

Contents

Part 1 Basic Economic Concepts and National Income

- 1 INTRODUCTION** **1**
For Whom the Bell Tolls *Light and Fruit* *What Economics Is* *One among Many* *Economic Description and Analysis* *Economic Policy* *Methodology of Economics: Brief Preview* *The Whole and the Part: The "Fallacy of Composition"*
Summary *Questions for Discussion*
A Preview
- 2 CENTRAL PROBLEMS OF EVERY ECONOMIC SOCIETY** **15**
A. Problems of Economic Organization *The Law of Scarcity*
B. The Technological Choices Open to Any Society *Society's Production-possibility Curve* *Some Uses of the Production-possibility Concept* *Pictures in an Exhibition* *The Law of Diminishing Returns* *Economies of Scale and Mass Production: A Digression* *Labor Theory of Value in Eden before Diminishing Returns*
C. The Underlying Population Basis of Any Economy: Past and Future *Population Trends* *The Malthus Theory of Population* *Controlling Population Growth* *Do America and Europe Face Depopulation?* *Our Amazing Population Upsurge* *Turn of the Tide?* *Economic Effects of Population Growth*
Summary *Questions for Discussion*
- 3 PRICE FUNCTIONING OF A "MIXED" CAPITALISTIC ENTERPRISE SYSTEM** **39**
The Mixed Economy
A. How a Free Enterprise System Solves the Basic Economic Problems *Not Chaos but Economic Order* *The Invisible Hand and "Perfect Competition"* *The Price System* *A Picture of Prices and Markets* *Ethical Aspects of Income Distribution* *Imperfections of Competition* *Economic Role of Government*
B. Capital, Division of Labor, and Money *Capital and Time* *The Need to Forego Present Consumption* *Capital and Private Property* *Specialization, Exchange, and Division of Labor* *Specialization and Interdependence* *Barter versus the Use of Money* *Commodity Money, Paper Money, and Bank Money*
Summary *Questions for Discussion*
- 4 SUPPLY AND DEMAND: THE BARE ELEMENTS** **57**
The Market Mechanism *The Demand Schedule* *The Demand Curve* *Reasons for Law of Downward-sloping Demand* *The Supply Schedule*

*Equilibrium of Supply and Demand Effect of a Shift in Supply or Demand
Two Stumbling Blocks What Supply and Demand Accomplished: General
Equilibrium Perfection and Imperfections of Competition
Summary Questions for Discussion*

APPENDIX: STOCK-MARKET FLUCTUATIONS

Outguessing the Market?

5 BUSINESS ORGANIZATION AND INCOME 76

*Big, Small, and Infinitesimal Business The Single Proprietorship Business
Growth and the Need for Short-term Capital The Partnership "This is the
Way We Grow" New Needs and Sources for Capital Disadvantages of the
Partnership Form The Corporation Advantages and Disadvantages of the
Corporate Form How a Corporation Can Raise Capital Advantages of
Different Securities The Giant Corporation Divorce of Ownership and
Control in the Large Corporation Leadership and Control of the Large
Corporation A Managerial Revolution? The Evil of Monopoly The Curse
of Bigness?*

Summary Questions for Discussion

APPENDIX: ELEMENTS OF ACCOUNTING

*The Balance Sheet The Statement of Profit and Loss, or Income Statement
Depreciation The Relation between the Income Statement and the Balance
Sheet Summary of Elementary Accounting Relations Reserves and Funds
Intangible Assets Good Will and Monopoly Earning Power Conclusion
Summary to Appendix Questions for Discussion*

6 AFFLUENCE AND POVERTY: INDIVIDUAL AND FAMILY INCOME 105

*The Decline of Poverty Two Worlds? Distribution of Income in the United
States How to Measure Inequality Among Income Classes Distribution of
Wealth Income Differences Among Occupations Is College Worth While?
Differences in Ability and Incomes Economic Stratification and Opportunity
Affluence for Whom? Definition of Poverty The Position of Minorities
Conclusion*

Summary Questions for Discussion

7 LABOR AND INDUSTRIAL RELATIONS 123

*Who Belongs to Unions? National and Local Unions National Unions and
the Federation The Urge to Unionize Brief History of the American Labor
Movement Communism and Corruption in Unions How Democratic are
Unions? How Collective Bargaining Works Role of Government in
Collective Bargaining Current Bargaining Problems Dynamic Labor
Changes*

