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Revised Outline of Minsky Opus as Agreed Upon  
by HPM and JS on September 19, 1979

I. Introduction: Three Crises in Economics

- A. Behavior
- B. Theory
- C. Policy

The proposition to be advanced here is the need for an agenda for the reform of policy to ~~achieve the desired behavior of the economy~~ bring us closer to achieving the desired behavior of the economy than has been the case in the past decade.

This section is to come from HPM, based on existing papers.

II. Statement on the Misbehavior of the Economy

- A. The sky almost fell in '74-'75.

Explanation of why it didn't:

- a. Big government
- b. Lender of last resort

This is to be written by JS, based on chapters 2 and 3 of the existing ms in approximately this order:

Chapter 2: pp. 1-17, 54-56, 18-55

Chapter 3: pp. 3-8, 37-47, 56-69, 73-74

III. The emergence of financial instability '46-'66

Assert that standard economic theory does not allow for financial near crises and for the impact of the evolving financial structure on the behavior of the economy.

This is to be written by JS, based on chapter 4 of existing ms in this order:

pp. 4-10, 11-20, 23-57

IV. Standard theory

- A. Price theory, with emphasis on the assertion that <sup>the fact that</sup> decentralized markets yield a coherent outcome should guide economic policy with respect to institutions.
- B. Standard macro economic theory: Patinkin resolution (the reduction of the Keynesian resolution to banality)

A condensation of existing chapters 5-7.

V. Alternative theory

- A. An up-to-date statement on HPM's financial Keynesianism.

HPM will combine and condense chapters 8-11

- VI. The theory of inflation in the alternative theory  
Present chapter 12--hold
- VII. The roots of our institutional structure  
The proposition advanced here states that Keynesian policy has been carried out in a poorly conceived institutional framework  
To be written by JS based on present chapter 14.
- VIII. Program for institutional reform  
To be written by JS based on present chapter 15
- IX. Statement that the foregoing constitutes policy recommendations~~not~~, not permanent solutions.