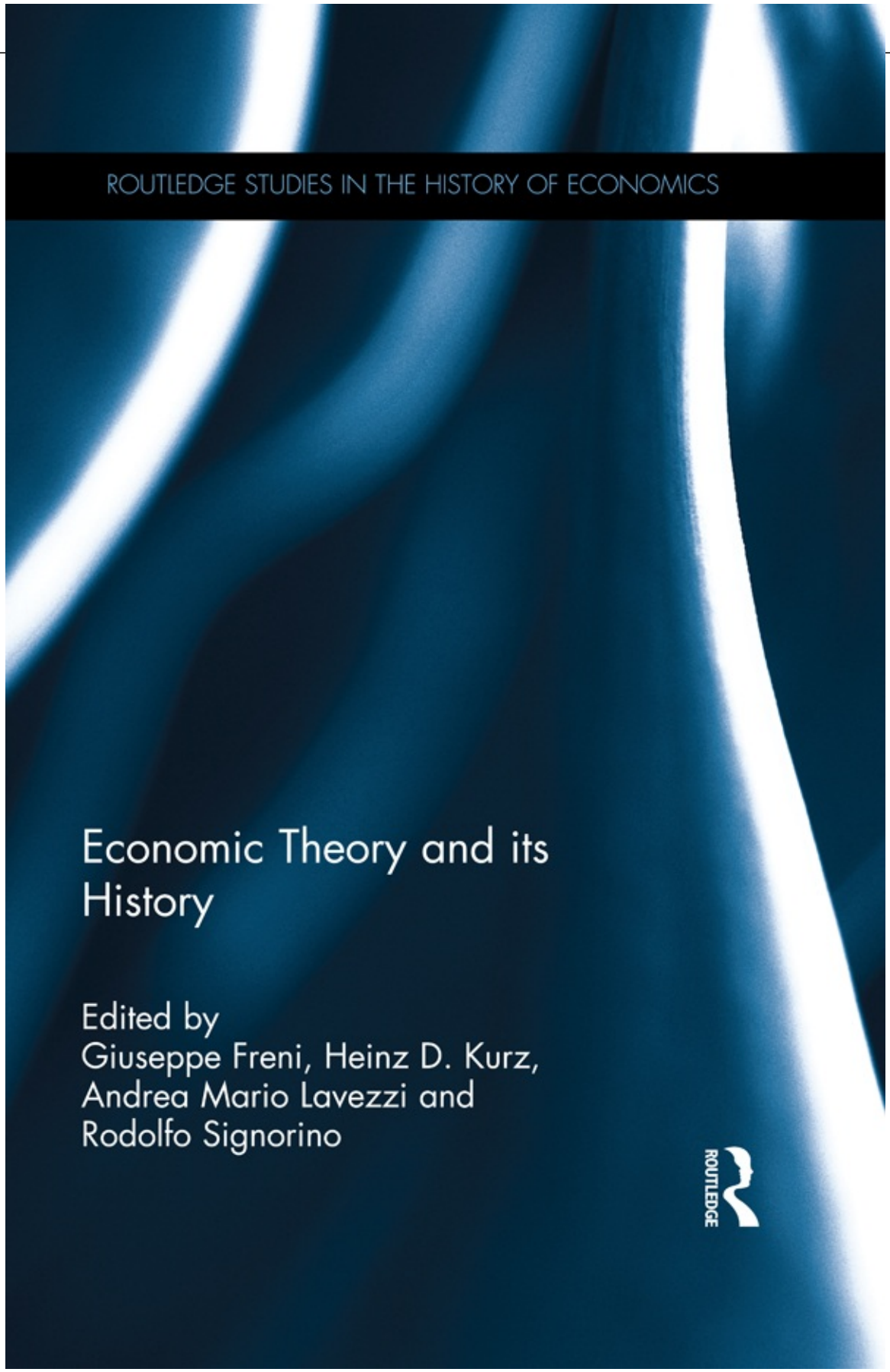
ROUTLEDGE STUDIES IN THE HISTORY OF ECONOMICS
Economic Theory and its History
Edited by
Giuseppe Freni, Heinz D. Kurz,
Andrea Mario Lavezzi and
Rodolfo Signorino
ROUTLEDGE

Economic Theory and its History

This collection brings together leading economists from around the world to explore key issues economic analysis and the history of economic thought. This book deals with important themes economics in terms of an approach that has its roots in the works of the classical economists from Ada Smith to David Ricardo. The chapters have been inspired by the work of Neri Salvadori, who has mad key contributions in various areas including the theory of production, the theory of value an distribution, the theory of economic growth, as well as the theory of renewable and exhaustible natur resources.

