Fundamental equation

$$y = \frac{100}{MR - 1}$$

where y is the rate of profit of capital

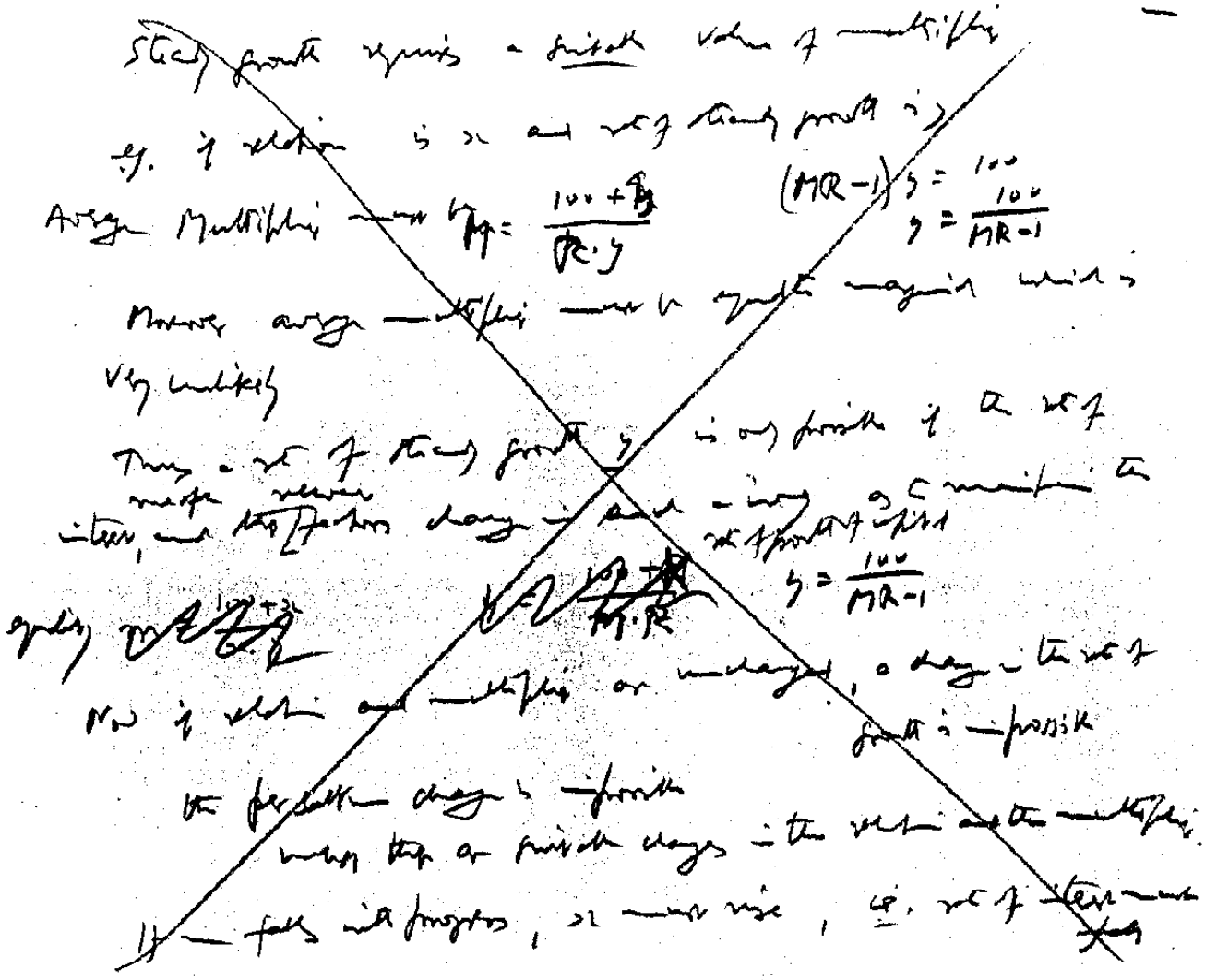
Thus for any given profit with y constant a R corresponds to each possible value of M and this set is mathematically complete with full allowance for the fact that there is only one value of M which will allow the given R to be realised.

(1) If M and R change, a change in the rate of profit is implied unless the change is such as exactly to cancel out.

(2) Strictly profit with constant value implies $M = R$

(3) This is only true if profits are zero, R = rate of interest, i.e. when entrepreneurs

(4) Thus strictly speaking MR cannot



(6) Money is just one of the many things we use to make exchanges
but an exchange (using money) is different from barter
This means that the relative price changes (i.e. change of exchange rate)

Thus we might have steady consumption
and
but
with wildly expected effects of inflation
or steady consumption and wildly fluctuating
by the usual laws of
Nelson

(6) But [illegible] point of [illegible] / — — [illegible]) are not sticky

This is no assumption in favour of sticky prices as [illegible]

But if there is full employment, the [illegible] will be [illegible] (sticky) prices compatible with other factors; though [illegible] — [illegible] leading to a different multiplier, leading to a different [illegible] of [illegible] — [illegible] leading to [illegible] rate of profit. A full employment [illegible] [illegible] [illegible]

(7) Sticky prices and full employment are different [illegible]. Full employment [illegible] sticky prices

The theory of sticky prices has no application [illegible] [illegible] to the [illegible] [illegible]. Effectively a [illegible] [illegible] should have [illegible]

Y falls with y

$$I = \frac{c}{MR-1}$$

$$Y = MI = \frac{Mc}{MR-1}$$

$$\frac{C+I}{MI} = R$$

$$C + I = I . MR$$

$$\frac{I}{C} = \frac{1}{MR-1}$$

$\frac{y}{100} = \frac{I}{c}$ where y is rate of profit

Rate of profit of capital $= \frac{100}{MR-1}$

Rate of profit of consumption [illegible]

$\frac{MR - 1}{MR-1}$