Summary Questions for Discussion

8 THE ECONOMIC ROLE OF GOVERNMENT: EXPENDITURE, REGULATION, AND FINANCE 139

*The Growth of Government Expenditure The Growth of Government
Controls and Regulation Federal, State, and Local Functions Federal
Expenditure The Changing Functions of Government Transfers and Taxes in
the Welfare State Graphical Analysis of Government Activity Waste in*

*Government and Scope Social and Private Wants: Extreme Laissez Faire
Social Wants in Real Life
Summary Questions for Discussion*

**9 THE ECONOMIC ROLE OF GOVERNMENT:
FEDERAL TAXATION AND LOCAL FINANCE 154**

*Economic Nature of Taxation Pragmatic Compromises in Taxation Federal
Taxation The Progressive Personal Income Tax Progressive Taxes, Investment,
and Spending State and Local Expenditures State and Local Taxes
Intergovernmental Grants-in-aid and Debt-finance Conclusion: The Thorny
Problem of Tax Incidence
Summary Questions for Discussion*

10 NATIONAL INCOME AND PRODUCT 170

*The Yardstick of an Economy's Performance Two Measures of National
Product: As Goods-flow or Earnings-flow Real versus Money National
Product: Using a Price Index to "Deflate" Avoiding "Double Counting" of
Intermediate Goods Net Investment, Capital Formation Net Investment
Equals Gross Investment Minus Depreciation Gross National Product versus
Net National Product Government Expenditure on Goods and Services
America's NNP and GNP Three Related Concepts: Disposable, Personal, and
National Incomes
Summary Questions for Discussion*

APPENDIX: THE OFFICIAL NATIONAL-INCOME DATA

*A Few Brain Teasers International Aspects of Income The Official
Statistics The Identity of Measured Saving and Investment*

**Part 2 Determination of National Income and
its Fluctuations**

11 SAVING, CONSUMPTION, AND INVESTMENT 195

*The Cleavage between Saving and Investment Motivations The Variability of
Investment Budgetary Expenditure Patterns The Propensity to Save and
Propensity to Consume The Propensity-to-consume Schedule in Detail The
Marginal Propensity to Consume The Marginal Propensity to Save Brief
Review of Definitions The Community's Over-all Consumption Schedule
Qualifications
Summary Questions for Discussion*

12 INCOME DETERMINATION: THE SIMPLE THEORY 211

*Using the Consumption and Saving Schedules How Income Is Determined at
the Level Where Saving and Investment Schedules Intersect Income
Determination by Consumption and Investment Arithmetic Demonstration of
Income Determination: A Digression for a Third Restatement The Simplified
Theory of Income Determination Restated
Summary Questions for Discussion*

- 13 INCOME DETERMINATION:
THE MULTIPLIER AND FISCAL POLICY** **222**
- A. Investment and Income The "Multiplier" Graphical Picture of the Multiplier How Thriftiness or Shifts in the Consumption Schedule Affect Income Induced Investment and the Paradox of Thrift The Deflationary Gap The Process of Price Inflation*
- B. Fiscal Policy in Income Determination Taxation and Shifts of Consumption Schedule Qualifications to Saving and Investment Analysis Summary Questions for Discussion*
- 14 BUSINESS CYCLES AND FORECASTING** **238**
- Prosperity and Depression Measuring the Business Cycle Statistical Correction for Seasonal Variation and for Trends The Four Phases of the Traditional Cycle A First Clue to Business Fluctuations: Capital Formation How Saving and Investment Schedules Apply A Few Theories of the Business Cycle External and Internal Factors Purely Internal Theories Combining External and Internal Elements The Acceleration Principle Interactions of Accelerator and Multiplier Forecasting the Future of Business Activity Requiem for the Business Cycle? Summary Questions for Discussion*
- 15 PRICES AND MONEY** **257**
- A. Prices Inflation, Deflation, and Redistribution of Income among Groups Effects of Changing Prices on Output and Employment Galloping Inflation Goals of Long-term Price Behavior*
- B. The Money Supply and Its Velocity of Circulation The Three Kinds of Money: Coins, Currency, and Bank Deposits Why Checkable Demand Deposits Are Considered to Be Money Time Deposits, Liquid Assets, and Other Near-money The Demand for Money Velocity of Circulation of Money The Quantity Equation of Exchange: An Identity The Quantity Theory of Money and Prices: A Hypothesis Summary Questions for Discussion*
- 16 THE BANKING SYSTEM AND DEPOSIT CREATION** **275**
- A. Nature and Functioning of the Modern Banking System Creation of the Federal Reserve System Banking as a Business How Banks Developed out of Goldsmith Establishments Modern Fractional Reserve Banking Legal Reserve Requirements The Government Stands behind the Banks Keeping Each Bank Safe: A Checklist*
- B. The Creation of Bank Deposits Can Banks Really Create Money? How Deposits Are Created: The First-bank Stage Chain Repercussions on the Other Banks A "Monopoly Bank" Simultaneous Expansion or Contraction by All Banks Two Qualifications Summary Questions for Discussion*
- 17 FEDERAL RESERVE AND CENTRAL BANK MONETARY POLICY** **298**
- How Monetary Policy Works to Control Spending Recapitulation Balance Sheet of the Federal Reserve Banks Discretionary Monetary Policies by the*

