Investment decision:

Negotiation with Bankers

rate of profit

INTERNAL
Financial Div. q

eliminate
rate of interest

Prospects → Exxon

external:
finance
bankers

cash
flows

debts as
cash flows
refinancing
cash flows

The Kalecki
Papers

CARIPLO

I am more of an applied economist and less of
a theorist and student of the history of thought
than most of the participants in this conference. We read, study and try to understand why our predecessors in order to use their work.

Hence emphasis upon those useable
elements in Kalecki. What is there in
the work of ~~Kalecki~~ Kalecki that is
useable in understanding our economy, F
an understanding that may help us
to control and therefore to change the
economy?

Solow:

A. What is Stabilized: Profits: the key Profit
equation. Stabilization = Aukner Miller the Price

B. Financial Structure that must be validated
Prior Commitment of Profits to validate debts

C. Price Levels as function distributing income
$$\frac{P_I T}{g_w \sigma} \Rightarrow \frac{P_c \uparrow \text{income}}{m, \text{ upon one}}$$

D. The Context / Substance of Profits:

the Use of Profits to pay wages & salaries
① (1) workers in finance
② workers in internal activities
③ conveyance to the official
& bureaucracy

property π: $\pi = I + c\pi$ $\boxed{\pi = \frac{1}{1-c} I}$

I tend to
find an idea and
run with it, often I
find I still credit the
"idea" in a direction its
author never intended. I have
~~diligently~~ recognized that
contributed a diligent from me
~~idea~~ trans myself

is too

Kitchin's business cycle theory

System that allows for finance has

① complex feedbacks: clearly interrupted

② non linear

③ multidimensional

Systems with 1, 2, 3 → in general all
except special cases → - incoherence,
- hysteresis,
- chaos

If "initial conditions" sets a model
with the potential in terms of incoherence

If, then the model will show a
coherence in coherence but degenerates
into incoherence

If new initial conditions are then
imposed, the result can be what I
characterized "bouncing between flows
cycling". The visible hand of intervention
stabilizes → a semblance of
coherence

Kalecki's emphasis upon profits
and his extended profit equation
helps show how a bank is
not discretionary intervention operate

Stabilizing profits does not
fully explain ~~what~~ why we have
been able to avoid great depression
in post-war period.

Central Bank intervention stabilizes
financial system ~~with~~ as a partner of
the profit stabilization

Profits) Aggregate determined by
macroeconomic relation

~~distribution among~~ Competition among firms
for profits ⟶ build position of
market power