

DETAILED CONTENTS

<i>Preface</i>	xiii
Introduction	1
1 The American Keynesians	7
World War II Transforms the American Economy	8
The Fiscal Keynesians	11
The Neoclassical Keynesians	20
The <i>IS-LM</i> Model: Second Thoughts	25
Saving Keynes's Theory	26
2 The Modern Monetarists	31
The Inflation-Unemployment Crisis of the 1970S	31
The Problems Inflation Raises	33
The Sources of Inflation	35
A Return Engagement with the Equation of Exchange	36
The Modern Quantity Theory of Money	38
Friedmanian Policy: Rules v. Authorities	49
Monetarism and the Great Depression	50
Conclusions	51
3 The Era of Positive Economic Science	53
The Character of Positive Economics	55
Positive Economics and Values	57
Two Positive Economists: Paul Samuelson and Milton Friedman	61
Moving Beyond Samuelson and Friedman	66

4	The Rise of Mathematics and Econometrics	69
	The Mathematics of Equilibrium and Optimization	70
	Dynamical Theory and the Nature of Macroeconomic Models	74
	Some Implications of Newtonian Equilibria for Economics: A Cautionary Note	78
	Empirical Economics: On the Road to Econometrics	80
	An Introduction to Econometrics	82
	The Rebirth of Empirical Economics	87
5	The Neoclassical Theory of Economic Growth	89
	Post Keynesian Economic Growth Theory	90
	The Neoclassical Growth Theory	91
	The Basic Solow Growth Model	93
	The Solow Model and the Standard of Living	101
	Accounting for Growth	104
6	The New Classics	109
	The Players	109
	The Rational Expectations Game	111
	The Natural Rate of Unemployment and Output	112
	New Classical Economic Policy	118
	Rational Expectations and the Real World	120
	The New Classics and Depressions	123
	Conclusions	126
7	The Ascendency of General Equilibrium	127
	The Evolution of Economics	127
	High Theory and Its Version of General Equilibrium	128
	Choosing Among Equilibria Avenues: A Critical Path	139
8	Game Theory: An Introduction	143
	Origins of Game Theory	144
	Some Games Economists Play	149
	Oligopoly and Repeated Games	153

The Water Meter Industry: Real-World Tit-For-Tat	155
Auction Markets	156
9 Experimental Economics	161
A Brief History	161
A Transition: Crawling from Game Theory to an Experiment	162
Experimental Auctions	167
Ebay and the Relentless Search for the Perfect Market	171
10 Globalization	177
Globalization and the Growth of Multinational Corporations	178
The International Product S-Curve	180
Trade Deficits and Full-Time Jobs in the USA	185
Downsizing American Labor	188
The Globalization of Debt and Financial Fragility	191
Downsizing the Middle Class at the Millennium	193
Conclusions	195
11 Prospects for the Future	197
Religion and Electoral Politics	198
The Black-Sholes Model: Seeds of Its Own Destruction	200
The Legacy of President Bill Clinton and Alan Greenspan's Alliance	202
The Spring 2008 Economic and Financial Crisis	204
Time for a New New Deal	208
Forward-Looking Policies	209
Interest-Free Loans and Lower Rates	211
A Broad and Fair Tax Base	213
Avoiding Political Economy?	215
<i>Index</i>	217