Federal Reserve: Open-market Operations *Discount-rate Policy: A Second Weapon* *Changing Reserve Requirements: A Drastic and Infrequently Used Weapon* *Minor Weapons: Qualitative versus Quantitative Controls*
International Gold Movements and Reserves *Gold as a Constraint on Monetary Policy* *The Pyramid of Credit* *Finance in the Post-World War II Period*
Summary **Questions for Discussion**

18 SYNTHESIS OF MONETARY ANALYSIS AND INCOME ANALYSIS 316

Money, Liquidity Preference, Marginal Efficiency, Multiplier *Fiscal Policy and Income Determination* *The Synthesis at Work: Technological Unemployment?* *The Neoclassical Synthesis*
Summary **Questions for Discussion**

APPENDIX: MECHANISMS OF MONEY AND INCOME DETERMINATION

Behavior of Velocity *Classical Price Flexibility* *Liquidity Preference and Income* *Cost-push, or Sellers' Inflation*
Summary to Appendix **Questions for Discussion**

19 FISCAL POLICY AND FULL EMPLOYMENT WITHOUT INFLATION 335

A. Short-run and Long-run Fiscal Policy *The Task of Fiscal Policy* *Our Important "Built-in Stabilizers"* *Limitations of Automatic Stabilizers*
Discretionary Fiscal Policy *Surplus and Deficit Financing: Stagnation, Exhilaration, and Contrived Growth* *The New Economics at Work* *"Fiscal Drag"* *The Full-employment Budget Surplus*

B. The Public Debt and Modern Fiscal Policy *Burdens and Benefits of the Public Debt* *Effects on Private Investment* *The Quantitative Problem of the Debt* *Conclusion: A Grand Neoclassical Synthesis*
Summary **Questions for Discussion**

APPENDIX: FALSE AND GENUINE BURDENS OF THE PUBLIC DEBT

A Dialogue *Summary of Debt Burdens and Benefits* *Private and Public Analogy* *A T & T and the U.S.A.*

Part 3 The Composition and Pricing of National Output

20 DETERMINATION OF PRICE BY SUPPLY AND DEMAND 361

Preview *Microeconomics versus Macroeconomics?* *Review of Fundamentals of Supply and Demand*

A. Elasticity of Demand and Supply *Elasticity of Demand* *Numerical Measurement of Elasticity: A Digression* *Graphical Measurement of Elasticity: A Digression* *Elasticity of Supply* *Momentary, Short-run, and Long-run Equilibrium*

B. Applications and Qualifications of Supply and Demand *Incidence of a Tax* *A Common Fallacy* *Is the Law of Supply and Demand Immutable?*

Prices Fixed by Law Efficiency of Supply-demand Pricing and "Equity"
Monopoly Interferences with Supply and Demand Government Interferences
with Supply and Demand Evaluated
Summary Questions for Discussion

APPENDIX: CASES ON SUPPLY AND DEMAND

Proposition 1 Proposition 2

21 SUPPLY AND DEMAND AS APPLIED TO AGRICULTURE 390

Relative Decline of Agriculture Agriculture's Long-run Decline: Graphical
Analysis Instability in Agriculture Government Aid to Agriculture Forms
of Government Aid Economics of Three Main Aid Programs Issues in Farm
Aid What Economic Analysis Can Suggest The Long-run Solution?
Summary Questions for Discussion

**APPENDIX: ECONOMICS OF SPECULATION, RISK,
AND INSURANCE**

Geographical Price Patterns Speculation and Price Behavior over Time
Gambling and Diminishing Marginal Utility Why Ideal Stabilization by
Speculators Is Optimal Economics of Insurance What Can Be Insured
Summary to Appendix Questions for Discussion

