

The Problem of Summation

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I. Statements - II. Atomistic and holistic theory - III. First and second Summation Theorem - Distribution and Production Aspect - IV. The Distribution Aspect - V. The sociological theory of inflation - VI. The Production Aspect - VII. Conclusions.

In a book with this title docent Dr. Göran Nyblén of Lund University, Sweden, discusses the phenomenon of summation in economic theory. The notion of social value schemes in welfare economics, Keynesian aggregate concepts and even the word "Macroeconomics" are just a few illustrations of the truth of Nyblén's statement that the "problem (of summation) is touched upon in almost all economic theories". (p.1). The book was preceded by an essay "En atomistisk och holistisk ekonomisk teori" (Ekonomisk Tidskrift, 1949, pp. 258, Stockholm). A survey of Nyblén's achievements must refer to both works.

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I. Statements

The book is a definite progress compared with the essay. The essay distinguishes between "holistic" and "atomistic" theories, according to, whether "atomistic" or "holistic" elements of a social economy are to be comprehended. The book however distinguishes between "Distribution" and "Production Aspect" as two different social economic constructions. The "Distribution Aspect", a social economy with more

1) The Problem of Summation in Economic Science, A Methodological study with applications to interest, money and cycles, by Göran Nyblén, pp. XII + 289, Lund 1951, Lund social science studies

2) The following remarks are largely influenced by Dr. Karl Polanyi of Columbia University, New York. Cf. also K. Polanyi, The Great Transformation, Farrar & Rinehart, New York, 1944 as well as F. Schafer, Reine Rechtslehre und Reine Wirtschaftstheorie, and Rechtliche und wirtschaftliche Zurechnung, Internationale Zeitschrift für Theorie des Rechts, Brno, 1937 respectively, Geneva, 1939

than one economic subject is related to the "first summation theorem" (Neumann-Morgenstern). The "Production Aspect" related to the "second summation theorem" (Arrow) is a social economy with one economic subject only, society itself.

A social economy with one economic subject only is a difficult concept. Hence we suggest a different distinction based upon Aristotle's concepts of "Art of Acquisition" and ¹⁾ Retail Trade". Both cases are social economies with more than one economic subject. In the first case the economic subjects use their commodities either within or without exchange. (EK "Exchange Economy"). ~~XXXXXXXXXXXXXXXXXXXX~~ Aggregate notions and summation are here not necessarily conceivable. In the second case the economic subjects must exchange - "sell" - their commodities for a money which is purchasing power only. ("Purchasing Power Economy"). Aggregate notions and summation are here necessarily conceivable.

II. Atomistic and holistic theory

Nyblén's distinction in his essay between "atomistic and holistic theory runs as ~~XXXXXXXX~~ follows:

"For an atomistic theory the isolated study of the individual decision unit ... is the key to the comprehension of the economic occurrence within the society in question. After all the parts = the decision units have been ~~XXXXXXXXXXXX~~ investigated each individually, there does not remain anything to be added. The entity has been also comprehended. Hence all the elements in an atomistic economic theoretical system can be apportioned to the different decision units - they (the elements)

1) Cf. The Politics of Aristotle, translated by E. Barker, Oxford, 1946

XXXXXXXX are e.g. functions tied to these (decision units). A holistic theory XXXXXXXX regard, society as a tangible ~~XXXXXX~~ reality, which is more than ^{only} an aggregate of isolated decision units and ~~XXXXXXX~~ emphasizes the ~~XXXXXXXXXXXXXXX~~ relation of the different decision units to each other, the relation of the State to private enterprise, the relations of the different private enterprises to each other etc. and regards the activities of the different decision units as ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ mutually caused. Therefore a holistic economic theoretical system contains elements which cannot be apportioned to the individual decision units. These elements are indivisible and led to all the decision units in society, to the entity or at any rate to some of the decision units." (Ekonomisk Tidskrift, 1949 - p. 260/61, translation from Swedish).

