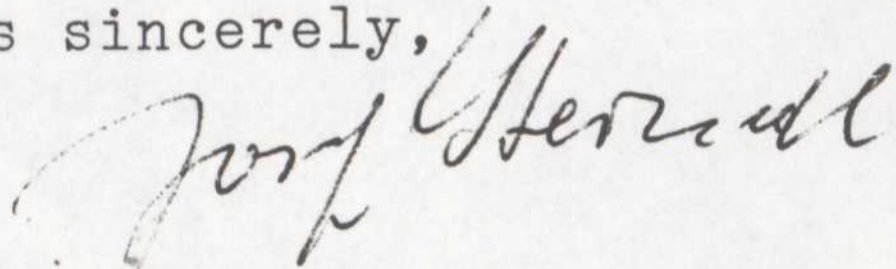


I should insist on the fact that you trend <sup>and ceiling</sup> is purely <sup>represented by the growth of floor</sup> exogenous as far as the growth rate of capital <sup>ε</sup> is concerned. The capital stock in  $\epsilon K_t$  only takes account of the absolute level of investment which of course must depend on the size of the economy. The past has no influence on the trend beyond the mere size of the economy. Now I doubt whether Kalecki meant it like that when he talked about a semi-autonomous influence. But it is of course true that Kalecki never gave a completely clear analysis of the trend comparabel with his analysis of the cycle. And naturally you do <sup>not</sup> want to follow his path slavishly. As far as my own preferences are concerned I would find such a purely exogenous solution not ultimately satisfactory. I find it however very commendable that you have taken the pains of a serious analysis of Kalecki's trend arguments, which so far nobody has dared to do.

With my best wishes,

Yours sincerely,



Josef Steindl