The main themes in this book include production, value and distribution; endogenous economi growth; renewable and exhaustible natural resources; capital and profits; oligopolistic competitio effective demand and capacity utilization; financial regulation; and themes in the history of economi analysis. Several of the contributions are closely related to the works of Neri Salvadori. This demonstrated with respect to important contemporary topics including the sources of economic growt the role of exhaustible resources in economic development, the reduction and disposal of waste, th redistribution of income and wealth, and the regulation of an inherently unstable financial sector.

All contributions are brand new, original and concise, written by leading exponents in their field expertise. Together this volume represents an invaluable contribution to economic analysis and th history of economic thought. This book is suitable for those who study economic theory and its histor political economy and philosophy.

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Essays in honour of Neri Salvadori

Edited by Giuseppe Freni, Heinz D. Kurz, Andrea Mario Lavezzi and Rodolfo Signorino

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1

Introduction

Giuseppe Freni, Heinz D. Kurz, Andrea Mario Lavezzi and Rodolfo Signorino

This collection of essays is a tribute to Neri Salvadori, the man and scholar, teacher and friend, whom th scientific community owes important works in the tradition of Piero Sraffa's revival of the classic economists' approach to the problems of value, income distribution, capital accumulation, technic progress, scarce natural resources, economic development and growth. The essays in this book have a been freshly written and contain original work with novel ideas in the areas mentioned.

In this introduction we first summarize briefly Neri Salvadori's academic career, his work and h intellectual and organizational activities, and then provide a short overview of the essays collected in th volume.

Academic career and work

Neri Salvadori was born on 3 February 1951 in Naples, Italy, where he studied economics at the Facol di Economia e Commercio of the University of Naples and graduated in 1976 with the highest marks. H received two study grants, one from the Fondazione Einaudi for the academic year 1976/77 the oth from the Banca d'Italia for 1977/78, which he used to study at the University of Manchester with Ia Steedman and then at the University of Cambridge. In 1978 he became a research assistant for the cha of Financial Mathematics at the University of Naples and then a researcher at the Institute of Finance. 1979 he joined the Faculty of Political Science of the University of Catania, Sicily, as a lecturer economic analysis; in 1985 he was promoted to the position of associate professor. In 1987 he moved the Istituto Navale di Napoli, where in 1990 he was appointed to the chair of Political Economy. In 199 he joined the University of Pisa, where he teaches and researches.

Early on in his career Neri Salvadori became deeply fascinated with the writings of the classic economists from Adam Smith to David Ricardo, and with Piero Sraffa's revival of the classical approac to the theory of value and distribution. Sraffa's work has was a major source of inspiration for virtual all his research activities ever since. With regard to various problems studied, Neri Salvadori elaborate new solutions and moved the frontier of research outward. These concern, in particular, the problem the choice of technique, the determination of long-period prices and income distribution, the role of th quantities of commodities in effectual demand in the case of joint production, fixed capital and scar

natural resources, and the problem of renewable and exhaustible resources. The upshot of his respectiv endeavour and intellectual achievements is his book (co-authored by Heinz D. Kurz), ***Theory o Production: A Long-Period Analysis***. The book is now widely considered a ***locus classicus*** of th respective literature of classical orientation. However, Neri Salvadori also contributed novel insights t several other fields of research. He studied the problem of price formation in the short period in Kaleckian framework. He extended the Sraffian approach to deal with the problem of economic growt and development. He thereby did not limit the analysis to one-good models, as is typically the case much of growth economics, whether old or new, but tackled the intricate case of economies with man industries. A major focus of his work was on neo-Keynesian contributions in the tradition of Nichol Kaldor and Joan Robinson to the theory of economic growth and functional income distribution. Sever of his contributions deal with what is known as 'new' or 'endogenous' growth theory. He showed tha some of the new growth models, while couched in neoclassical terms, contain an analytical structure th is 'classical' in spirit. In all these works Neri Salvadori made effective use of his remarkable mathematic skills and analytical sharpness, and demonstrated an amazing knowledge of the economics literatur both modern and ancient. In more recent times he got interested in the theory of oligopoly and h produced a number of papers with new results.

