

5-30-1949

Handwritten Notes for Minsky's PhD Thesis titled The Nature of Dynamics

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Recommended Citation

Minsky, Hyman P. Ph.D., "Handwritten Notes for Minsky's PhD Thesis titled The Nature of Dynamics" (1949). *Hyman P. Minsky Archive*. 491.

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The Nature of Dynamics:

1. The Building of simple dynamical systems based upon a time derivative ~ or alternatively upon a time difference equation

The problem of 'aggregates'.

The 'private' economy as a set of decision making units

$\{E, +, -, a, x\}$ Question is whether aggregates
 $\{E, + \text{ services}\}$ enter into the system 'decision' of individual units.

The natural aggregations:

$\sum \text{output of firm commodity} = \sum \text{purchases of kind of commodities.}$

$\sum \text{cash balances} = \text{money 'supplied' exogenously}$

The peculiarity of 'an all pervasive price': the price of 'capital' is the interest rate.

The 'internal' aggregation:

$$\sum p_x Q_x \text{ for each individual} = C_i$$

appropriately defined. $\sum \sum p_x Q_x = C$

$$\sum p_a f_a = \text{outlay of firm} = T.C.$$

$$\sum \sum p_a f_a : \text{outlay of community} = Y.$$

appropriately defined: $\sum \sum p_x Q_x = Y.$

Aggregation of the 'natural' units + 'individualistic' in other aspect:

~~The natural~~
 as aggregates deal with money flows: rather than with functions: + decision making units
 natural view

Output as a pt in n space.

~~with each pt.~~

define a $\| \cdot \|$ of a pt as:

$$p_x X + p_y Y + p_z Z$$

$\| \cdot \| = \sum d_i X_i$ where d_i are the p_i 's det.

by ~~consumer~~ preferences: traditional water system:

