

Mending Keynes' (1936) Multiplier and Appraising Ahiakpor's (2001) Associated Article

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Abstract

"Keynes' (1936) investment multiplier" (KIM) theory has acquired the "endless free play" of its criticisms. More recent criticism against it has been disclosed by Ahiakpor (2001). Among the tally of criticisms, this article is a "new password" in the sense that despite Ahiakpor's (2001) criticism, further inconsistencies are still embedded in the KIM theory. The objectives of the present paper are threefold: (i) to correct the strangely persistent three propositional inconsistencies in the KIM theory, which were overlooked by the previous authors including Ahiakpor (2001), (ii) to suggest that few charges of Ahiakpor (2001) against the KIM theory are not adequate with respect to the comments of other authors, and (iii) to demonstrate that Ahiakpor's (2004) criticism is not confined to the "contribution," rather, it encompasses both the "contribution" and the "contributor," which is a denial of "irreducible moral values of humans".

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Maynard is the middle name of John Maynard Keynes (1883-1946 A.D), who was a product and pride of the Cambridge University. To design the alliterative title deliberately, the middle name "Maynard" has been substituted for the last name "Keynes," which will be used henceforth. Though the heading of Chapter 10 in Keynes's (1936) *The General Theory of Employment, Interest and Money* (GT) is "The Marginal Propensity to Consume and The Multiplier," yet various statements and propositions of "Keynes's investment multiplier" (KIM) theory are found on the different pages of *The General Theory of Employment, Interest and Money* due to its association with other theories.

The age of KIM theory is almost seventy seven years. Over this long span of time, there is no end of proliferation of criticism against the KIM theory. More recent criticism against the KIM theory has been disclosed by Ahiakpor (2001). The modes of criticism of different authors are obvious from the article of Ahiakpor (2001) and the references therein. Among the tally of criticisms, or the "endless free play of criticisms," this article is a "new password". This means that despite Ahiakpor's (2001) criticism, further inconsistencies are still embedded in the KIM theory.

Objectives of the Study

The objectives of this article are threefold, which are as follows. The first objective is to correct the strangely persistent three propositional inconsistencies in the KIM theory. These three inconsistencies were overlooked by the previous authors including Ahiakpor (2001). The second objective is to suggest that few charges of Ahiakpor (2001) against the KIM theory are not adequate with respect to the comments of other authors (Moore, 2006; Ulmer, 1952). Finally, it is also worthy to note that Ahiakpor's (2004) criticism is not confined to the "contribution" only, rather it encompasses both the "contribution" and the "contributor," which is a denial of "irreducible moral values of humans" (Stigler, 1955; Wilkie, 1993).

The foregoing three objectives are achieved by the usage of the "universal language of macroeconomics," passed on to us by Keynes, with which we not only speak, write and think, but also understand Keynes and Keynesians (e.g. Pre-Keynesians, Post-Keynesians, New-Keynesians, and Neo-Keynesians), and even criticize and praise Keynes. This article is a "constructive criticism," which, as opposed to "destructive criticism," seeks to disclose new perspectives on old ideas.

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Strangely Persistent Three Inconsistent Propositions in the KIM Theory

Three inconsistent propositions in the KIM theory are found on different pages of Keynes's *The General Theory of Employment, Interest and Money*, which are as follows :

(i) First Proposition: “If the grant of a bank credit to an entrepreneurallows him to make an addition to current investmentincomes will necessarily be increased and at a rate which will normally *exceed* the rate of increased investment” (Keynes, 1936, p.82).

(ii) Second Proposition: “For whilst a high marginal propensity to consume (*MPC*) involves a larger *proportionate* effect (on income) from a given percentage change in investment, the *absolute* effect (on income) will, nevertheless, be small if the *average* propensity to consume (*APC*) is also high” (Keynes, 1936, p.125).

(iii) Third Proposition: “..... the paradoxical conclusion that a poor community in which saving is a very small proportion of income will be more subject to violent fluctuations (in income) than a wealthy community where saving is a larger proportion of income and the multiplier consequently smaller” (Keynes, 1936, p.125).

Identification and Correction of Three Propositional Inconsistencies

For the purpose of identifying and correcting the foregoing three propositional inconsistencies, the following assumptions, which are extracted from various pages of Keynes's *The General Theory of Employment, Interest and Money*, are relevant:

↳ Assumptions

(a) “The ratio....between an increment of investment and the corresponding increment of aggregate incomeis given by the investment multiplier” (Keynes, 1936, p.248). If $Y \equiv$ (equilibrium) income and $I \equiv$ (autonomous) investment, this assumption says that $dY/dI = KIM$.

(b) “..... when there is an increment of aggregate investment, income will increase by an amount which is k times the increment of investment,” “..... where $(1 - 1/k)$ is equal to MPC ” (Keynes, 1936, p.115).

Thus, from the assumptions (a) and (b), we find that $(dY/dI) = k = [1/(1 - MPC)] = (1/MPS) = KIM$, where MPS marginal propensity to save $= (1 - MPC)$ and MPC is the marginal propensity to consume.

(c) “..... the multiplier is greater than unity but not very large” (Keynes, 1936, p.250). Or, “..... the multiplier whilst greater than unity, is not very great” (Keynes, 1936, p.251). Or “..... the multiplier, though exceeding unity, is not, enormously large” (Keynes, 1936, p.252).

Hence, from the assumptions (a), (b) and (c), what we get is that $KIM = (dY/dI) = (1/MPS) > 1$, since according to Keynes “..... the MPC seems to lie somewhere between these two extremes, though much nearer to unity than to zero” (Keynes, 1936, p. 118), which means that $0 < MPC < 1$ or, $0 < MPS < 1$, as $(MPC + MPS) = 1$.

(d) “..... a wealthy community where the multiplier smaller” (Keynes, 1936, p.125), while “..... the multiplier is larger in a poor community” (Keynes, 1936, p.126).

(e) “..... the economic system may find itself in a stable equilibrium at a level below full employment” (Keynes, 1936, p.30), when $Y = C(Y) + I$, or $S(Y) = I$, since the economy is a two-sector closed economy, where $C \equiv$ consumption and $S \equiv$ saving.

(f) “Thus by an excess of saving (S) over investment (I) ... the scale of output was such that entrepreneurs ... would be under a motive to contract output” (Keynes, 1936, p.77), while “... excess of investment over saving will induce entrepreneurs to increase the volume of employment and output” (Keynes, 1936, p.78). This means that if $S \gtrless I$, Y will be lowered or raised by the entrepreneurs, which is nothing but the stability condition of equilibrium given by $S(Y) = I$.

(g) Since KIM is a function of MPC or MPS , so we should be acquainted with the following assumptions, which determine the nature of the consumption function (or propensity to consume) or the saving function (or propensity to save) :

(g₁) “The *MPC* is not constant ... there will be a tendency for it to diminish ... when real income increases” (Keynes, 1936, p.120).

(g₂) “As wealth increases $dC/dY (= MPC)$ diminishes, but $C/Y (= APC)$ also diminishes” (Keynes, 1936, p.126).

(g₃) “... the *MPC* falls off steadily as we approach full employment” (Keynes, 1936, p. 127).

(g₄) “... the community will wish to consume a gradually diminishing proportion of it (real income)” (Keynes, 1936, p.120).

(h) The inequality between the rich and poor communities is reflected in the relative *MPC* (or *MPS*) and *APC* (or *APS*), which will be obvious from the following assumptions:

(h₁) “Not only is the *MPC* weaker in a wealthy community” (Keynes, 1936, p.31).

(h₂) “..... a poor community will be prone to consume by far the greater part of its output” (Keynes, 1936, p.31).

(h₃) “..... a greater proportion of income being saved as real income increases” (Keynes, 1936, p.97).

(h₄) “..... a poor community in which saving is a very small proportion of income wealthy community where saving is a larger proportion of income” (Keynes, 1936, p. 125).

(i) Our present analysis is based on simple Keynesian model (SKM), which is one of the two constituent macroeconomic models of “Hydraulic Keynesianism,” coined by the English economist Alan Coddington (1976, 1983). Needless to note, the remaining macroeconomic model of “Hydraulic Keynesianism” is IS-LM Keynesian Model. In SKM, the investment is assumed to be autonomous. The equilibrium condition for income determination in SKM of two-sector closed economy is given by $Y = C(Y) + I$, or $S(Y) = I$.

(j) Along with the comparative static nature, KIM theory also involves its dynamism. The dynamic nature of macroeconomic analysis is indicated by the rate of change in major macroeconomic variables over time.

(k) The income (= national income) is assumed to be the index of development of the community. This means that the community is rich or poor, according to whether her income is high or low.

(l) The rich-poor dichotomy among the communities is reflected in the relative weighting of *MPC* (or *MPS*) and *APC* (or *APS*). For poor community, the low income is consistent with high *MPC* and *APC* (or low *MPS* and *APS*), while for the rich community, the high income is consistent with low *MPC* and *APC* (or high *MPS* and *APS*).

(m) Keynes's macro-economic analysis is inductive in nature in the sense that his macro-economic view is derived by micro-economic observations, which will be obvious from the assumption (f) and the first proposition.

✍ **Nature of Keynes' Consumption and Saving Functions :** The nature of Keynes's consumption and saving functions becomes evident from the assumptions (g), (k), and (l), which indicate that the consumption function assumes the implicit form $C = C(Y)$ such that $C'(Y) > 0$ and $C''(Y) < 0$, provided that $C'(Y) = MPC < 1$, while, alternatively, the saving function assumes the implicit form given by $S = S(Y)$ such that $S'(Y) > 0$ and $S''(Y) > 0$, provided that $S'(Y) = MPS < 1$. In geometric language, while the consumption function is concave to the *Y*-axis, the saving function is convex to the *Y*-axis, as shown in Figure 1, in which the distinguishing feature of both saving and consumption functions is that while the “elasticity of *C* with respect to *Y*” is less than unity (i.e. $E_{CY} < 1$), the “elasticity of *S* with respect *Y*” is greater than unity (i.e. $E_{SY} > 1$), although both *MPC* and *MPS* are less than unity.

✍ **Proof of Inconsistency of the First Proposition :** As the assumption (f) runs in macroeconomic terms, similarly, the first proposition is assumed to follow suit. The mathematical version of the first proposition can be restated by equation (1).

$$(dY/Y) > (dI/I), \text{ or } (dY/dI)/(Y/I) = (I/Y)/(dI/dY) = E_Y > 1, \quad (1)$$

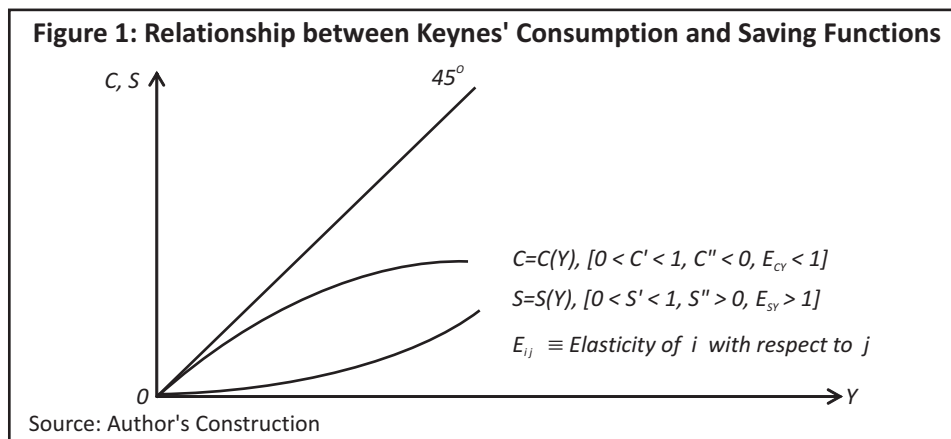
where $E_Y \equiv I$ elasticity of *Y* ≡ elasticity of *Y* with respect to *I*.