His interest and expertise in the history of economic analysis materialized in a number of essa dealing with major economists, such as Adam Smith, David Ricardo, Léon Walras, Knut Wicksell, Joh von Neumann, Wassily Leontief, Kenneth Arrow and Gérard Debreu, and especially Piero Sraffa. characteristic feature of his respective contributions is his analytical grip on their works, which allow him to put into sharp relief similarities and differences and to elaborate on aspects these authors le undeveloped. His interest in past authors is not antiquarian; he rather wishes to know in which wa economic theory has developed, and why, and what can still be learned from the masters of ou discipline. Involved in editing the unpublished papers and correspondence of Piero Sraffa, Neri Salvado has managed to solve a number of puzzles concerning the interpretation of Sraffa's analysis and h explored the latter's collaboration with his 'mathematical friends', Frank P. Ramsey, Abram Besicovitch and Alister Watson. In addition he has published on questions of methodology in the contex under consideration.

Neri Salvadori's publication record is outstanding. He has published and edited numerous book several hundred papers (well over a hundred of them in peer-reviewed journals), many entries dictionaries, book reviews etc. (See the list of his publications at the end of this book.) His work has bee widely appreciated in the literature, reflected in numerous citations and references to it and b translations of his works into other languages. His excellent standing in the profession is also documente by several prizes he received, including the Premio Linceo (a lifetime achievement award given by th Accademia dei Lincei, the Italian Academy of Science) in 2004, several visiting professorships in man countries, numerous invitations to give keynote lectures, talks and seminars all over the world, sever participations as lecturer in international summer schools, and highly appreciated work as referee b leading economic journals and publishing houses. Neri Salvadori also organized highly successful seri annual lectures in economic growth and development published by Cambridge University Press. Sin 2004 Neri Salvadori has served as general editor (together with Heinz D. Kurz) of ***Metroeconomica***; addition he is a member of several editorial boards of economic journals, including ***The Europea***

Journal of the History of Economic Thought.

Neri Salvadori has earned himself not only the respect of his peers and colleagues, but also of h students because of the care with which he looked after them and the support he gave them. An inspirin academic teacher, he attracted numerous bright young people and interested them in promisin approaches and themes, irrespective of whether they were fashionable in the profession or not. He w able to instil into them his standards of rigour, meticulousness and dedication; several of them made a academic career. His social competence is reflected in many joint papers with former students of his.

The contents of this book

Chapter 2 contains 'personal reminiscences' of one of us, who had the privilege of collaborating wi Neri Salvadori over more than thirty years (and expects to continue to do so) and whose intellectual li is closely interrelated with his.

The thematic essays are subdivided in four parts that reflect well Neri Salvadori's main areas interest and research. Part 1 is dedicated to 'economic growth and income distribution' and has fou chapters. Chapter 3, by Pasquale Commendatore, Ingrid Kubin and Carmelo Petraglia, elaborates on th standard footloose capital model by Martin and Rogers and allows for two groups of capital owne (workers and capitalist rentiers). Following the insights of Pasinetti and Kaldor, the authors assume th capital ownership is more diffused at home than abroad and that the two groups exhibit differe consumption patterns. On the basis of these assumptions new results on the impact of free trade on th long-run international distribution of capital and welfare are derived. Chapter 4, by Andrea Mar Lavezzi, argues that Adam Smith's theory of the division and labour and economic growth, and development by Alfred Marshall, Allyn Young and Nicholas Kaldor, exhibits characteristics that allo one to classify it as belonging to complexity economics. This claim is supported by a historic reconstruction of Smith's growth theory against the background of complex systems analysis. This nov perspective is confronted with the traditional one, rooted, as it is, in general equilibrium economics, and simple alternative model is proposed. Chapter 5 is by Sergio Parrinello and deals with attempts to exte Keynes's theory of effective demand from the short- to the long-run and to the theory of econom growth. A useful description of a normal state of a growing capitalist economy, the author insists, mu not be confined to a pure steady growth, despite the fact that such a state can be used as an ide configuration for some preliminary analytical purpose. The main analytical result derived is that in th presence of obsolete machines, the margins of changes in capacity utilization, driven by changes effective demand, are wider if prices and distribution are allowed to deviate from their long-perio values associated with free competition and a given conventional wage rate. Chapter 6, by Stef Schubert and Stephen Turnovsky, proposes a model in which search unemployment and wage bargainin are introduced into an endogenous growth model to analyse the effects of a permanent and a tempora negative total factor productivity (TFP) shock on growth, unemployment and public debt. Motivated b the recent Italian experience following the global financial crisis, the model is calibrated to approxima that economy, showing that both the permanent and the temporary TFP shocks have long-lasting effec on unemployment and on growth and debt dynamics. The model describes well the Italian economy

performance in the immediate aftermath of the crisis and is particularly successful in tracking the tim
path of the unemployment rate.