22 THE THEORY OF DEMAND AND UTILITY 414

Summing Individual Demands to Get Market Demand Demand Shifts from
Income and Other Changes Cross Relations of Demand The Law of
Diminishing Marginal Utility The Process of Rational Choice Numerical
Example of Optimal Choice Equilibrium Condition: Equal Marginal Utilities
Per Dollar for Every Good Substitution- and Income-effects: A Digression
The Paradox of Value Consumer's Surplus
Summary Questions for Discussion

APPENDIX: GEOMETRICAL ANALYSIS OF CONSUMER EQUILIBRIUM

The Indifference Curve The Indifference Map The Consumption-possibility
Budget Line The Equilibrium Position of Tangency Changes in Income and
Price
Summary to Appendix Questions for Discussion

23 COMPETITIVE SUPPLY 435

Summing All Firm Supply Curves to Get Market Supply How to Determine
Maximum-profit Competitive Supply Diminishing Returns and Increasing
Marginal Costs The Important Marginal Cost Curve Deriving the Firm's
Supply Curve from its MC Curve Total Cost and Short-run Shutdown
Conditions Total Cost and Long-run Break-even Conditions Implicit- and
Opportunity-cost Elements: A Digression Long-run Industry Supply and
Firms' Break-even Points Decreasing Costs and the Breakdown of Perfect
Competition A Final Word on Efficiency of Marginal Cost Pricing
Summary Questions for Discussion

**APPENDIX: ADDITIONAL EFFICIENCY ASPECTS OF
COMPETITIVE PRICING**

External Economies and Diseconomies Peak-load Pricing Cyclical Pricing
for Industry

- 24 ANALYSIS OF COSTS** **453**
Total Cost: Fixed and Variable Marginal Cost Again Average, or Unit, Cost Long-run-planning Envelope Curve Tasks Accomplished and Tasks Yet to Come Cost Patterns and Structure of Market Imperfection Differentiation of Products
Summary Questions for Discussion
- 25 EQUILIBRIUM OF THE FIRM: PROFIT MAXIMIZATION UNDER MONOPOLY** **466**
A. Overview of Market Structure and the Concept of Marginal Revenue
Perfect Competition Contrasted with Imperfect Competition Imperfect Competition Defined Imperfect Competition: Monopoly, Oligopoly, and Differentiated Products Brief Summary of Kinds of Competition and Market Structure Price, Quantity, and Total Revenue Marginal Revenue and Price
B. Maximum-profit Monopoly Equilibrium: Divergence of Price and Marginal Cost
Graphical Depiction of Firm's Maximum-profit Position Perfect Competition a Special Case of Imperfect Competition Bygones and Margins How Imperfection of Competition Affects Resource Allocation
Summary Questions for Discussion
- APPENDIX: IDEAL REGULATION OF MONOPOLY PRICING**
- 26 IMPERFECT COMPETITION AND ANTITRUST POLICY** **483**
A. Analytical Patterns of Imperfect Competition
Do Firms Maximize Profits? Markup Pricing Break-even Points and "Administered Prices" Oligopoly: Competition among the Few Many Differentiated Sellers: Waste under Free Entry
B. Modern Antitrust Problems
Some Wastes of Imperfect Competition Recapitulated Dynamic Research and Monopoly What to Do about Monopoly Imperfections Public-utility Regulation Overview of Antitrust Policy Brief History of Antitrust Policy The Few Antitrust Laws Which Weaken Competition Modern Antitrust Future of Antitrust Policy Finale: Workable Competition
Summary Questions for Discussion

Part 4 Distribution of Income: The Pricing of the Productive Factors

- 27 THEORY OF PRODUCTION AND MARGINAL-PRODUCTS** **509**
Demand for Factors a Derived Demand Demand for Factors a Jointly Interdependent Demand Technical Law Relating Output to Inputs: The "Production Function" The Aggregate American Production Function Marginal-products Defined Marginal-physical-products and Diminishing Returns Distribution Solved by Marginal-products Marginal-product Theory of the Single Firm
Summary Questions for Discussion

APPENDIX: GRAPHICAL DEPICTION OF PRODUCTION THEORY

The Law of Diminishing Marginal-physical-product Least-cost Factor Combination for a Given Output Equal-product and Equal-cost Contours: Graph of Least-cost Position Least-cost Conditions Marginal-revenue-product Condition of Maximum-profit Fixity of Proportions Intercommodity Substitution and Qualifications Competitive Equilibrium a Good Thing?

