




全国高等农林院校“十一五”规划教材

经济学英语

English in Economics

修长柏 主编

 中国农业出版社

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Foreword

[English in Economics]

This outstanding text, brilliantly put together by Professor Xiu Changbai and seven of his colleagues, includes readings from 23 of the most famous economists of the twentieth century as well as terminologies and exercises that follow each of the readings. The book offers students an easy way to access many of the most important concepts in modern economics. The authours whose writings are contained in this book should be read by all serious students of economics. The insights contained in these readings provide the basis for the way that economists understand the modern world.

Adam Smith, Alfred Marshall, John Maynard Keynes, Ronald Coase, Paul Samuelson, Theodore Schultz, George Stigler, Milton Friedman, John Kenneth Galbraith and the other authours contained in the text were dissatisfied with the existing economic theories to explain what they observed in real life. Through clever reasoning, attention to details, and careful analyses of data, they put forward new ideas about how to interpret what they observed. Their search for truth led them to postulate new hypotheses about how economies function. The influence of these great economists has changed the way that governments manage the economy and how businesses function in the world today. Moreover, they have provided the foundation upon which the newer generation of economists can develop ever more sophisticated models to continue to increase our knowledge of how economies function.

Students often take for granted that everything is already known about a subject. If they can just learn what is contained in all the economic textbooks, they will "know economics." It usually takes some time for students to appreciate just how much remains unknown and how important it is to continue to advance our level of understanding. Reading these authours will provide students with an opportunity to understand how economists approach problems and how important it is to keep an open mind when interpreting economic data that are generated in a social context.

I congratulate Professor Xiu and his colleagues for putting this text together. I am certain that many students will benefit greatly from their efforts.

Dr. Kurt K. Klein

Professor of Economics

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Lethbridge, Alberta, Canada

Preface

[English in Economics]

This textbook was written to meet the demand of college undergraduates majoring economics and management for them to read the famous works of the great economists, their styles of writing economic works and to learn the essential terminologies in economics. It can also be used as a reference book on classical economics for Ph. D. and master candidates who study economics and management.

Economics, as Prof. Joseph E. Stiglitz defined, "... studies how individuals, firms, governments, and other organizations within our society make choices, and how these choices determine the way the resources of society are used" (Stiglitz, 1997). However, throughout human's history, economic theories have been always evolving with the changing economic practices. In this textbook, We try to reflect the mainstreams of these changes in economic theories by citing the typical paragraphs of the well-known books written by famous economists. It covers the classical school, Neoclassical economics, institutional economics and neo-institutional economics, econometrics, development economics, regional economics and industrial economics, with the hope of vast exposing all important economic works.

Editing of this textbook is a fruit of collective effort. All editors and their institutions are listed in the Contributors in the following:

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There are a number of colleagues and students who gave constructive suggestions and comments or even helped the editors in one way or another. The editors particularly thank Dr. Kurt K. Klein, University of Lethbridge, Canada, for going through all pages of the original manuscript and writing a preface for this book. We are grateful to Ms. Xiao Zhihua, a faculty in the College of Economics and Management, Inner Mongolia Agricultural University. She spent many days reading through the manuscript and giving her constructive and invaluable comments and suggestions. We owe gratitude to Ms. Dong Ling, Hong Dongxing and Gao Lifang, the Ph. D. candidates for their contributions in correcting all the mistakes in editing this book. We would particularly like to record our deep appreciation to Ms. He Xiaoyan, our editor at China Agricultural Press for her help, understanding and encouragement. All editors' institutions provided support for the editors so that they would have sufficient time to do all the editing work.

With the rapid development of globalization and integration, more and more economic scholars and students are realizing the importance of learning economics in English. We hope to hear more comments and suggestions for all readers in order for us to improve our work in future editions.

Prof. Xiu Changbai

Editor-in-chief

Inner Mongolia Agricultural University

Contents

[English in Economics]

Foreword

Preface

Unit One	<i>An Inquiry into the Natures and Causes of the Wealth of Nations</i>	1
Part I	A Brief Introduction to the Author	1
Part II	Text, Terminologies and Exercises	2
Text		2
Terminologies		9
Exercises		10
Part III	Self-study References	10
Unit Two	<i>An Essay on the Principle of Population</i>	28
Part I	A Brief Introduction to the Author	28
Part II	Text, Terminologies and Exercises	29
Text		29
Terminologies		35
Exercises		36
Part III	Self-study References	36
Unit Three	<i>An Inquiry into Capital : A Critique of Political Economy</i>	52
Part I	A Brief Introduction to the Author	52
Part II	Text, Terminologies and Exercises	55
Text		55
Terminologies		71
Exercises		72
Part III	Self-study References	72