Part 2 turns to 'resource economics' and has three chapters. Chapter 7, by Silvia Faggian and Giusepp
Freni, has a new look at the famous forestry problem. It uses the tools of the modern literature o
optimal forest management to provide a continuous time 'Ricardian' model of forestry. It is assumed tha
the land on which timber is produced is not uniform in quality and it is shown that in response to a
increase in timber demand forest cultivation is progressively intensified on the most fertile lands and/
extended to less fertile lands. At a given level of the rate of interest, a set of 'breakthrough timber price
gives the order of fertility – the order in which the different qualities of land are taken into cultivation
while a set of 'threshold timber prices' gives the order in which timber contained in the old trees standi
on the different lands is extracted. It turns out that for each land the breakthrough price is higher than th
threshold price. The properties of the model are used to discuss a claim of Ricardo's that th
compensations received by the owners of marginal forestlands in Norway following the rise of timb
demand (and hence of timber price) in southern countries of Europe were not rents. Chapter 8, by E
Hosoda, explores the choice of technique problem for an economic system confronted with a problem
post-consumption waste disposal. If households are supposed to pay for the waste disposal at pos
consumption stage and there is no constraint on waste generation, then waste is discharged as much
possible. In this case, without any environmental restriction, the existence of a gap between the wage
profit and consumption–growth frontiers implies that per capita consumption is not maximized. To c
an excessive amount of waste discharge, authorities in many countries have introduced an upstrea
policy represented by extended producer responsibility (EPR). A proper EPR policy can make the g
between the two frontiers disappear, internalizing the waste disposal cost in the price of the consumptio
commodity which generates waste at the post-consumption stage. Chapter 9, by Alessandro Roncagli
looks at the oil market as a test in order to assess alternative interpretations of prices of productio
('long-period method' and 'photograph'). The story of the oil sector is sketched, stressing the role o
technical change on both the production and the utilization side, and the complex and changing nature
the market forms prevailing in the sector (including the influence of antitrust policies). The (marginalis
interpretation of oil as a scarce natural resource is criticized. Although oil should better be treated as
produced and reproducible commodity rather than as a non-reproducible natural resource, the Ricardo
Sraffa approach presupposes free competition, and the oil sector is far from that. The conclusion is th
this kind of approach is useful for a critique of the mainstream (scarcity) approach, but is not direct
applicable to the oil market.

Part 3 is devoted to 'capital theory and marginalism' and has six chapters. Chapter 10, by Christia
Bidard, introduces so-called 'ghost goods' in the analysis; that is, goods that do not appear on market
but are positively priced. Various cases of ghost goods are discussed: from Sraffa's 'beans' to intermediat
goods which are specific to non-operated processes of production, from 'tractors' (intermediate goods
neo-Austrian models) to intermediate goods in two-period Austrian models. It is shown that while th
price of a ghost good may generally vary within a certain interval, the price of some intermediate gho
goods in Austrian models can be calculated exactly. Chapter 11 was not been written for this book, b
has been included upon the recommendation of Edwin Burmeister, who knows how much the late Pa
A. Samuelson appreciated Neri Salvadori's work. It can be surmised, would Samuelson still be with

