Stuart Mill

READER'S GUIDE TO THE 'PRINCIPLES OF POLITICAL ECONOMY': *Laws of Production and Distribution. The Doctrine of Productive Labor. Theory of Capital. The Wages Fund Doctrine. Advance Economics and Synchronization Economics. The Machinery Question. The Rate of Growth of the Factors of Production. Socialism. Custom and the Laws of Distribution. The Distributive Shares. The Abstinence Theory of Interest. The Theory of Value. The Quantity Theory of Money. Inflation. The Loanable Funds Theory. Say's Law. The Currency-Banking Controversy. The Real Bills Doctrine. Mill's Position on Monetary Management. Theory of International Values. International Wage and Price Levels. Hume's Law. Transfer Payments. The Vent-for-Surplus Doctrine. The Basis of a Theory of International Trade. Statics and Dynamics. The Falling Rate of Profit. The Stationary State. Taxation. The Incidence of Taxes. The Public Debt. The Scope of Government. Education in Classical Economics. The Classical Economists and the Factory Acts. John Stuart Mill as an Economist.*

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7 Marxian Economics

Terminology. Value and Surplus Value. The Great Contradiction. The Transformation Problem. Solutions of the Transformation Problem. Historical Transformation. What Price Value? The Marxist Case for the Labor Theory. Profit as Unearned Income. Marx and Böhm-Bawerk. Surplus Value and Economic Surplus. The Laws of Motion of Capitalism. The Law of the Falling Rate of Profit. A Glance at the Data. Capitalsaving Innovations. The Reproduction Schema. Business Cycles. The Investment Function. The Myth of a Laborsaving Bias. Impoverishment of the Working Class. Economic Imperialism. The Role of Institutional Assumptions. READER'S GUIDE TO 'CAPITAL': *Value. Socially Necessary Labor. Commodity Fetishism. Theory of Money. Surplus Value. The Factory Acts. Marx's Use of Historical Material. Division of Labor and Machinery. Surplus Value and Labor Productivity. The Accumulation of Capital. Absolute and Relative Impoverishment. Primitive Accumulation. The Costs of Distribution. The Turnover of Capital. The Reproduction Schema. The Great Contradiction. The Transformation Problem. The Law of the Falling Rate of Profit. Capitalsaving Innovations. Foreign Trade. Business Cycles. Money and Interest. Theory of Rent. Marx as an Economist.*

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10 Marshallian Economics: Cost and Supply

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11 Marginal Productivity and Factor Prices

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2. LINEARLY HOMOGENEOUS PRODUCTION FUNCTIONS: Product Exhaustion. The Formal Properties of Linearly Homogeneous Production Functions. The Economic Meaning of Linearly Homogeneous Production Functions.
3. THE OPTIMUM SIZE OF THE FIRM: Wicksteed's Proof of Product Exhaustion. The Indivisibility Thesis. Genuine Variable Returns to Scale. Diseconomies of Management. The Growth of Firms.
4. THE THEORY OF PROFIT: The Meaning of Pure Profit. The Entrepreneur as a Factor of Production. Profit as a Return to Uncertainty Bearing. Other Causes of Profits.

5. AGGREGATE PRODUCTION FUNCTIONS: The Concept of a Micro-Production Function. The Problem of Aggregation. Measurement of Capital.
 6. TECHNICAL CHANGE AND PROCESS INNOVATIONS: Taxonomy Neutral Technical Change. The Automation Bias in Technical Change. The Inducement Mechanism. The Neglect of Technical change.
 7. MARGINAL PRODUCTIVITY ONCE AGAIN.
 READER'S GUIDE TO THE 'COMMON SENSE OF POLITICAL ECONOMY': *Consumer Behavior. The Content of the Maximand. Price Formation.* Supply as Reverse Demand. The Doctrine of Alternative Costs. Alternative Costs and Factor Prices. *Distribution. The Laws of Return. The Law of Rent. Applied Economics.*
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12 The Austrian Theory of Capital and Interest

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 2. THE AVERAGE PERIOD OF PRODUCTION: Böhm-Bawerk's Model. The Definition of the Average Period. The Calculation of the Average Period. Is the Average Period Infinitely Long? Waiting as an Original factor. The Average Period and the Capital-Output Ratio. Synchronization of Production and Consumption.
 3. THE SWITCHING THEOREM: The Many-Products-One-Technique Simplification. Is Switching Likely? A Post-Mortem.
 4. FISHER'S THEORY OF INTEREST: Willingness and Opportunity. Rate of Return over Cost. Diagrammatic Exposition. Some Uses of the Diagram. The Theory of Investment Decisions. The Real and the Money Rate of Interest. The Real Rate in a Dynamic Economy. Real versus Monetary Theories.
 5. THE RICARDO EFFECT: The Concertina Effect. The Demonstration of the Effect. The Meaning of Capital Rationing. Conclusions. Money and Real Wages.
- READER'S GUIDE TO THE 'LECTURES ON POLITICAL ECONOMY', VOLUME I: *Utility and Value. Welfare Economics. Imperfect Competition. Production and Distribution. Capital. The Capital Structure. Böhm-Bawerk's Theory of Interest. The Optimum Storage Period. The Value of Capital.* The Wicksell Effect. *Definitions of Capital. The Accumulation of Capital. Cassel's Theory of Social Economy. Durable Capital Goods.* Wicksell as an Economist.

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1. WALRASIAN GENERAL EQUILIBRIUM: The Concept of General Equilibrium. The Walrasian System. The Existence of General Equilibrium. Stability and Determinacy. Capital Theory. Monetary Theory. Evaluation of Walras' Contribution.
2. PARETIAN WELFARE ECONOMICS: The Optimum Exchange Conditions. A Pareto Optimum. The Scitovsky Double Criterion. Recent Welfare Economics. The Marginal Conditions. The Optimal Characteristics of Perfect Competition. Marginal-Cost Pricing. Nonmarket Interdependence. Public Goods. Pigovian Welfare Economics. Second-Best Solutions. Conclusions.

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16 A Methodological Postscript

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