

A. The Analytical Framework

See Figure 17–1 on p. 811.

B. Why Capital Accumulation and the Falling Prices Caused by Increased Production Do Not Imply a Falling Rate of Profit

1. Confirmation of Fact that Falling Prices Caused by Increased Production Do Not Constitute Deflation
2. More on the Relationship Between Technological Progress and the Rate of Profit

C. Why Capital Accumulation Does Not Depend on a Continuous Lengthening of the Average Period of Production

See Figures 17–2 and 17–3 on pp. 821 and 823.

The Average Period of Production and the Limits to Technological Progress as a Source of Capital Accumulation

D. Implications for the Doctrine of Price Premiums in the Rate of Interest

E. Implications for the Process of Raising Real Wages

F. How the Taxation of Profits Raises the Rate of Profit

The Influence of the Monetary System

G. How Government Budget Deficits Raise the Rate of Profit

1. The Need to Reduce Government Spending
2. The Government's Responsibility for the Emphasis of Today's Businessmen on Short-Term Results

H. Profits, the Balance of Trade, and the Need for Laissez Faire

I. Implications for the Theory of Saving

1. Net Saving and Increases in the Quantity of Money
2. Why the Actual Significance of Saving Lies at the Gross Level
3. Net Saving and the Rate of Profit

J. "Hoarding" as a Long-Run Cause of a Rise in the Rate of Profit

Implications for the Critique of Keynesianism

K. Critique of the Investment-Opportunity Doctrine

1. Mistaken belief that the rate of profit is determined by the demand for and supply of capital, when in fact it is governed by the difference between the demand for products and the demand for factors of production (i.e., net consumption) and by net investment and the increase in the quantity of money.

2. Error of believing that technological progress raises the average rate of profit, when in fact it is neutral (except to the extent that it increases the quantity of commodity money) and is itself an essential cause of capital accumulation.
3. Contradictory view of technological progress as both raising and lowering the rate of profit, the latter through increasing the supply of consumers' goods and causing falling prices—alleged “deflation.”
4. Failure to realize the limitless need for capital and the strictly limited ability to accumulate it through saving, because of the operation of time preference.
5. Failure to realize that continued saving is the result of increases in the quantity of money, which correspondingly *raise* the rate of profit.
6. Exaggerated, confused view of the role of saving in capital accumulation, based on failure to analyze matters in terms of an invariable money.
7. Role of confused view of demand for consumers' goods as representing aggregate demand in conclusion that only use for additional capital goods is in the production of consumers' goods.

L. Critique of the Underconsumption/Oversaving Doctrine

1. The seeming paradox in claiming that the demand for capital goods can be greater than the demand for consumers' goods. Resolution of the paradox even in the most extreme cases. (See Tables 17-1 through 17-4 in *Capitalism*.) In such a situation, the great majority of capital goods would be employed in the production of further capital goods. All would ultimately still serve in the production of consumers' goods, but the “period of production” would be extremely long.
2. Consumption as the Purpose of Production and the Progressive Production of Consumers' Goods Over Time
3. The Measurement of the Average Period of Production
4. A Rise in the Demand for Capital Goods and a Fall in the Demand for Consumers' Goods: The Cross-Hatching of Production

Manifestation of a less capital intensive economy in perception of less going into products—e.g., thinner walls of newer buildings compared with those constructed before World War II. Perception of products as not being as well made (apart from the problem of less care by workmen).

M. More on Why Savings Cannot Outrun the Uses for Savings

1. Capital Intensiveness and Land Values
2. The Housing Outlet and Consumer Interest
3. The Automatic Adjustment of the Rate of Saving to the Need for Capital