This holistic theory however is open to the familiar objection that the "holistic" elements such as e.g. relations of State to private enterprise ~~XXXX~~ are just the means and their alternative uses, which are data for the choice of the decision units. ¹⁾ As data these holistic elements are outside human action and hence outside economic theory. For instance the State might because of a certain relation to private enterprise - the "holistic" element - prevent employers from producing a ~~XXXXXX~~ commodity considered as undesirable luxury. This State action has changed the data for the choice of the employers by restricting the alternative uses for the means of the employers, but the employers still have to choose between given alternative uses for their means. Thus the "holistic" element consisting in the State restricting ~~XXX~~ alternative uses for means is still expressed by the action of individuals, i.e. still "tied ... to the different decision units", ~~XX~~ (Ekon. Tidskr. etc. p. 260) to use ^{Nyblin's} ~~the~~ description ~~of~~ of I) Cf. L. Robbins, An Essay on the Nature and Significance of Economic ~~Science~~, London, 1945

unit...to count in as possessed by everyday money."(Nyblén, l.c.p.51). Hence the "Essential Games", where Nyblén finds the "first summation theorem", are just a "subcase"(Nyblén l.c.p.83) of his "Distribution Aspect". This is a social economy "implying diversity of interests in the society imagined and counting in money...It (the Distribution Aspect) depicted the economic activities of a decision unit in a society as aiming at maximization of its money income, or....of its relative share ~~of money~~ the money national income."(Nyblén, l.c.p.82/83)

The second summation theorem(Arrow)¹⁾ "states that it is in general impossible to aggregate many individual value schemes to one social value scheme, if by value scheme is meant a complete ordering of the various alternatives among which an economic subject may choose."(Nyblén l.c.p.1) This summation theorem is related to Nyblén's Production Aspect. Nyblén himself says that his Production Aspect is " ~~built~~ built partly on Arrow's theorem"(Nyblén, l.c.p.88). The impossible task of aggregating individual value schemes is avoided by making society itself the only economic subject. Thus Nyblén's Production Aspect is an economy, which "without the introduction of other than(unnecessary) shadow prices...was found implying absolute unity of interests in the society imagined and counting in utility."(Nyblén, l.c.p.82) - i.e. not in money as in the Distribution Aspect. Therefore the Production Aspect "presupposed one economic will, one value scheme to prevail in the society."(Nyblén, l.c.p.88) It "depicted the economic activities in the society as aiming at the fulfilment of one single set of objectives."(Nyblén, l.c.p.82) It is "a process"

1) Cf. K. J. Arrow, Social Choice and Individual Values, New York and London, 1951

of production of various commodities and services guided by a value scheme of society." (Nyblén, l.c. p. 78)

Thus "Distribution" and "Production Aspect" are two different constructions of social economy. Each of them applies to a different economic reality. Nyblén's recognition of this fact belongs to the strongest points in his book. He says: "Economic and social events cannot be grasped by ~~the~~... the pure production aspect nor by... the pure distribution aspect, both aspects are required for an explanation of reality." (Nyblén, l.c. p. 128/129)

Nyblén's proposition ~~has~~ has however two drawbacks.

(1) The "Production Aspect" does not cover a social economy consisting of more than one economic subject, and hence cannot comprehend our economic reality.

(2) The "Distribution Aspect" as a social economy with a common counting unit ties summation to token money. But Nyblén develops summation within the first summation theorem which is tied to the "Essential Games". And the "Essential Games" are conceivable with as well as without token money, i.e. with as well as without summation ~~is~~ Tying summation to the "Essential Games" prevents Nyblén from distinguishing between a social economy with token money, ^{where} ~~and~~ therefore ~~is~~ summation ^{is} always conceivable, and a social economy without token money, where therefore summation is not always conceivable.

This causes difficulties for Nyblén, which we will attempt to point out in the following lines.

IV. The Distribution Aspect

Nyblén recognises the connection between summation and token money

but without drawing the conclusions. With regard to the "Essential Games" where the economic subjects achieve more by co-operation than by isolated action, he says that "if (that) what decision units 1, 2, and 3 can obtain by collaboration is to be formed as a number, this seems to necessitate the existence of a common ~~XXXXXXXX~~ unit for the three economic subjects to count in, a common unit as possessed by everyday money." (Nyblén, l. c. 51). ~~XXXX~~ The word "if" in this argumentation, ^{implies} that the amount ^{obtainable} ~~obtainable~~ by collaboration is not necessarily formed as a number, but ~~may~~ may be formed also in a different manner.

Indeed the "Essential Games" are conceivable also without a common unit to count in. For instance three producers of one pair of ~~KKK~~ trousers each might obtain in exchange for their respective ~~XXXXXXXX~~ pairs of trousers, if they act isolatedly, 14 lbs of apples, 6 lbs of meat and 30 lbs of potatoes. Collaboration would bring them three dozen of stockings, 15 lbs of pears, and one ~~XXXXXX~~ watch. Of course the quantities obtainable ~~XXXXXXXXXXXXXXXX~~ by acting in collaboration respectively in isolation are not comparable ^{with each other,} by a common counting unit. But the producers of the pairs of trousers are still able to decide, whether they prefer co-operation or isolated action. Moreover they can reach agreement ~~between~~ ~~themselves~~ on the distribution of the commodities obtainable in collaboration ^{among themselves.}

Thus the "Essential Games" can be conceived in a society of bartering economic subjects without common counting unit and without summation. There is therefore no necessity to conceive summation within the Essential Games and hence to connect summation and Essential Games, as Nyblén does.

There is no necessary connection between summation and Essential Games, but there is a necessary connection between summation and taken money. Before discussing this however, it

may be said that conceiving the "Essential Games" without common counting unit and summation has carried us to a social economic construction outside Nyblén's Distribution Aspect, which is just characterised by a common counting unit. The social economic construction arrived at is characterised by the existence of more than one economic subjects, who may choose between the alternatives ~~KA~~ of using their commodities either within or without exchange. ¹⁾ ~~INAKXENAKKA~~ Because of ~~KNAKXAKAKAK~~ the exchange of commodities, which connects in this pattern the economic subjects to a social economy, this lay out was ~~KANA~~ called recently "Exchange Economy" and described as follows: ^{KX} "Society consists here of bartering individuals possessing an outfit of commodities - goods, land labour and their commodities. Money is simply one of the commodities bartered more often than another commodity, and hence acquired for the purpose of exchange." ²⁾

~~NYBLÉN~~ ^{failing to arrive} at this social economic construction "Exchange Economy" ~~KXNAKXKXKXON~~ which can be conceived without summation, but with "Essential Games", cannot reach the opposite social economic construction,

where summation must be always possible, though it may be conceived without

1) This familiar construction of a social economy has been developed already by Aristotle when he speaks about the "Art of acquisition". He says: "The members of the village separated from each other had at their disposal a number of different things which they had to exchange with one another, as need arose, by way of barter... All the naturally necessary commodities were not easily transportable. Men therefore agreed for the purpose of their exchanges to give and to receive some commodity, which itself belonged to the category of useful things." (The Politics of Aristotle, Oxford, 1946 p. 23/24)

2) K. Polanyi, The Great Transformation, New York, 1944 p. 196.

"Essential Games".

This social economic construction with summation always possible emerges, if the "Exchange Economy" is equipped with ~~commodity~~ indirect exchange and commodity money - familiar things, mentioned already in the above quotations - and if then the further assumption is made, that the economic subjects have no other alternatives than, ~~XXXXXXXXXXXX~~ to exchange their commodities against ~~the~~ commodity money.

Now a commodity money as a general medium of exchange need not necessarily to ~~XXXX~~ be money and hence a counting unit. For some economic subjects may decide, not to exchange the ~~XXXXXXXXXXXX~~ possible commodity money, but to consume it such ~~XXXXXX~~ as the other commodities. Then some commodities might not be exchanged against the commodity money, and hence might not be expressed in terms of ~~the~~ commodity money as a counting unit. Hence summation might be impossible.

however
There might be a limited case of the "Exchange Economy", where most economic subjects decide to use the commodity money in exchange, and where hence every ~~XXXXXXXX~~ other commodity ^{is} ~~XXXXXX~~ expressed in terms of the commodity money as common counting unit. But summation would still be dependent upon the decision of the economic subjects to use the commodity money in exchange. Hence also in this limited case ~~XXXXXXXXXXXX~~ summation is not always necessarily possible.

Only if the economic subjects have no other alternative than to exchange their commodities against the commodity money, then it must be always possible to express every commodity in terms of the commodity money as common counting unit, and thus always to form aggregate notions such as national money income, aggregate demand etc.

But then - and this is the essential point - the assumption of the "Exchange Economy" that every economic subject may choose between

alternatives of using his commodities within or without exchange has been removed. Instead of it we assume that every economic subject has with regard to his commodities merely alternatives of exchanging i.e. of selling them for different amounts of money. This assumption makes the material the money is made from, meaningless from the point of view of the "seller", i.e. of the economic subject ~~xxxx~~ having commodities at his disposal. For he must exchange ^{i.e. sell} his commodities for money, from whatever material it is made. ~~xxxxxx~~

If now an economic subject as "seller" is supposed to exchange all his commodities for money, he must spend ~~xx~~ at least some of the money he has received for his commodities, for ^{purchasing of} ~~purchasing~~ other commodities. If he would withhold all his money by saving, hoarding, or consuming it ~~xxxxxxxxxxxxxxxx~~ or by any other manner, he would be left without commodities and hence could not satisfy his wants. ~~xxxxxxxxxxxxxxxx~~

In fact the social economy could not function, if the economic subjects would not spend ~~xxxxxx~~ at least some of their money, ~~xxxxxxxxxxxxxxxx~~ ~~xxxxxxxxxxxxxxxx~~, because the flow of the commodities from the economic subjects who cannot use them, to these economic subjects who need them, would be held up - the familiar "purchasing power" argument. Thus regardless of the material the money is made from, some of it must remain in circulation - a significant contrast to the commodity money of the "Exchange Economy", the total amount of which could be consumed, if the economic subjects would decide to do so, because this lay-out can ~~xxxxxxxx~~ function ~~xxxxxx~~ even, if every commodity would be consumed without having been exchanged first.

treatment of a summation case within the "Distribution Aspect" which is just a "Purchasing Power Economy". For the "Distribution Aspect" as a society "counting in money" implies that every commodity has to be sold for money, ~~XXXXXXXXXX~~, in order to express i.e. to count it in ~~XXXXX~~ money. ~~XXXXXXXXXX~~ But the necessity of selling the commodities for money, is just the feature of a "Purchasing Power Economy". Thus Nyblén himself treats summation in connection with ~~Purchasing~~ Purchasing Power Economy and token money, but without drawing the conclusions implied by this fact.

V. The Sociological Theory of Inflation

Failure to apply the distinction between "Exchange Economy" and "Purchasing Power Economy" causes also some weaknesses of Nyblén's "Sociological Theory of Inflation" (~~NYB NYBLÉN~~, pp. 190). Nyblén says that economic theory is unable to fit token money into ~~XXXXXXXXXXXXXXXXXX~~ its system, because token money cannot be derived from human action. He criticises the ~~different~~ different versions of the quantity theory such as "formalised in the equation of exchange: $MVF = PT$ " (Nyblén, ^{l.c.} p. 180), because "they do not refer to any human ^{economic} action of any kind. They only postulate a relation to hold without deriving it from human action." (Nyblén, ^{l.c.} p. 180).

Thus Nyblén wants to base his theory of inflation upon human action. He says: "The core of inflation is ... a distribution struggle between the big social groups within a country and /or between several countries, consisting of attempts by one or more units to increase their relative shares of the total income, i.e. to improve their relative income position, followed by reaction of other units, and with the result as to the distribution of income depending on the power of the various units."

(Nyblén, ~~NYB~~ (p. 190))

This process becomes possible by * a basic variability of the relative income position between the labourers and the entrepreneurs depending on "bargaining abilities" and being changeable without any basic modifications occurring to the grouping of the units in the society i.e. to their participation in coalitions and power blocks. The indeterminacy allows the question about fixing the relative position to be frequently reopened... We call this the initiating inflationary change. ^(L.C.P. 198) ~~Neumann, p.~~

Now two strong groups such as e.g. employers and workers might ally themselves against a weak group such as e.g. the savers, and increase their share in the national income at the expense of the ~~XXXXXX~~ savers. Thus ~~XXXXXXXXXXXXXXXXXXXX~~ * a discriminatory solution (Neumann-Morgenstern) opens up the possibility of promoting the settling of a distribution dispute through a slight break of the principles, this break disfavouring ^{the} ~~the~~ excluded group implying a fall of the value of (the savers') money- but also introducing an element of instability in the whole economy. In agreement with these remarks the post-1930 period has witnessed the low interest policy ~~XXXXXXXXXXXXXXXXXXXX~~ under rising prices implying a ~~marked~~ gradual lowering of the relative share of the national income on the part of the savers or rentiers, a politically weak... interest group. We call this gradual lowering the consequential inflationary change. At this ~~XXXXXXXXXX~~ point the reader should recollect the tentative discriminatory solution of the four person game" (Neumann-Morgenstern) "One player is excluded - compare the savers - two players form a "first coalition" which fixes the relation between their incomes - compare the labourers and the farmers - and negotiate with the remaining player - compare the

the entrepreneurs. ~~XXXXXXXXXXXX~~ This inflation thus consists ~~SKM~~ in price rises, accompanied by decisive changes in the distribution of income between the big social groups. ^{l.c.} (Nyblén, p.199)

This "sociological theory of inflation" has the great merit of pointing out ~~SKM~~ institutional differences between pre-thirties and ~~post-~~ thirties economy. But it does not derive money from human action, as Nyblén postulates. On the contrary Nyblén assumes money such as the theories he criticises. For according to him inflation is "a distribution struggle between the big social groups ~~XXXXXXXXXXXX~~.... to increase their relative shares of the total income" ^{l.c.} (Nyblén p.191). ~~SKM~~ This total income ~~SKM~~ is a money income. For Nyblén describes the action of the economic subject as "aiming at maximization of its relative share of the national money income." ^{l.c.} (Nyblén p.82/83). But struggle for share in the national money income assumes already money as connecting unit, instead of deriving it from human action. For without the existence of money income i.e. of money prior to the struggle for shares of this money income, a struggle for such shares could not be conceived.

Nyblén's failure ~~XXXXXXXXXXXX~~ to derive money from human action is clarified by application of the distinction between "Exchange Economy" and "Purchasing Power Economy" to money and inflation.

We start with the familiar notion of economy as choice of an economic subject ~~SKM~~ between alternative uses of his means. In connection with Nyblén's point of view it may be noted that choice implies the

uses of the means ^{is} discussed. In the "Exchange Economy" the alternative uses are uses within or without exchange. ~~XXXXXX~~ ^{In this connection,} ~~the~~ alternative uses within exchange are of interest. They consist in ~~XXXX~~ quantitative relations between the commodity to be disposed of by exchange and the commodity to be acquired by exchange. For instance the alternative use exchanging of a pair of trousers of economic subject A ~~XX~~ against 50 lbs of ~~XXXXXX~~ apples of economic subject B is expressed by the relation "one pair of trousers of A = 50 lbs of apples of B". This quantitative relation cannot be derived from human action, because as alternative use of means ~~it~~ must be assumed ~~XXXXX~~ as datum prior to this action. ~~XXXXXX~~

In the "Purchasing Power Economy" the alternative uses for the means consist, as far as the means are commodities, in ~~XXXXXX~~ opportunities of selling them for money, and as far as the means ^{are} ~~XXXXXX~~ money, in opportunities of purchasing commodities with it. In both cases the alternative uses must be expressed by quantitative relations between commodities and money such as e.g. one pair of trousers of A = 60 units of ~~XXXXXX~~ money at the disposal of B. Such as in the "Exchange Economy" these quantitative relations cannot be derived from human action either, because ~~XXXXXX~~ being alternative uses of means they must be assumed as data prior to the choice of the economic subjects.

