

LANGUAGE DEPARTMENT

SPRING, 1978

7486001

Meets

THU 3.30 - 5.15

Course Title

Macroeconomics & the Dialectic of History

Professor

B. Lonergan, S.J.

Course description: Besides exchange value (what you get for what you give), there also is the more fundamental value of a properly functioning economy. The former is a principal concern of microeconomics; the latter of macroeconomics.

While macroeconomics has tended to be a blow-up of micro-analysis, I propose to follow the opposite route. First ask under what conditions do economies function or malfunction. Then determine the microeconomic details of functioning and malfunctioning economies.

Such conditions are of two kinds. There are the strictly economic conditions: the process of production and its divisions; the process of payments and its divisions; the various forms of interdependence of these flows; finally, the conditions under which they function or malfunction and their respective consequences.

Besides such strictly economic conditions there are the conditions set by the dialectic of history. Human societies prosper in so far as people are authentic. They construct a morass of insoluble problems in so far as they are unauthentic. And the one remedy is to have them convert to the authenticity of attentiveness, intelligence, reasonableness, and responsibility.

Texts:

To my knowledge there are no texts that bear precisely on my intent. There are a number that approximate in one way or another. But I need more time for consultation before making a selection.

Requirements:

There will be periodical quizzes that will seek to reveal to each student what he has grasped and what, if anything, he has missed on successive issues. There also will be a final term paper of ten to fifteen pages to bring to light what people have got out of the course.

Prerequisites:

Mainly an inquiring intellect that delights in finding out why things happen the way they do, and never begrudges the effort and time required to make such discoveries.

MACROECONOMICS AND THE DIALECTIC OF HISTORY

Spring, 1978
TH 860.01

Prof. B. Lonergan
Prof. P. McShane

Schedule of Readings

Jan. 19: Program and Orientation

Jan. 26: Political Theology and the Conditions Set by the Dialectic of History.

Readings: B. Lonergan, Insight, Chapter 7; Method in Theology, Chapters 2 and 3.

Feb. 2: Entry into Macroeconomic Analysis

Readings: B. Lonergan, "The Ongoing Genesis of Methods,"

P. McShane, "An Improbable Christian Vision and the Economic Rhythms of the Second Million Years"

N. Kaldor, "The Irrelevance of Equilibrium Economics," Economic Journal 82 (1972) 1237-1255

B. Lonergan, Circulation Analysis, "Outline of the Argument", p. 1. (Contrast: A. Smith, Wealth of Nations, Chapters 1-4.)

Feb. 9: The Process of Production and its Divisions

Readings: W. Rostow, The Stages of Economic Growth, (esp. Ch. 4)

B. Lonergan, CA, "The Productive Process and its Divisions."

R. Frish, "Propagation Problems and Impulse Problems in Dynamic Economics," (1933) in Readings in Business Cycles, R.A. Gordon and L.R. Klein, eds., Irwin, Housewood, Ill., 1965.

Feb. 16: Cycles

Readings: B. Lonergan, CA, "Cycles."

J. Schumpeter, Business Cycles, Chapters 1 and 4. (Compare J.M. Keynes, General Theory, Chapter 22)

Mar. 2: Implications of Cycles

Readings: H. Smith, "Marx and the Trade Cycle," The Review of Economic Studies IV (1936-37), 192-204.

M. Kalecki, "The problem of effective demand with Tugan-Baranovski and Rosa Luxemburg," Selected Essays on the Dynamics of the Capitalist Economy, 1933-70, Cambridge University 1971, 146-155.

G. Lee, "Rosa Luxemburg and the Impact of Imperialism," Economic Journal 81 (1971) 847-862.

C.B. Macpherson, Democracy in Alberta: Social Credit and the Party, Chapter 4. (U. of Toronto)

Mar. 9: The Question of New Paradigms: Positive and Negative Heuristics.

Readings: B.J. Loasby, "Hypothesis and Paradigm in the Theory of the Firm," Economic Journal 81 (1971) 863-885.

B. Lonergan, Insight, Chapter 3.

Mar. 16: The Process of Payments and Its Divisions.

Reading: B. Lonergan, CA, "Payments and Rates of Payments."

Mar. 23:

Readings: B. Lonergan, CA, "Circuit Acceleration,"

J. Robinson, Economic Heresies: Some Old-Fashioned Questions in Economic Theory, (New York: Basic Books) 1973, 64-79.

Mar. 30: Forms of Interdependence of Flows.

Readings: B. Lonergan, CA, "The Cycle and Phases."

April⁶~~7~~:

Readings: B. Lonergan, CA, "Basic Income/Interest Rate."

J. Robinson, Economic Heresies, 79-96.

J. Hicks, "Mr Keynes and the 'Classics': A Suggested Interpretation," Econometrica 5 (1937) 147-159.

M. Kalecki, "Entrepreneurial Capital and Investment" and "Determinants of Investment," Selected Essays, 105-123.

Apr. 13:

Readings: B. Lonergan, CA, "Pure Surplus/Price Spread."

M. Kalecki, "Determinants of Profits," Selected Essays, 78-92.

Apr. 20:

Readings: B. Lonergan, CA, "Superposed Circuits."

Context: (i) Moore and Collins, Food First.

(ii) Barnett and Müller, Global Reach.

(iii) O. Morgenstern, International Financial Transactions and Business Cycles, (Princeton University, 1959).

Apr. 27: Wrap-up.

Readings: B. Lonergan, Method in Theology, Chapter 10.

_____, "Healing and Creating in History," Bernard Lonergan: 3 Lectures (Thomas More Institute Papers/75), 55-68.