

# John Maynard Keynes



dandelion.com

© 2008 [AGI Information Management Consultants](#)  
May be used for personal purposes only or by  
libraries associated to [dandelion.com](#) network.

Paul Davidson

palgrave  
macmillan

# Contents

<i>List of Figures</i>	x
<i>List of Tables</i>	xi
<i>Preface</i>	xiii
<b>Chapter 1 An Introduction to Keynes and His Revolutionary Views</b>	<b>1</b>
I. Keynes's early intellectual surroundings	3
II. Keynes's intellectual development	5
<b>Chapter 2 How the Great War and Its Aftermath Affected Keynes's Thinking</b>	<b>7</b>
<b>Chapter 3 Keynes's Middle Way: Liberalism is Truly a New Way</b>	<b>13</b>
<b>Chapter 4 The Before and After of Keynes's General Theory</b>	<b>18</b>
I. Keynes's revolutionary theory versus mainstream classical theory	18
II. Axioms and theory building	26
III. The neutral money axiom	27
IV. The gross substitution axiom	30
V. Uncertainty and the ergodic axiom	31
VI. Aborting Keynes's revolutionary analysis	35
<b>Chapter 5 The Conceptual Difference between Keynes's General Theory and Classical Theory - Savings and Liquidity</b>	<b>38</b>
I. What is a classic book?	38
II. Say's Law	40
III. The aggregate supply function	44
IV. The aggregate demand function *	44
V. A note on Friedman's alternative definition of saving	55
<b>Chapter 6 Further Differentiating Keynes's Aggregate Demand Function</b>	<b>58</b>
I. Two aggregate demand components	58
II. Investment spending	60

	III. What about other components of $D_2$ ?	64
	IV. Government taxes and spending	65
	Appendix to chapter 6: deriving the aggregate supply and aggregate demand functions	68
<b>Chapter 7</b>	<b>The Importance of Money, Contracts, and Liquid Financial Markets</b>	<b>75</b>
<b>5</b>		
/	I. The reality of money contracts	75
	II. Contracts, markets, and the security blanket of liquidity	78
	III. Liquidity and contracts	87
	IV. The role of financial markets	90
	V. Financial markets and Keynes's liquidity theory	96
	VI. The need for market orderliness	97
	VII. Booms and busts	98
	VIII. Is reality predetermined, immutable, and ergodically knowable or nonergodic, unknowable, and transmutable?	100
	IX. Crucial decisions and Schumpeterian entrepreneurship	112
	X. Designing policy	114
<b>Chapter 8</b>	<b>World War II and the Postwar Open Economies System</b>	<b>116</b>
<i>ff</i>		
	I. Planning for the postwar open economy system	117
<b>Chapter 9</b>	<b>Classical Trade Theory versus Keynes's General theory of International Trade and International Payments</b>	<b>126</b>
	I. The benefits associated with the classical theory of international trade	126
	II. International trade and liberalized markets: the facts	127
	III. Trade, the wealth of nations, and the law of comparative advantage	128
	IV. Can a reduction (devaluation) in the exchange rate always cure an unfavorable trade balance?	138
<b>Chapter 10</b>	<b>Reforming the World's Money</b>	<b>145</b>
	I. A lesson from the early post-World War II history	145
	II. The Bretton Woods experience and the Marshall Plan	146

III.	Keynes, free trade, and an international payments system that promotes full employment	148
IV.	Changing the international payments system	152
<b>Chapter 11</b>	<b>Inflation</b>	<b>160</b>
<b>I</b>		
I.	Contracts, prices, and inflation	161
II.	The inflation process in a Keynes world	162
III.	Incomes inflation	163
IV.	Incomes policy	164
<b>Chapter 12</b>	<b>Keynes's Revolution: The Evidence Showing Who Killed Cock Robin</b>	<b>169</b>
<b>I.</b>	Fixed wages and the problem of unemployment	174
<b>II.</b>	Who actually aborted Keynes's revolution?	176
<b>III.</b>	Samuelson's Neoclassical Synthesis Keynesianism	176
<b>IV.</b>	The coming of Keynesianism to America	179
<b>V.</b>	How did Samuelson learn Keynes's theory?	180
<b>VI.</b>	The axiomatic differences between Samuelson's Neoclassical Keynesianism and Keynes/post-Keynesian theory	183
<b>VII.</b>	What about Hicks's IS-LM model?	185
<b>VIII.</b>	Conclusion	187
<i>Notes i</i>		190
<i>Bibliography</i>		200
<i>Index</i>		206