But in equation (1), we find that:

$$dY/dI = KIM [\text{See assumption (b)}] \quad (2)$$

Thus, from the equations (1) and (2), we get equation (3).

$$E_Y = KIM/(Y/I) = KIM(I/Y) \quad (3)$$



In SKM of two-sector closed economy, the equilibrium condition for income determination is given by equation (4).

$$S(Y) = I \quad (4)$$

From equation (4), we get equation (5).

$$(dY/dI) = KIM = 1/S'(Y) = 1/MPS > 1, \quad (5)$$

since by assumption $0 < MPS < 1$. So, equations (2) and (5) are equivalent. From equations (3), (4), and (5), we get equation (6).

$$E_{YI} = (dY/Y)/(dI/I) = (S/Y)/(dS/dY) = APS/MPS = 1/E_{SY}, \quad (6)$$

where $E_{SY} \equiv Y$ elasticity of S along the saving function $S(Y)$.

From equations (2) and (6), the relationship between KIM and E_{YI} can be expressed by equation (7).

$$E_{YI} = APS/KIM \quad (7)$$

which can be converted into the relationship among E_{YI} , E_{SY} , and KIM as given by equation (8).

$$E_{YI} = MPS/(E_{SY} KIM) \quad (8)$$

From equation (5), we get equations (9), (10), and (11).

$$d(KIM)/dY = -S''(Y)/S'(Y)^2 < 0 \quad (9)$$

$$d(KIM)/d(MPS) = -1/S'(Y)^2 < 0 \quad (10)$$

$$d^2(KIM)/d(MPS)^2 = 2/S'(Y)^3 > 0 \quad (11)$$

The saving function in Figure 1 indicates that although along the saving function, $S'(Y) = MPS < 1$, yet $E_{SY} > 1$, since $E_{SY} = MPS/APS$, where $MPS > APS$. Now, in equation (6), since $E_{YI} = 1/E_{SY}$ and $E_{SY} > 1$, so it obviously follows that $E_{YI} < 1$, for the saving function given by $S = S(Y)$ such that $S'(Y) > 0$ and $S''(Y) > 0$ (See Figure 1). Thus, the first proposition given by equation (1) says that $E_{YI} > 1$, while our present analysis proves that $E_{YI} < 1$. Hence, the first proposition is erroneous on the assumption that the saving function, derived from the Keynes's arguments, (see Figure 1) is consistent. So, $KIM = (dY/dI) > 1$ does not necessarily imply that $E_{YI} > 1$. The first proposition can be corrected as follows:

“Though $KIM = (dY/dI) > 1$, owing to the assumption that $MPS < 1$, yet $E_{YI} \leq 1$, (not $E_{YI} > 1$), which is possible if $APS \leq MPS$, while $APS < MPS$ is valid in the short run, but $APS = MPS$ is applicable to long run.”

🔗 **Proof of Inconsistency of the Second Proposition :** Let us recall Keynes's second proposition, which has two aspects such as:

(i) First Aspect: A higher MPC (or lower MPS) is consistent with higher E_{YI} .

(ii) Second Aspect: Higher MPC (or lower MPS) coupled with higher APC (or lower APS) is consistent with lower KIM .

The second proposition can alternatively be stated as follows:

“With the rise in Y along the saving function, E_{YI} will fall, while KIM will rise, when both MPS and APS rise”.