Unit Four	<i>An Inquiry into Principles of Political Economy</i>	78
Part I	A Brief Introduction to the Author	78
Part II	Text, Terminologies and Exercises	80
Text		80
Terminologies		94
Exercises		94
Part III	Self-study References	95
Unit Five	<i>An Inquiry into Institutional Economics</i>	107
Part I	A Brief Introduction to the Author	107
Part II	Text, Terminologies and Exercises	109
Text		109
Terminologies		123
Exercises		124
Part III	Self-study References	124
Unit Six	<i>The General Theory of Employment, Interest and Money</i>	133
Part I	A Brief Introduction to the Author	133
Part II	Text, Terminologies and Exercises	134
Text		134
Terminologies		143
Exercises		143
Part III	Self-study References	144
Unit Seven	<i>The Problem of Social Cost</i>	157
Part I	A Brief Introduction to the Author	157
Part II	Text, Terminologies and Exercises	159
Text		159
Terminologies		172
Exercises		173
Part III	Self-study References	173
Unit Eight	<i>The Theory of Economic Development</i>	181
Part I	A Brief Introduction to the Author	181

Part II Text, Terminologies and Exercises	182
<i>Text</i>	182
<i>Terminologies</i>	196
<i>Exercises</i>	197
Part III Self-study References	198
Unit Nine <i>The Road to Serfdom</i>	208
Part I A Brief Introduction to the Author	208
Part II Text, Terminologies and Exercises	209
<i>Text</i>	209
<i>Terminologies</i>	221
<i>Exercises</i>	221
Part III Self-study References	222
Unit Ten <i>Foundations of Economic Analysis</i>	234
Part I A Brief Introduction to the Author	234
Part II Text, Terminologies and Exercises	235
<i>Text</i>	235
<i>Terminologies</i>	243
<i>Exercises</i>	244
Part III Self-study References	244
Unit Eleven <i>Economic Development with Unlimited Supplies of Labour</i>	259
Part I A Brief Introduction to the Author	259
Part II Text, Terminologies and Exercises	260
<i>Text</i>	260
<i>Terminologies</i>	271
<i>Exercises</i>	272
Part III Self-study References	273
Unit Twelve <i>The Stages of Economic Growth: A Non-Communist Manifesto</i>	287
Part I A Brief Introduction to the Author	287
Part II Text, Terminologies and Exercises	288

Text	288
Terminologies	300
Exercises	300
Part III Self-study References	301
Unit Thirteen <i>Investment in Human Capital</i>	310
Part I A Brief Introduction to the Author	310
Part II Text, Terminologies and Exercises	312
Text	312
Terminologies	323
Exercises	323
Part III Self-study References	323
Unit Fourteen <i>Input-output Economics</i>	333
Part I A Brief Introduction to the Author	333
Part II Text, Terminologies and Exercises	334
Text	334
Terminologies	350
Exercises	351
Part III Self-study References	351
Unit Fifteen <i>The Organization of Industry</i>	358
Part I A Brief Introduction to the Author	358
Part II Text, Terminologies and Exercises	359
Text	359
Terminologies	366
Exercises	367
Part III Self-study References	368
Unit Sixteen <i>A Theory of the Consumption Function</i>	380
Part I A Brief Introduction to the Author	380
Part II Text, Terminologies and Exercises	381
Text	381
Terminologies	402
Exercises	403

Part III Self-study References	403
Unit Seventeen <i>Modern Economic Growth : Findings and Reflections</i>	413
Part I A Brief Introduction to the Author	413
Part II Text, Terminologies and Exercises	415
Text	415
Terminologies	425
Exercises	425
Part III Self-study References	426
Unit Eighteen <i>The Limits to Growth—A Report to The Club of Rome (1972)</i>	433
Part I A Brief Introduction to the Author	433
Part II Text, Terminologies and Exercises	434
Text	434
Terminologies	448
Exercises	448
Part III Self-study References	449
Unit Nineteen <i>Economics and the Public Purpose</i>	459
Part I A Brief Introduction to the Author	459
Part II Text, Terminologies and Exercises	461
Text	461
Terminologies	471
Exercises	472
Part III Self-study References	472
Unit Twenty <i>Institutions, Institutional Change and Economic Performance</i>	481
Part I A Brief Introduction to the Author	481
Part II Text, Terminologies and Exercises	483
Text	483
Terminologies	493
Exercises	493

Part III Self-study References	494
Unit Twenty One <i>Econometric Models and Economic Forecasts</i>	505
Part I A Brief Introduction to the Author	505
Part II Text, Terminologies and Exercises	506
<i>Text</i>	506
<i>Terminologies</i>	510
<i>Exercises</i>	510
Part III Self-study References	511
Unit Twenty Two <i>Regional Economics and Policy</i>	522
Part I A Brief Introduction to the Author	522
Part II Text, Terminologies and Exercises	523
<i>Text</i>	523
<i>Terminologies</i>	533
<i>Exercises</i>	535
Part III Self-study References	535
Unit Twenty Three <i>Industrial Economics</i>	545
Part I A Brief Introduction to the Author	545
Part II Text, Terminologies and Exercises	546
<i>Text</i>	546
<i>Terminologies</i>	550
<i>Exercises</i>	551
Part III Self-study References	551
Glossary	556

Unit One

An Inquiry into the Natures and Causes of the Wealth of Nations By Adam Smith

Part I A Brief Introduction to the Author

Known as the brilliant founder of the classical school, Adam Smith (1723-1790) was born in a seaport and manufacturing town called Kirkcaldy in Scotland. His father was a comptroller of customs in the town and died before his son was born. His mother, Margaret Douglas Smith, provided a home for her son until her death in 1784 in her ninetieth year.

