

[6]

Of the Causes of Improvement in the productive Powers of Labour, and of the Order according to which its Produce is naturally distributed among the different Ranks of the People



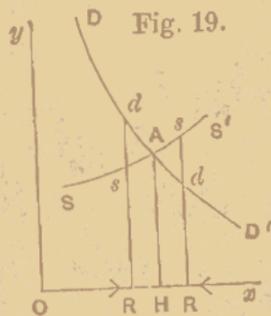
The greatest "improvement" in the productive powers of labour, and the order of its distribution, is the result of the industry and judgment with which it is conducted.

JOURNAL OF THE HISTORY OF ECONOMIC THOUGHT

PUBLISHED FOR THE HISTORY OF ECONOMICS SOCIETY

the person holding the string swings his hand in a very rhythmical and partly arbitrary, the illustration will show the difficulties of some very real and practical problems. For indeed the demand and supply schedules do not

V. I. 1. To represent the equilibrium of demand and supply geometrically, draw the demand and supply curves together as in Fig. 19. If then the rate at which production is being actually carried on, and Rd the price greater than Rs the supply price, the production will be profitable, and will be increased. R , the amount, may call it, will move to the right. On the other hand, if Rd is less than Rs , R will move to the left. If Rd is equal to Rs , that is, if R is vertically under a point of intersection of the demand and supply curves, demand and supply are in equilibrium. This may be taken as the typical diagram for stable equilibrium of a commodity that obeys the law of diminishing returns. If we had made SS' a horizontal straight line, we should have presented the case of "constant return," in which the price is the same for all amounts of the commodity. If SS' inclined negatively, but less steeply than DD' , the necessity for this condition will appear more fully later on), we should have a stable equilibrium for a commodity which obeys the law of increasing returns. In other cases the above reasoning remains unchanged without the alteration of a letter; but the last case introduces difficulties which we have arranged



may happen... they have... and com... are not s... met with... Of co... and Nor... influences... of whic... persisted... them to... and No... broader... § 7... with in...

CAMBRIDGE UNIVERSITY PRESS

JOURNAL OF THE HISTORY OF ECONOMIC THOUGHT

Journal of the History of Economic Thought (JHET) is the journal of the History of Economics Society. *JHET* is a quarterly, refereed journal and welcomes papers that reflect the full spectrum of scholarly analysis within the history of economic thought. The *Journal* also features a regular Book Review section, which includes reviews by leading specialists.

Editor

Stephen Meardon, *Bowdoin College and Universidad EAFIT Medellín*

Book Review Editor

Maria Pia Paganelli, *Trinity University*

Editorial Board Members

Michele Alacevich, *Columbia University*
Nahid Aslanbegui, *Monmouth University*
Roger Backhouse, *University of Birmingham*
Jeff Biddle, *Michigan State University*
Mauro Boianovsky, *Universidade de Brasília*
Marcel Boumans, *University of Amsterdam and
Erasmus University Rotterdam*
Robert W. Dimand, *Brock University*
Agnès Festré, *Université de Picardie
Jules Verne*
Evelyn Forget, *University of Manitoba*
Harald Hagemann, *Universität Hohenheim*
D. Wade Hands, *University of Puget Sound*
Steven Horwitz, *St. Lawrence University*

Jimena Hurtado, *Universidad de los Andes*
Marianne Johnson, *University of Wisconsin
Oshkosh*
Thomas C. Leonard, *Princeton University*
Harro Maas, *University of Utrecht*
Steve Medema, *University of Colorado Denver*
Perry Mehrling, *Barnard College,
Columbia University*
Paul Oslington, *Alphacrucis College Sydney
and Australian Catholic University*
Robert Prasch, *Middlebury College*
Malcolm Rutherford, *University of Victoria*
Amos Witztum, *London School of Economics
and Political Science*

Those wishing to submit manuscripts for publication in *JHET* should do so at the journal's website (<http://mc.manuscriptcentral.com/jhet>). All manuscripts that pass an initial screening are refereed. Books for review may be addressed to:

Maria Pia Paganelli
Department of Economics
Trinity University
One Trinity Place
San Antonio, TX 78212, USA

The HES web page address is <http://www.historyofeconomics.org>

Annual membership in the History of Economics Society, which includes a one-year subscription to *JHET*, is \$40. To become a member of the Society, please visit <http://journals.cambridge.org/action/HESHome>

Subscription Information: *Journal of the History of Economic Thought* (ISSN: 1053-8372) is published quarterly, in March, June, September, and December by Cambridge University Press for the History of Economics Society. An annual index and title-page are bound in the December issue. Annual subscription rates for Volume 36 (2014): Institutional subscription rates, print and online: US \$581.00 in the USA, Canada, and Mexico; UK £361.00 + VAT elsewhere. Institutional subscription rates, online only: US \$528.00 in the USA, Canada, and Mexico; UK £328.00 + VAT elsewhere. Institutional subscription rates, print only: US \$578.00 in the USA, Canada, and Mexico; UK £369.00 + VAT elsewhere. Individual subscription rates, print only: US \$194.00 in the USA, Canada, and Mexico; UK £113.00 + VAT elsewhere.