The second proposition of Keynes's multiplier theory can be proved erroneous with the help of Keynes's saving function as depicted in Figure 1. The second aspect of the second proposition is absolutely erroneous, because from equations (9) and (10), it is amply clear that $d(KIM)/dY < 0$ and $d(KIM)/d(MPS) < 0$. The first aspect of the second proposition is also inconsistent, because from equation (12), we find that $dE_{yt}/dY \gtrless 0$, accordingly as $[(S/Y^2)E_{SY}(E_{SY}-1)] \gtrless S''(Y)$, even though $E_{SY} > 1$ and $S''(Y) > 0$ (See Figure 1).

$$\begin{aligned} dE_{yt}/dY &= d\{(S/Y)/(dS/dY)\}/dY \\ &= S/Y[(S/Y^2)E_{SY}(E_{SY}-1)-S''(Y)]/\{S'(Y)\}^2 \\ &= S/Y[\{(1-E_{yt})/E_{yt}^2\}S/Y^2-S''(Y)]/(S'(Y))^2 \gtrless 0 \end{aligned} \quad (12)$$

depending upon whether $\{(1-E_{yt})/E_{yt}^2\}S/Y^2 \gtrless S''(Y) > 0$,

Thus, despite the increase in Y , APS , and MPS simultaneously along the saving function in Figure 1, E_{yt} may increase, decrease, or remain constant. To prove this, let us, for example, consider the explicit form of saving function given by $S = aY^2$, where 'a' is a positive constant. From this saving function, we get the results indicated by equations (13) to (19).

$$d(MPS)/dY = 2a > 0, \quad (13)$$

$$APS = (S/Y) = aY > 0, \quad (14)$$

$$d(APS)/dY = a > 0, \quad (15)$$

$$d^2(APS)/dY^2 = 0, \quad (16)$$

$$E_{SY} = MPS/APS = 2 > 1, \quad (17)$$

$$E_{yt} = 1/E_{SY} = 1/2 < 1, \quad (18)$$

$$dE_{yt}/dY = 0. \quad (19)$$

These results indicate that despite the increase in Y along the saving function, denoted by $S = aY^2$, which is convex to the Y -axis, E_{yt} remains constant at less than unity. But if the saving function is given by its explicit form $S = [-a + bY]$, where $a \equiv$ autonomous saving and $b = S' = MPS < 1$, along this saving function, we have $E_{yt} < 1$ and $dE_{yt}/dY > 0$. The second proposition can be corrected as follows:

“With the simultaneous rise in Y , MPS , and APS along the saving function, denoted by $S = S(Y)$, such that $1 > S'(Y) > 0$ and $S''(Y) > 0$, $KIM = (dY/dI)$ must fall, but the trend in E_{yt} is indeterminate, that is, $dE_{yt}/dY \gtrless 0$ ”.

✍ **Proof of Inconsistency of the Third Proposition :** The third proposition can alternatively be stated as follows:

“Poor community's lower APS is consistent with higher KIM , while rich community's higher APS is consistent with lower KIM ”.

This proposition is also inconsistent, because this proposition will be correct, if the saving function is given by $S = S(Y)$ such that $1 > S'(Y) > 0$ and $S''(Y) > 0$ (See Figure 1), but will be incorrect in the case of saving function, denoted by either $S = [-a + sY]$, or $S = sY$, though $0 < s < 1$, since for the latter saving functions, $d(KIM)/dY = 0$.

The third proposition can be corrected as follows:

“Poor community's lower APS coupled with lower MPS is consistent with higher KIM , while rich community's higher APS coupled with higher MPS is consistent with lower KIM .”

Ahiakpor's (2001) Charges Against the KIM Theory

Ahiakpor's (2001, pp. 745 - 773) modes or main points of criticism against the KIM theory can be summarized as follows:

(a) Ahiakpor (2001) has despised the KIM theory with various designations such as “Keynes's multiplier story,” “mythology of the multiplier story,” “real illusion of Keynesian multiplier story,” “the myth of the Keynesian multiplier argument,” and so forth. Even the title of his article starts with “On the Mythology of the Keynesian Multiplier.....”.

(b) “The Keynesian multiplier analysis has become a staple in macroeconomic education at the introductory and higher levels, without students being warned of the concept's fundamental misrepresentation of how an economy works.”