Now in the "Exchange Economy" as well as in the "Purchasing Power Economy" these quantitative relations become prices, if the economic subjects concerned agree to ~~XXXXXX~~ choose them. For instance the quantitative relation "one pair of trousers of A = 50 lbs of apples" ^{of B} becomes a price, if A as well as B agree to exchange their respective commodities.

And the relation 1 pair of trousers of A = 60 money units of B becomes a price if A as well as B ~~XXXXX~~ decide to sell respectively to purchase the pair of trousers. Apart from prices being created the commodities in the "Exchange Economy" as well as ~~the~~ commodities and money in the "Purchasing Power Economy" have changed hands. They have become data with regard to the next choice of the economic subjects A and B between alternative uses for their means. ~~XXXXX~~ Though therefore the data were changed by human action, the changed data are assumptions for future action.

All this was ~~said~~ pointed out ^{with regard to} ~~XXXXX~~ the familiar feature of the "Exchange Economy" as well as with regard to the perhaps less familiar feature of the "Purchasing Power Economy" in order to show that token money can be fitted into the general theory without overstepping the traditional concept of economy as choice between alternative uses for means. Hence Nyblén's objection that token money cannot be fitted into the general theory is not justified.

~~XXXXXXXXXX~~ After having ~~clarified~~ this point some conclusions can be drawn with regard to his ~~own~~ opinions on inflation. If he wishes to derive inflation from human action, this can be done without difficulty within an "Exchange Economy". One has just to assume that the economic subjects decide to use a larger amount ~~more~~ of the commodity money within exchange. This will force them to choose alternatives, where they obtain smaller quantities of the different commodities for the commodity money. Thus the prices increase - of course not necessarily to the same extent with

regard to the different commodities - and inflation has occurred derived from human action. Similarly inflation could be also constructed within a "purchasing power Economy", if e.g. more money is spent by drawing from savings.

But the 'Purchasing Power Economy' contains an important case of inflation, where the amount of money at the disposal of the different economic subjects - the means of those economic subjects - is fixed by the State.

please read as attached

Hence ~~the~~ the amount of money initially at the disposal of the economic subjects cannot be derived from their action, because it plays the rôle of means. This case is tied to the "Purchasing Power Economy", because it assumes ~~money~~ the quantity of money which can be technically fixed without limit, and this applies to token money only. Indeed such a money cannot be conceived in an "Exchange Economy", because the quantity of a commodity money being tied to a certain commodity such as a metal, cattle etc., cannot be fixed at discretion.

Nyblén does not explain such a kind of inflation. However his concept of inflation ~~as~~ as struggle between the different classes for a maximum share of the national money income is conceivable as a case of inflation, where the State by wage fixing, price control or other action equippes every ~~economic~~ economic subject with a certain quantity of purchasing power, i.e. with a certain share in the national money income. Therefore Nyblén ought to explain also such cases of inflation, which assume, as he says, "a so called planned economy, centrally controlled by the State." (Nyblén, ^{l.c.} p.96)

It is however not surprising that he does not explain such

at case.

For neither his "Distribution Aspect" nor his "Production Aspect" ^{covers} ~~covers~~ this case. The "Distribution Aspect" fails here, because in such a planned economy the State, i.e. society itself acts as economic subject, directing the national economy through the action of the individuals ~~XX~~ towards the aim desired by it. But the "Production Aspect" ^{as} ~~as~~ ~~developed~~ developed by Nyblén ~~cannot~~ ~~comprehend~~ cannot ~~comprehend~~ comprehend such a planned economy either. ~~XXXXXXXXXXXXXXXXXXXX~~ For apart from the State directing the economy as economic subject, there are still the individuals who act as economic subjects in their capacity as wage earners, employers, consumers, etc. And this contradicts Nyblén's "Production Aspect" which admits the State only as economic subject.