At the age of 14, young Smith attended Glasgow College and later studied moral and political science and languages at Balliol College, Oxford. After graduation, he returned to his mother's home to conduct independent study for two years. Then he moved to Edinburgh where he taught rhetoric and literature. In 1751, he was elected professor of logic at Glasgow and was given a chair of moral philosophy in the following year. He held this chair for 12 years and published *The Theory of Moral Sentiments* in 1759. After that Smith changed his study interests from ethical doctrines to jurisprudence and political economy.

In 1764, Smith resigned his professorship and accepted the invitation of Charles Townsend, chancellor of the exchequer, as the tutor to his stepson and spent more than two years traveling on the European Continent. During his stay in France, Smith established close personal friendships with the famous physiocrats including Quesnay and Turgot. After returning to Scotland, Smith retired and focused on his studying and writing on economics during the following ten years.

In 1776, Smith published his well-known book *An Inquiry into the*

Nature and Causes of the Wealth of Nations, which he started in France 10 years before. This won him immediate fame and established his reputation forever.

After the publication of his book, Smith spent two years in London and mingled with the famous intellectuals of the day. He then was appointed commissioner of customs and lived with his mother in Edinburgh. In 1787, he was elected lord rector of Glasgow College. Shortly before he died on July 17, 1790, most of his unpublished manuscripts were burned according to his wish and without any explanation.

Part II Text, Terminologies and Exercises

Text

Of the Component Parts of the Price of Commodities

In that early and rude state of society which precedes both the accumulation of stock and the appropriation of land, the proportion between the quantities of labour necessary for acquiring different objects seems to be the only circumstance which can afford any rule for exchanging them for one another. If among a nation of hunters, for example, it usually costs twice the labour to kill a beaver which it does to kill a deer, one beaver should naturally exchange for or be worth two deer. It is natural that what is usually the produce of two days' or two hours' labour should be worth double of what is usually the produce of one day's or one hour's labour. *If the one species of labour should be more severe than the other, some allowance will naturally be made for this superior hardship; and the produce of one hour's labour in the one way may frequently exchange for that of two hours' labour in the other. Or if the one species of labour requires an uncommon degree of dexterity and ingenuity, the esteem which men have for such talents will naturally give a value to their produce, superior to what would be due to the time employed about it.* Such talents can seldom be acquired but in consequence of long application, and the superior value of their produce may frequently be no more than a reasonable compensation for the time and labour which must be spent in

acquiring them. In the advanced state of society, allowances of this kind, for superior hardship and superior skill, are commonly made in the wages of labour; and something of the same kind must probably have taken place in its earliest and rudest period.

In this state of things, the whole produce of labour belongs to the labourer; and the quantity of labour commonly employed in acquiring or producing any commodity is the only circumstance which can regulate the quantity exchange for which it ought commonly to purchase, command, or exchange for.

As soon as stock has accumulated in the hands of particular persons, some of them will naturally employ it in setting to work industrious people, whom they will supply with materials and subsistence, in order to make a profit by the sale of their work, or by what their labour adds to the value of the materials. In exchanging the complete manufacture either for money, for labour, or for other goods, over and above what may be sufficient to pay the price of the materials, and the wages of the workmen, something must be given for the profits of the undertaker of the work who hazards his stock in this adventure. The value which the workmen add to the materials, therefore, resolves itself in this case into two parts, of which the one pays their wages, the other the profits of their employer upon the whole stock of materials and wages which he advanced. He could have no interest to employ them, unless he expected from the sale of their work something more than what was sufficient to replace his stock to him; and he could have no interest to employ a great stock rather than a small one, unless his profits were to bear some proportion to the extent of his stock.

The profits of stock, it may perhaps be thought are only a different name for the wages of a particular sort of labour, the labour of inspection and direction. They are, however, altogether different, are regulated by quite different principles, and bear no proportion to the quantity, the hardship, or the ingenuity of this supposed labour of inspection and direction. They are regulated altogether by the value of the stock employed, and are greater or smaller in proportion to the extent of this stock. Let us suppose, for example, that in some particular place, where the common annual profits of manufacturing stock are ten per cent, there are two different