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July 20th 1977.

Dear Bernie,

I haven't been able to get on with the economics as much as I'd like: a summer course on The Question of God and handing over that terrible job of Chairman have slowed progress. I picked up some interesting popular books in New York which I have been reading, as well as Keynes, Kalecki, Feiwel etc. It seems to me that the strategy of handling the economics - I would be happy to have your reaction - involves a central core and a set of peripheral issues. The central core - within a historical context - consists of your analysis, and a critical linking of your analysis to the business cycle tradition (including Marx: i.e., a filling out of section 3 of my paper of this summer), and a detailed critique of the non-cycle tradition (including Keynes and Kalecki: Keynes' note on business cycles in his General Theory is pathetic; Kalecki is better but I still tend to keep him in the group I touched on in section 4 of the paper). This latter critique is important if a dialogue with contemporary economists is to occur. One must take up the issues of effective demand and employment, where Keynes and Kalecki broke with Marshall-Figou, pin down in detail their insights and oversights from the background of your view of pure surplus income etc., and do it in a way that could carry the present economists into that view. I suspect that this critique would be my best preoccupation for the next year (or so!). Any suggestions?

I picked up Rostow's book, The Stages of Economic Growth, 2nd ed., Cambridge University Press, 1974 pb., but I suspect you know it. It relates, I think to your idea of modifying the Circulation Analysis - somewhat like Kalecki's effort to modify his early work on cycles to include a secular trend. Rostow has another book, Politics and the Stages of Growth (1970?): I can't locate the publisher.

Feiwel's book, The Intellectual Capital of Michael Kalecki, The University of Tennessee Press, 1975, which I mentioned before, is worth getting hold of. The trouble with the tradition that takes off from Kalecki's work is that it becomes dazzled by equations yielding oscillations and tends to a level of abstraction familiar

in modern economics. In that regard my respect remains with Schumpeter. Feiwel has a remarkable lacuna in his bibliography and research. He notes that Schumpeter gives little space to Kalecki in his history (Feiwel, p.25) and adds the suspicion that Schumpeter may not have known Kalecki's stuff (Feiwel, p.458). In fact, Schumpeter has a critique of Kalecki in Business Cycles Vol.I, pp.185-8 (McGraw-Hill, N.Y., 1939): a book not mentioned by Feiwel. Schumpeter had more respect for Ragnar Frish (ibid., p.181) and I am sending you, separate post, Frish's article of 1933 as reprinted in Readings in Business Cycles (Vol.X of series from the American Economic Association) edited by R. A. Gordon and L. R. Klein, Irwin, Homewood, Illinois, 1965). This volume is worth looking at: Koopmans has an article in it on "Measurement without Theory" which relates to the anti-theoretic orientation that Mitchell gave to the American Bureau of Statistics' business cycle research. Geoffrey H. Moore, "Tested Knowledge of Business Cycles", concludes his survey of present work (its the 1962 annual report of the Bureau) with a hope for "the formulation of partial or complete theories to integrate existing evidence". This volume, and volume 2 in the same series (Readings in Business Cycle Theory, edited by G. Haberler; R. D. Irwin, Homewood, Illinois, 1951) complements the volume by Burns that I noted in my Boston paper. These relate to that part of the core project that puts your work into business cycle studies: of course the big difficulty is that the "existing evidence" (Juglar, Marx, etc., etc.,) will have to be enormously reshuffled (analogous to Newton with Brahe) to reveal distortions of pure cycles. We'll leave that to Matt!

same volume

The peripheral stuff relates to your comments on planning (its not peripheral of course when one thinks of it as grounded in a modern version of the nature of conception and of applicatio according to Thomas) and on hard tomatoes. There is a growing popular literature backing up those comments. De-managing America is pop but good: by Richard Cornuelle, Vintage Books, Random House, N.Y., 1976. On hard tomatoes and such: Radical Agriculture, edited by Richard Merrill, Harper Colophon Bks., Harper and Row, N.Y., 1976. On planning and labour: Harry Braverman, Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century, Monthly Review Press, N.Y. 1974. These of course only raise the larger issues requiring a critical history of business law and organisation, but they may be useful in motivating students.

By late October I hope to have put together a bibliography that may help you, as well as notes and diagrams. It was a great experience teaching your Circulation Analysis - a long haul from my first looking into that fog of print six or seven years ago!

Many thanks for everything. Keep well. Greetings for my typist Fiona.

Best wishes,

Paul

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October 20th 1977.

Dear Bernie,

Enclosed is a set of suggestions for bibliography for the seminar. Also, two pieces from an early Mss. of yours which I mentioned in the bibliography, as well as (for interest), some pages I made available at the Cape Breton Conference. In November I will complement the bibliography with diagrams and graphs relating both to your own analysis and to the literature on cycles.

The suggested bibliography may be either too wide or too narrow for your purposes. It is too wide if you wish to hold the seminar down to the circulation analysis: then one could leave out the contemporary issues of modern economic history and historiography. It is too narrow if you wish to handle the wider issue of the human good and praxis: then one would need the fuller context of Method in Theology, Cpp.2-4, with Strauss, Voegelin, etc., thrown in. At any rate, I hope it is of some use.

Another book I came across which might be useful, though popularly written, is B. N. Ward, What's Wrong with Economics, Basic Books, 1972. He notes the absence of systematic strategies of verification of theory, claims that economics is basically a normative science, and calls for strategies of normative verification.

Fred Lawrence tells me that you agree to begin the seminar at 3.30, for which much thanks: it saves me leaving Halifax at dawn. I hope your own work goes well - and that you are not neglecting the Boston Symphony. I expect to get to Boston sometime in November and look forward to seeing you.

With all good wishes,

Paul