- 28 PRICING OF FACTOR INPUTS: RENTS OF LAND AND OTHER RESOURCES** **530**
- Aggregate Market Demand Curves for Output and for Each Input Factor-price Determination by Supply and Demand Rent and Costs: Implicit versus Explicit Returns Rent and Costs: Relativity of Viewpoint Henry George's Single-tax Movement: Taxation of Land "Surplus" Supply and Demand for Any Factor Factor Pricing and Efficiency: Rent and Factor-prices as Devices to Ration Scarce Resources Conservation and Land Tenure Conclusions Summary Questions for Discussion*
- 29 COMPETITIVE WAGES AND COLLECTIVE BARGAINING** **542**
- A. Wage Determination under Perfect Competition** *Real Wage Determination for a Single Grade Resources, Capital, and Technology Immigration and Restrictions of Labor Supply Theory of the Optimum Population The Iron Law of Wages: Malthus and Marx Lump-of-labor Fallacy and the Thirty-hour Week General Supply Curve of Labor Rent Elements in Wages of Unique Individuals Equalizing Differences in Wages Nonequalizing Differentials: Differences in Labor Quality "Noncompeting Groups in the Labor Market" General Equilibrium of Labor Market*
- B. Imperfections of the Labor Market and Collective Bargaining** *Three Ways Unions Seek to Raise Wages Wage Increases and Reductions in Employment Theoretical Indeterminacy of Collective Bargaining Qualifications Unsolved Labor Problems: Strikes, Cost-push, Structural Unemployment Summary Questions for Discussion*
- 30 INTEREST AND CAPITAL** **570**
- Land, Labor, and Capital Capitalization of Assets Net Productivity of Capital Definition of Net Productivity of a Capital Good or Investment Project A Bird's-eye View of Interest Determination Graphical Determination of Interest Ancient Misconceptions about Interest Summary of Interest Determination Some Major Qualifications Neoclassical Synthesis Once Again Public and Private Policy in Determining Capital Formation Summary Questions for Discussion*
- APPENDIX: THEORETICAL ASPECTS OF INTEREST, MONEY, AND POLICY**
- Productivity or Impatience? Determination of the Interest Rate An Uncertainty Floor to Risky Returns and Investment? Market Capitalization of Assets Equals Their Present Discounted Value Money, Interest, and Public Policy Synthesis of Classical Theory of Interest with Theory of Income Determination: Review Summary to Appendix Questions for Discussion*

- 31 PROFITS AND INCENTIVES** 591
*Reported Profit Statistics First View: Profit as "Implicit" Factor Returns
 Second View: Profit as the Reward to Enterprise and Innovation Third
 View: Risk, Uncertainty, and Profit Fourth View: Profit as a "Monopoly
 Return" "Contrived Scarcities" versus "Natural Scarcities" Monopoly
 Earnings as the Return to "Contrived Scarcities" Ethical Attitudes toward
 Profits The Immeasurability of "Profit": Tax Effects Incentives, Surpluses,
 and Equity: Profit Not Necessarily a Surplus A Sermon on Profit and What,
 How, and for Whom
 Summary Questions for Discussion*
- 32 EPILOGUE TO MICROECONOMIC PRICING** 605
*Survey of the Interdependent Pricing Process Simultaneous Mutual
 Determination Imperfections of Competition A Word on Welfare Economics
 Conclusion*
- APPENDIX: REVIEW OF COMMODITY AND FACTOR PRICING:
 GENERAL EQUILIBRIUM AND THE PARABLE OF IDEAL
 WELFARE PRICING**
*Parable of Utopian Pricing A Dilemma for Centralized Planning Pricing
 in a Utopian State: Consumption-goods Prices The Distribution of Income
 Pricing of Nonhuman Productive Resources and Intermediate Goods The
 Example of Land Rent Marginal-cost Pricing Wage Rates and Incentive
 Pricing Summary of Utopian Pricing Summary of Resource Pricing The
 Role of the Interest Rate in Utopia Welfare Economics in a Free Economy
 Summary to Appendix Questions for Discussion*

Part 5 International Trade and Finance

- 33 THE BALANCE OF INTERNATIONAL PAYMENTS** 621
*A. Mechanisms of Foreign Exchange and Trade Foreign Exchange Rates
 Stable Exchange Rate under the Classical Gold Standard Modified Modern
 Gold Standards Flexible Exchange Rates Exchange-rate Mechanics
 Concluded*
- B. Balance of International Trade and Capital Movements The Balance
 of International Payments Stages of a Country's Balance of Payments Basic
 Significance of International Capital Movements Financial versus Real
 Aspects of Foreign Lending
 Summary Questions for Discussion*
- APPENDIX: INCOME AND UNEMPLOYMENT ASPECTS OF
 INTERNATIONAL TRADE**
*Foreign-trade Multiplier Overvaluation of Currency and Unemployment A
 Sliding Peg?*
- 34 INTERNATIONAL TRADE AND THE THEORY OF
 COMPARATIVE ADVANTAGE** 646
*Diversity of Conditions between Regions or Countries A Simple Case:
 Europe and America The Law of Comparative Advantage Other Causes*