- (c) “Some previous analysts have cast doubts on the validity or meaningfulness of Keynes's argument.....but with hardly any success in limiting its widespread acceptance and teaching in macroeconomics.”
- (d) “In this article, I argue that the earlier criticisms have not been effective mainly because they miss pointing out the the real illusion of the Keynesian multiplier story.”
- (e) “.....Keynesian multiplier story is more of a myth than an accurate description of the economic process.”
- (f) “Thus, the multiplier, if one existed, is not the inverse of the marginal propensity to save. Indeed, the closest we come to the multiplier concept is the productivity of investment or the incremental output-capital ratio, but these do not depend on the marginal propensity to consume as the Keynesian multiplier argues.”
- (g) “Students' time would be much better spent by their not being subjected to studying the Keynesian multiplier argument as if it were valid.”
- (h) “Recognition of the fundamental flaw in the Keynesian multiplier concept also should caution against attempts to estimate the impact effects of certain public expenditures.”
- (i) “KEYNES'S multiplier story lures the mind to its acceptance because it builds on an irrefutable Logic....”.
- (j) “Keynes also made his story easily acceptable by noting the fact that.....”.
- (k) “The notion of an autonomous government or investment spending that does not rely on or affect private sector savings is part of the multiplier's myth.”
- (l) “The Keynesian multiplier story seems plausible only because both its proponents and previous critics have failed to ask the pertinent questions to help unmask its fundamental misconception of the economic process, especially the concurrent nature of production and subsequent exchange rather than a unidirectional one.”
- (m) By the heading “The Inadequacy of Some Earlier Criticisms of the Keynesian Multiplier,” Ahiakpor (2001) has tried to establish his implicit claim that he is the “king of critics”.
- (n) Keynes's (1936) arguments about the nature and role of consumption and saving, described by Ahiakpor (2001, pp. 745 - 773) , are as follows:

Keynes laid the grounds for extolling the virtues of consumption spending as determining income and employment growth (Abstract) Saving plays no positive role in supplying the funds for investment in Keynes's reasoning... Consumption spending thus is the means through which an initial amount of expenditure creates a multiplier effect....In Keynes's mind, saving depresses the business of preparing to-day's dinner without stimulating the business of making ready for some future act of consumption.....Hence, the greater the marginal propensity to consume, the greater the multiplier.....Keynes's multiplier story also is founded on the notion that saving takes away from the expenditure stream.....By misrepresenting the classical definition of saving to include the hoarding of cash....., Keynes was able to lay the grounds for extolling the virtues of consumption spending as the means by which to raise aggregate demand and promote the growth of output and employment....Keynes's argument that saving is not needed to finance investment spending because the multiplier process makes it possible for investments to pay for themselves through additional savings out of newly created income may have given confidence to supporters of public works programs, but it is simply fallacious.

- (o) Regarding Keynes's impression about the “autonomous investment,” Ahiakpor (2001) said that:
The correct appreciation of the role of savings in supplying funds for investment spending also leads to the recognition that there is no such thing as an autonomous investment expenditure, as is commonly taught in classroom macroeconomics...The notion of an autonomous government or investment spending that does not rely on or affect private sector savings is part of the multiplier's myth.

Inadequacy of Ahiakpor's (2001) Few Charges Against the KIM Theory

The falsification of Ahiakpor's charges against the different deeds of dead authors has already been disclosed by some authors. For example, Humphrey (1999), Aschheim and Tavlas (1999), Ebeling (1999), and Gootzeit (1999) questioned the validity of Ahiakpor's criticism against the contributions of Lund University economist Knut Wicksell (1851-1926 AD). However, in this section, on the basis of comments of several authors (Moore, 2006 ; Ulmer, 1952), we shall try to establish that Ahiakpor's (2001) few charges against the KIM theory are inadequate :

(a) Against Ahiakpor's (2001) representation that “.....there is no such thing as an autonomous investment expenditure, as is commonly taught in classroom macroeconomics,” it can be argued that Ahiakpor was unaware of the article of his remote predecessor Ulmer (1952), and the references therein. His unawareness does not establish the newness of truth, which will be obvious from the following remark of Ulmer (1952, pp. 587 - 589):

.....the distinction (between autonomous investment and induced investment).... suggests a dichotomy with no counterpart in experience – and hence with no scientific value – though its pedagogical worth may in some part be granted..... It is in part the manifestation of their (of mathematical models) excessive simplicity that we have been burdened with an untenable distinction between autonomous investment and induced investment..... The precise identity of autonomous investment..... would obviously vary with the degree of simplification. That this was a dangerous and misleading procedure has been demonstrated by subsequent events. For a classification born of convenience and arbitrary simplification has since been invested with unjustified economic content.

