

Investment decision:

Negotiation with Bankers

rate of profit

eliminate rate of interest

INTERNAL
Financial Dir. g

P. spreads → Exxon

EXTERNAL:
Finance Bankers

Cash flows

debts as

Cash flows:

refinancing of

Cash flows

The Klodicki Papers

I tend to
bind an idea and
run with it. Often I
bind an idea and still need it
as an inspiration to
do another one. Her
I have
developed
ideas for their
participants

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

There is emphasis upon the useable
elements in Kalecki, what is there in
the work of ~~the~~ Kalecki that is
useable in understanding our economy,
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 = Arthur Miller The Price

B. Financial Structures that must be validated
Prior Commitment of profits to validate debts.

C. Price Levels as function of distribution of income

PRT \rightarrow $\frac{P_c \uparrow \text{level}}{m, \text{ up and}$
 down

D. The Content/Substance of Profits:

the use of profits to pay wages + salaries

1) wages in finance

2) wages in interest in real sector

3) convergence to his official
& base currency

A real
multiplier

over
in
changed

$\hookrightarrow \Pi$ is part of Π : $\Pi = I + C\Pi$ ($\Pi = \frac{1}{1-C} I$)

Kotick's business cycle theory

System that allows for finance has

- ① complex feedbacks: clearly intertemporal
- ② nonlinear
- ③ multidimensional

Systems with 1, 2, 3 \rightarrow in general all
exhibit special cases \rightarrow in coherence,
hysteresis,
chaos

If "initial conditions" sets a model
with high potential in terms of coherence
if, then the model will show a
period of incoherence but develops
into coherence

If new initial conditions are then
imposed, the result can be what is
characterized "bouncing between floors
& ceilings". The visible hint of intervention
stabilizes markets \rightarrow a semblance of
coherence

Kalecki's emphasis upon profits -
and his extended profit equation
~~helps~~ shows how a brief in
and disorganizing intervention operates

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 ~~in~~ as a part of
the profit stabilization.

Profits) Aggregate determined by
macroeconomic relations
distribution among firms
for profits → build position of
market power /