over the income - because this one goes up for 1955; this one is for 1956 - we get C/Y - it would be this figure divided by that figure, and this gave you .92. That is the 92 set to 94 set that Mr. Heller was talking about yesterday.

Cover it up, please. So, we thus get the average propensity to consume is .86 for 1935. For 1936 it is .84. Now, the change in consumption was from 60 to 67. And then, from 67 to 70 is a rate of six. Notice that although total consumption increased, the change in consumption decreased. In other words, we can say there is a decreasing rate. So, we find there is a ratio of the change in consumption as a result of the change in income, between $70 and $80 billion, which would be a change in consumption - six - over the change in income; that would be .6. We refer to that concept as the "marginal propensity" to consume. It is the extra propensity. It is the extra spending as a result of extra income.

This is important because when the income of the nation increases from 80 to 90 the $80 billion is spent on the basis of the average propensity to consume. That means that there is a basis of 86¢ to the dollar. Thus, the $10 billion is spent on the basis of .7, the marginal propensity to consume. And what importance does that have?

The next step that we have to go into is the so-called"multiplier concept" which, by definition, in Cainsian economics, is the ratio between a change in income as a result of a change in investment. So, this, by definition,is the multiplier - the change in income as a result of a change in investment. However, we have to predict the change in investment for the nation, and we have to know the multiplier before we can determine what the change in the national income will be. And why do we want to change the national income? Well, because we have seen that the income is related to the volume of employment.

So, I have delta Y is equal to delta C plus delta I, or, a change in income