- of International Trade Foreign-trade Supply-and-demand Charts Effects of Tariffs and Quotas Qualifications and Conclusions Summary Questions for Discussion*
- APPENDIX: COMPARATIVE ADVANTAGE AMPLIFIED AND QUALIFIED**
America without Trade Europe without Trade The Opening Up of Trade Recapitulation Exact Determination of the Final Price Ratio Many Commodities Many Countries Increasing Costs International Goods Movements as a Substitute for Factor Movements
- 35 THE ECONOMICS OF TARIFF PROTECTION AND FREE TRADE 668**
Noneconomic Goals Grossly Fallacious Arguments for Tariffs Some Less Obvious Fallacies The "Foreigner Will Pay" or Terms-of-trade Arguments Arguments for Protection under Dynamic Conditions Conclusion Summary Questions for Discussion
- 36 CURRENT INTERNATIONAL ECONOMIC PROBLEMS 681**
A. Modern Trends and Institutions of International Finance Trends, 1914-1945 *Marshall Plan, Military Aid, and Other Programs Foreign Lending and the International Bank The International Monetary Fund The European Common Market and the Free-trade Area Freer Multilateral Trade*
B. International Trade Problems of the Future *From Dollar Shortage to Dollar Glut Reasons for Chronic International Deficit, 1955-1967 Equilibrium in the 1970s? Therapy for a Chronic Deficit Structural Reform of International Finance Conclusion Summary Questions for Discussion*

Part 6 Current Economic Problems

- 37 THE THEORY OF GROWTH 705**
Stages of History Fact and Fiction The "Magnificent Dynamics" of Smith and Malthus Detailed Economic Analysis of Smith-Malthus Graph of Malthusian Development End of the Labor Theory of Value Technical Advance and Classical Growth Theory Ricardo-Marx-Solow Models of Capital Accumulation Deepening of Capital in Diagram Form Technical Progress and Wages The Approximate Facts of Modern Development Six Basic Trends of Economic Development Analyzing the Basic Trends Are Inventions Labor-saving or Capital-saving? Summary Questions for Discussion
- APPENDIX: MODERN DISCUSSIONS OF DEVELOPMENT THEORY**
Schumpeterian Innovation Unemployment in the Stationary State? Unchangeable Capital-output Ratio? Harrod-Domar Growth Models Neoclassical Dynamics Alternative Theories Compensating Fiscal Policy Leontief's Interindustry Input-output Summary to Appendix Questions for Discussions

38	PROBLEMS OF ECONOMIC GROWTH AND DEVELOPMENT	736
	<i>Defining Underdevelopment Characteristics of Underdeveloped Economies Urgency of the Problem Superficial Theories of Development Recent Concepts to Describe Development Balanced Growth and Industrialization Capital Needs and Efficient Resource Allocation Population Problems Natural Resources Capital Formation Technological Change and Innovations Five-year Plans Summary Questions for Discussion</i>	
39	PROBLEMS OF GROWTH AND PRICE STABILITY IN AN ADVANCED ECONOMY	758
	<i>Measuring Economic Growth Brief History of Growth Growthmanship Why Grow? How to Grow Expanded Private and Public Research Expanded Education and Training Appraising and Reducing Structural Unemployment Full Employment and Reducing the Underutilization Gap Defense Expenditure and Prosperity: An Important Digression The Neoclassical Synthesis at Work Austere Fiscal Policy Combined with Expansionary Monetary Policy A New Sellers' Inflation? Are Growth and Price Stability Opposing Goals? Wanted, an "Incomes Policy": Wage-price Guideposts? Conclusion Summary Questions for Discussion</i>	
40	ALTERNATIVE ECONOMIC SYSTEMS	778
	<i>The Crises of Capitalism? The New Look A Bouquet of Isms Fascism Socialism Marxian Communism and Soviet Russia: History The Soviet Economy New Trends in Iron Curtain Economics? Comparative Economic Growth An Optimistic Last Word Questions for Discussion</i>	
	INDEX	795