

## Questions for March 27

- 1.) To return to the distinction between the emergent standard of living and the basic process:
- Is it correct to say that  $fQ_t$  (say the number of TV sets produced in the month of July) is a component of the emergent standard of living so that the latter may be defined as  $fQ_t + fQ_{t-1} + fQ_{t-2} + \dots$  where the sum represents all the goods and services produced in time  $t$ ?
  - If so, is it correct to say that the emergent standard of living, as the aggregate of rates of production of goods and services, is not, in itself, a double summation?
  - Finally, is it accurate to say that the emergent standard of living and the basic process are related in a double summation (Circulation Analysis, p. 18) because one must engage in the double summation of contributions to the productive process to reach the aggregate of rates which is the basic process?  
(If this is not correct, would you please review once more the relation between emergent standard of living and the basic process?)
- 2.)  $f\bar{g}$  is an important flow for your analysis because it marks the shift from basic to surplus and surplus to basic that occurs apart from the redistributive channel. It is not hard to understand how workers who earn income in surplus production spend their money on goods and services in the basic stage, so that  $G$  represents the fraction of  $fO$  that moves from surplus to basic.
- But how is it that there is also a  $G'$ , a fraction that moves from basic to surplus? On p. 39 you say "...there are large salaries and large profits to be had, at least at times, by contributors to the standard of living..." How do large salaries and large profits contribute to  $G'$ ? Who, concretely, is spending the money and for what purpose?
- In the case of other variables, O, I, E, R the letter used in your notation relates mnemonically to outlay, income, expenditure, receipts. Why did you choose the letter "G" to stand for the cross-over fraction?
- 3.) With regard to the "Limits to Growth" argument: you focus upon the nature of the productive process apart from the material potency of world resources at one end, and apart from the finished products that have passed into the standard of living on the other. Does your analysis not lead you to overlook the limits imposed by the potencies of nature? How can there be, in principle, an indefinite succession of waves of the pure cycle if there are a finite set of world resources?
- 4.) What is meant by standard of living? Why do you not define it? Are you working toward an implicit definition?