This difficulty leads to discussion of the "Production Aspect".

VI. The Production Aspect

In order to ~~cover~~ cover also a planned economy, where the individuals act as economic subjects, and where also inflation or deflation as caused by the economic policy of the State can be comprehended, the concept of the "Production Aspect" is widened; ~~XXXXXXXXXXXX~~

Society (or the State) as economic subject - the criterion of the "Production Aspect" - has the following means at its disposal: a certain amount of labour (the working population) and ^{of} commodities as well as limitless possibilities of equipping the individuals with token money and of fixing prices for the different commodities and different kinds of labour. The alternative uses of these means consist in the final state of affairs, i.e. in the final ~~distribution~~ distribution of commodities and money among the individuals, society can achieve ~~XXXXXX~~.

by letting the individuals act as economic subjects.

If ~~the~~ society ~~has~~ establishes the individuals as economic subjects, their means are the quantities of labour, materials and token money, they have received from society. The alternative uses of these means are the quantitative relations between money and labour respectively materials fixed by society. It depends now ~~upon~~ upon the action of the individuals as economic subjects, ~~how~~ how far these relations become prices. If the state of affairs resulting from the action of the individuals as economic subjects is the same as planned by society, ~~then~~ it can be said that it is a state of affairs, as if society had acted itself. ¹⁾ But at any rate in this widened "Production Aspect", society is ~~not~~ an economic subject only, as far as it establishes the assumptions for the action of the individuals as economic subjects.

From Nyblén's point of view such a widened "Production Aspect" is essential, because it makes it possible to ~~determine~~ determine the shares of the different classes with regard to the money national income by State action such as wages fixing, price controls etc. - conditions which prevailed in many countries especially during the war. It may be also noted ~~with~~ with regard to Nyblén's point of view, that inflation in such a case can be derived from human action only, as far as the State has already equipped the individuals as economic subjects with a certain amount of money. The process of equipping itself however is a State action, which creates an assumption for the ~~action~~ action of the individuals and hence cannot be derived from it.

1) This has nothing to do with the possibility of deriving a "Purchasing Power Economy" by applying the assumptions of economy to society, which makes society a quasi economic subject. This question has been treated by Dr. Karl Polanyi of Columbia University, New York,

VII. Conclusion

It is in the nature of criticism that it points out weaknesses. Thus the strength of Nyblén's proposition could not be stressed ~~suffic~~ sufficiently. It consists in his distinction between different institutional patterns. Thus Nyblén distinguishes for instance between the "Production Aspect", a "one unit decision society" where equilibrium between demand and supply as "balance identities" is reached without price mechanism, and the "Distribution Aspect", where ^{this} equilibrium is reached by a price mechanism in a "multi unit decision" society. He also contrasts a pre-1930 society, where the rate of interest moves with prices, to a ~~XXXXXX~~ ^{post-1930} society, where the State keeps the interest rate stable ("cheap money") while prices increase. Similarly ~~the~~ ^{leaving} pre-1930 inflations ~~XXXX~~ the proportions ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ of the shares of the different classes within the national money income ~~XXXXXX~~ unchanged, are distinguished from post-1930 inflation, which change this proportion.

These are only a few instances out of the cases by which Nyblén proves the "time limited" nature of economic theories. Thus he follows the path set by modern Swedish and U.S. "institutionalists" (Åkerman, Grucky, ^{et. and} ~~and~~ in a certain sense Neumann-Morgenstern) and earlier by Marxists. Unfortunately his distinction between "Distribution Aspect" and "Production Aspect" prevents him from achieving full success. It might be ~~worth~~ ^{worth} while for him to modify this distinction by applying to it the distinction between "Exchange Economy" and "Purchasing Power Economy" in another book.