(b) Further, it can be pointed out that “investment multiplier” can easily be derived if the totality of investment is “induced,” instead of “autonomous”. For example, let us consider the equilibrium equation, denoted by $S(Y) = I(Y)$, where $S(Y) = [-a + bY]$ and $I(Y) = iY$ (where $b = MPS$ and $i = MPI$). Now $(dY/di) = \text{induced investment multiplier} = Y/(b - i) = Y/(MPS - MPI) > 0$, provided that $MPS > MPI$.

(c) Regarding his critical comments on the role and nature of saving, it can also be suggested that Ahiakpor should read a more recent article of Moore (2006), in which its Abstract reveals that:

Saving is regarded in mainstream macroeconomics as a volitional relationship, like consumption. This paper argues that this view is incorrect. There is no independent volitional saving function. Since all goods produced are either consumption goods or investment goods, saving, defined as “income not consumed”, is the accounting record of investment spending. Changes in the definition of investment produce identical changes in saving, with no accompanying volitional change in saving behavior. “Saving” in economics should properly be termed “abstention” since it does not constitute transitive behavior. To understand saving behavior (sic) a Hicksian definition of income must be used, and capital gains and losses must be included in the definition of income. In modern capitalist economies (sic) most saving undertaken by agents is non-volitional, and takes the form of permitting the market value of total net wealth to increase. (Abstract)

(d) Ahiakpor's (2001) further allegation that “Keynes's argument that saving is not needed to finance investment spending...” can also be discarded by the following three points:

(i) Moore (2006) argues that:

Many economists and financial journalists are currently mistaken about the true nature of the relationship between saving and investment in modern economies.... But in modern credit money economies most saving is no longer volitional.... whenever capital formation is undertaken both investment and saving increase automatically, irrespective of whether the spending is financed internally or externally.....With the advent of commercial banking saving agents are no longer volitionally required to abstain from consuming current income, before they are able to undertake deficit spending... Saving no

longer needs be accompanied by volitional decisions to increase saving..... Individual economic agents themselves believe they determine how much they save. But this is a fallacy of composition. In economics “saving” is defined as “income not consumed”. The more accurate and appropriate term for such “saving” would be not “save” but “abstain,” since abstention need not and usually is not volitional..... Investment spending, with the sole exception of unintended inventory accumulation, is a volitional act....It follows that most saving, as the accounting record of investment, must be non-volitional. Moreover since saving is the accounting record of investment, investment can obviously never be limited by an “insufficiency” of saving. Investment is only limited by “animal spirits” (the future profits expected on the investment project) and the interest cost of borrowing....Investment increases in response to lower interest rates and saving necessarily rises by an identical amount. Saving is identical to investment as an accounting definition, and is not as is widely viewed equated to investment by changes in the rate of interest... There is no longer any “savings constraint”, and a volitional “savings function” ceases to exist....Total aggregate supply and total income increases in response to the increases in investment spending, and total saving increases by an identical amount. Investment is never constrained by insufficient saving. (pp. 1-5)

(ii) Keynes's (1936) own remark is that “...there can not be a buyer without a seller or a seller without a buyer” (p. 85).

(iii) Further, Keynes (1936) argued that:

....I think, by the belief that the growth of capital depends upon the strength of the motive towards individual saving and that for a large proportion of this growth we are dependent on savings of the rich out of their superfluity..... Moreover, experience suggests that in existing conditions saving by institutions and through sinking funds is more than adequate, and that measures for the redistribution of incomes in a way likely to raise the propensity to consume may prove positively favourable to the growth of capital (p. 372). it will still be possible for communal saving through the agency of the State to be maintained at a level which will allow the growth of capital up to the point where to be scarce (p. 376).