Abstract and Indexing Services: *Journal of the History of Economic Thought* is currently noted in IBZ, IBSS, *Economic Literature Database*, EBSCO (*Business Source Corporate*, *Business Source Elite*, *Business Source Premier*, *TOC Premier*), OCLC *ArticleFirst Database*, OCLC *FirstSearch Electronic Collections Online*, ABC-CLIO (*America: History and Life*, *Historical Abstracts*), *Econlit*.

All rights reserved. No part of this publication may be reproduced, in any form or by any means, electronic, photocopying, or otherwise, without permission in writing from Cambridge University Press. Permission enquiries from the USA, Mexico, and Canada should be addressed to the New York office of Cambridge University Press, 32 Avenue of the Americas, NY, NY 10013-2473 <http://www.cambridge.org/us/information/rights/contacts/newyork.htm>; permission enquiries from elsewhere should be addressed to the Cambridge office <http://www.cambridge.org/uk/information/rights/contacts/cambridge.htm>; permission enquiries from Australia and New Zealand should be addressed to the Melbourne office http://www.cambridge.org/aus/information/contacts_melbourne.htm.

Photocopying Information (for users in the U.S.A.): Notwithstanding the above, the Item-Fee Code for this publication (0067-2378/14) indicates that copying for internal or personal use beyond that permitted by Sec. 107 or 108 of the U.S. Copyright Law is authorized for users duly registered with the Copyright Clearance Center (CCC), provided that the appropriate remittance is paid directly to: CCC, 222 Rosewood Drive, Danvers, MA 01923 U.S.A. Specific written permission must be obtained for all other copying; contact the nearest Cambridge University Press office.

Periodical postage paid at Jamaica, NY and additional mailing offices. **Postmaster: send addresses to Journal of the History of Economic Thought, Cambridge University Press, 100 Brook Hill Drive, West Nyack, NY 10994-2133.**

JOURNAL OF THE HISTORY OF ECONOMIC THOUGHT

Volume 36

Number 2

June 2014

Articles

Visualizing Uncertainties, or How Albert Hirschman and the World Bank Disagreed on Project Appraisal and What this Says about the End of “High Development Theory”
Michele Alacevich 137

Models and Mathematics: How Pigou Came to Adopt the IS-LM-Model Reasoning
Norikazu Takami 169

Keynes, Fisher, and the Marginal Efficiency of Capital
Richard J. Kent 187

The Economists of the Lost Cause and the Monetary Education of John R. Commons
J. Dennis Chasse 193

Late Spanish Doctors on Usury, and the Evolving Scholastic Tradition
Fabio Monsalve 215

High Levels of Unemployment in the Mercantilist Era
John M. Letiche 237

Book Reviews

Donald Rutherford, *In the Shadow of Adam Smith: Founders of Scottish Economics 1700–1900*
Tony Aspromourgos 253

Paul Oslington, ed., *Adam Smith as Theologian*
Peter Minowitz 255

Susan Howson, *Lionel Robbins*
Norikazu Takami 258

Frederic S. Lee and Marc Lavoie, eds., *In Defense of Post-Keynesian and Heterodox Economics: Responses to Their Critics*
Don Mathews 260

Tyler Beck Goodspeed, *Rethinking the Keynesian Revolution: Keynes, Hayek, and the Wicksell Connection*
Giuseppe Fontana and Michael Ononugbo 262

Michel Bellet, Sanye Gloria-Palermo, and Abdallah Zouache, eds., *Evolution of the Market Process: Austrian and Swedish Economics*
Anthony M. Endres 265

HISTORY OF ECONOMICS SOCIETY

Founded in 1974

OFFICERS 2013–2014

President

Margaret Schabas, *University of British Columbia*

President-Elect

Robert Leonard, *Université du Québec à Montréal*

Vice-President

Ross Emmett, *Michigan State University*

Secretary

Thomas Leonard, *Princeton University*

Treasurer

Neil Niman, *University of New Hampshire*

Past Presidents

Robert W. Dimand, *Brock University*

Phillip Mirowski, *University of Notre Dame*

At Large Members

Pedro Duarte, *University of São Paulo*

Marianne Johnson, *University of Wisconsin, Oshkosh*

Joseph J. Persky, *University of Illinois at Chicago*

Maria Pia Paganelli, *Trinity University*

Editor of JHET

Stephen Meardon, *Bowdoin College and Universidad EAFIT Medellín*

Manager of Electronic Information

Humberto Barreto, *DePauw University*

Archivist

Craufurd Goodwin, *Duke University*