

TH860 Spring 1980 Introduction

This is remotely a course in social concern, but its proximate goal is not moral exhortation or religious preaching.

The proximate goal is to discover what precisely one has to be concerned about, what the trouble is.

Remotely the trouble stems from Machiavelli and all his ~~firm~~ followers down the ages (Leo Strauss, Prof. Fortin) and moral and religious effort has to deal with this aspect.

The present situation stems from Keynes: hit upon a solution for the short term problem of unemployment; but post-Keynesians know that that solution does not work for the long period.

There are various proposals, none obviously successful, no great common convictions (NY Times Mag. 20 experts)

How does a theologian get into this sort of thing. I was not always a theologian. In philosophy professor of Ethics was Lewis Watt (Capitalism and Morality, about 1928, Cassell)

Returned to Canada in 1950, depression in full swing, rich were poor, poor were unemployed, speculators were filling the air with theories and nostrums.\*

One theory, obviously wrong, and very difficult to see why it was wrong : Social Credit. Slattery.

If you discover fallacy, you will have the clue on which I worked until 1944. 120 page MS, read in Toronto, Montreal, Boston, St Louis. No encouragement, put it aside

22 years later came across Pole, Kalecki, & The Dynamics of Capitalist Economy, CUP 1971, who had anticipated Keynes (1930) in 1933, worked in England as economist planner during WW II, returned afterwards to Poland, works as socialist planner.

Feb 28~~8~~: productive process neither capitalist socialist communi well known in Cambridge England, Keynesian circle influenced and helped by him, gave me a bridgehead, decided to try my hand again.

In syllabus, dates are not inflexible. Keep in touch through someone if you have misfortune to miss a ~~mtg~~ meeting.

Macroecon as Natural Sc.

Legitimate. Man is not only intelligent reasonable responsible, but also physical chemical biological sensitive.

Theory: functional relations between measurable quantities.

Practical: norms regarding controls, manipulation

Required reading Insight 3-102

catch on, get the idea as best you can, more to come when you do not succeed, do not give up, <sup>v</sup>move on

I understanding and Inverse insight (asymmetry, inertia, statistics)

II classical and statistical methods

III canons of empirical method

Macroecon as Human Problem

non-determinism from below, emergent probability

quanta, emergence of atoms, compounds,

chance variation (probabilities of emergence)

survival of the fittest (probabilities of survival)

no matter how low the probability, still probability of some

emergence increases with number of occasions and long time intervals

what emerges: schemes of recurrence (rivers sea clouds wind rain)

household: a scheme of recurrence

firm: a scheme of recurrence

job: a scheme of recurrence

an ecology: an interlocking and interdependent set of schemes of recurrence

an economy: elementary schemes from nature

more elaborate schemes from human intelligence

Adam Smith: The Hidden Hand. What is it. The PROBABILITIES OF success of a given ecology, economy.

Keynes: in the last analysis ideas rule the world

Understand the hidden hand

Understand how to help it function