Ahiakpor's Criticism Against the Contribution vis-à-vis the Contributor

Criticisms are required for the improvement of the academic disciplines by their practitioners, not for the exposure of name, fame, publicity, propaganda and/or arrogance of the critics. Besides, criticism should be raised against the “contributions,” and not against the “contributors”. The mode of criticism against the delinquent deeds of the dead authors should be too mild to need comment. In this context, the remark of Stigler (1955) is much relevant to recall:

A new idea does not come forth in its mature scientific form. It contains logical ambiguities or errors... The demonstration of error in a widely held hypothesis is an important part of scientific progress....men of the requisite intellectual power and morality can get bigger prizes elsewhere.

How Keynes, as a “contributor,” has been criticized by Ahiakpor (2004) is obvious from the following lines:

Keynes himself intended his work to cause a revolution in economic thought, and took steps to make sure that the book got the most exposure possible. He publicized the fact that he was writing a revolutionary book and also subsidized its price to sell for only five shillings (the equivalent of \$2 U.S.), instead of the 15 shillings several reviewers of the book expected it at least to cost (Backhouse 1999). Reviewed in at least 40 publications, from newspapers to literary and professional journals, in its first year of publication, the book's message that Keynes had discovered the cause and cures for persistent unemployment quickly reached a wide audience. (Introduction)

In order that the “contribution” of an author should be judged on the basis of its “content,” instead of its “contributor,” the French post-structuralist Ronald Barthes (1915-1980 AD) wrote *The Death of the Author* (1968).

But who will listen to such voices? For Wilkie's (1993) “irreducible moral values” of humans are increasingly being substituted with “reducible moral values”.

Concluding Comments

There has been a chronic tendency throughout human history for the propensity to save to be stronger than the inducement to invest. The weakness of the inducement to invest, has been, at all times, the key to the economic problems (Keynes, 1936, pp. 347-348).

The foregoing remark of Keynes (1936) implies that the secular economic stagnation, instability or unsustainability is inevitable, if $S > I$. Hence, the task of the policy scientists is to adopt such measures so that I can be raised and/or S can be reduced to fill the gap between S and I in order to realize or restore secular economic stability or sustainability. For the operationalization of such stabilization policy, the adequate measures are the manipulation of different Keynesian multipliers, which can be classified into “dyadic multipliers,” “triadic multipliers,” “quadratic multipliers,” and so forth.

In the equilibrium equations of Simple Keynesian Model, if any two parameters, which have the opposite or conflicting effects on equilibrium national income (NI), are changed at equal or unequal rate, and in the same direction, their combined effect on equilibrium NI can be designated as “dyadic multiplier”. Analogously, if three or four parameters of the equilibrium equations, which have conflicting effects on equilibrium NI, are changed in the same direction, their combined effect on equilibrium NI can be termed as “triadic multiplier” or “quadratic multiplier”.

Dalziel (1996), after sixty years, disclosed the relevance of the Keynesian multiplier process. Gnos and Rochon (2009) pointed out that the multiplier is a central concept in Keynesian and post-Keynesian macroeconomics. It is largely what justifies activist full employment fiscal policy. Nallari and Mba (2010) emphasized the importance of multipliers in a globalized world. Syed, Tahir, and Sahibzada (2011) measured the impact of Keynesian four-sector open economy multiplier model in the context of Pakistan's economy and suggested to the government how the size of the multiplier can be increased. Hence, further research can be undertaken to disclose the merits and demerits of Keynes's multiplier.

As an ardent admirer and follower of Keynes, it can be emphasized that Keynes's contributions are still being criticized and mended in terms of his own language, which has been passed on to us in one universal form by himself. History will record how many authors are queuing up to mythologize or mend Keynes's (1936) multiplier up to its birth centenary, which should be held and celebrated in the year 2036 AD.

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