and in good health, that he would have written a piece for this volume. In this unfinished handwritte
Samuelson manuscript kindly transcribed by Edwin Burmeister, Samuelson sketches a non-neoclassic
model in which output (corn) is producible by a finite number of alternative known techniques, ea
involving, along with labour and corn seed, non-reproducible land (and where possibly each category
inputs could involve heterogeneous varieties: male and female labours; more fertile and less ferti
acreages; coal, iron, and durable produced machines). It is suggested that for the case of homogeneo
one-quality land, homogeneous one-quality labour, and homogeneous one-quality corn seed, the corn
labour–land–capital competitive factor pricing can be reduced down to a primal and dual line
programming problem. It is stated that as the interest rate falls from one steady state to another, as soc
as there are ***joint*** products and/or ***multiple*** heterogeneous capital goods, there need ***not*** be an induce
rise in the plateau of permanently consumable output. In Chapter 12, by Edward J. Nell, it is pointed o
that since the classical approach represents the total labour used by society during any period
production as a single, homogenous quantity, we are faced with a fundamental epistemological questio
to what common measure are the various grades and kinds of labour reducible? In the chapter it
argued that the only possible common denominator is exchange value. But if this is correct, it requires
reconsideration of Sraffa's construction of the 'invariant measure of value' because his standard syste
cannot be shown to exhibit the linear inverse relation between wages and the rate of profit if th
'quantity of labour' is expressed in terms of value and not as a homogenous and given quantity that
independent of value and capable of being set equal to unity as a numéraire. Sraffa's derivation of th
standard system is therefore said to fail. Chapter 13, by Arrigo Opocher, examines some preliminar
aspects of long-period duality in the simple case of an individual, isolated industry. It is shown that firm
earning maximum profits of zero can be characterized not by strict constant returns to scale, but by loc
constant returns, at the bottom of u-shaped average cost curves. If all inputs are 'primary' and th
generating technology is perfectly smooth, only a lower dimensional region of the 'true' productio
function can ever be active, however variable primary input prices can be. If an industry's own output
an input and the rate of interest is zero, then an isoquant cannot be inferred from any number of re
primary input prices even under strictly constant returns. A positive and variable rate of interest giv
more information on the generating technology and, in the case of a Leontief unit isoquant, th
generating technique can be inferred from knowledge of a sufficient number of different real primar
input price – rate of interest combinations. Chapter 14, by Ian Steedman, examines corn/tracto
Wicksellian and simple input–output models of production. Varying the rate of interest to yie
alternative long-period positions, the relationship between capital per unit of output and labour per un
of output are traced out in the consumer good industry. Reswitching is strictly excluded. Remarkab
enough, it is found repeatedly that the consumer good isoquant need not be downward sloping an
convex from above; it need not even be monotonic. This spells trouble for conventional assumptions
production theory. In Chapter 15, Takashi Yagi studies income distribution in a system with fixed capita
and depreciation and introduces a new surplus approach in the theory of distribution and capital. Th
ratio of the rate of profit and the wage rate, called the surplus rate, is distinguished from the rate of pro
for capital. The properties of the standard system introduced by Sraffa are then used to analyse the share
in distribution and the measurement of the aggregate value of capital in an actual system with fixe
capital.

'Sraffian themes' are dealt with in Part 4, which has four chapters. Chapter 16, by Enrico Bellino, sta from Pasinetti's 1960 mathematical formulation of the Ricardian system, which is reformulated in such way as to provide a mathematical formulation of the income distribution theory contained in Ricardo early writings. This analytical formulation of Ricardo's early writings has the pedagogical function fully appreciating the final objective that Sraffa was pursuing with his standard commodity: that studying the relation concerning income distribution independently of prices. In simpler terms, Sraf sought to depict the economy as a system where the division of the social product, or 'cake', does no affect the magnitude of the cake. In Chapter 17 Christian Gehrke investigates whether Sraffa unpublished manuscripts provide some hints for interpreting his reaction to Joan Robinson's objections the use of the concept of 'subsistence-cum-surplus wages'. It is shown that Sraffa regarded the proble emphasized by Robinson of specifying the amounts of commodities consumed for subsisten independently of the consumption out of surplus wages as non-existent, because he conceived subsistence requirements as notional parts of the commodities actually consumed. Chapter 18, by Car Panico, Antonio Pinto, Martín Puchet Anyul and Marta Vazquez Suarez, presents a Sraffian interpretatio of the evolution of the US financial regulation after the Second World War, in which it is emphasized tha the formation of monetary policy and legislation is affected by the conflicts over the distribution income. This approach has been widely overlooked in the literature. The chapter argues that during th period considered, financial regulation evolved from a 'discretionary' to a 'rules-based' regime. Tha conversion was gradual and reflected the strengthening position of the financial industry. It is als stressed that the ability of the financial industry to affect political life has influenced the reform proposed and adopted after the crisis. Chapter 19, by Man-Seop Park, starts from an accounting equatio that is widely used in the recent neoclassical literature modelling production and growth. The models a set in continuous time and the equation refers to a productive process (or an aggregate economy) at 'tim ***t***' where (ultimately) both a nondurable input and a durable input are utilized. Two characteristics of th equation in particular attract our attention. The first is that the user cost of the nondurable input does no whereas that of the durable input does, involve the rate of interest. The second is that the quantiti appearing in the equation are all treated as real quantities. The present essay draws the attention to th logical difficulties besetting the first characteristic and concludes that the approach cannot be sustained it is.

Part 5 deals with 'imperfect competition' and has three chapters. Chapter 20, by Antonio d'Agat develops a simple model of product differentiation ***à la*** Hotelling with quantity-setting firms in whi producers of identical goods collude because of kinks in demand. It is shown that producin homogeneous goods may be optimal because of the existence of collusion-supporting kinks in deman The results achieved suggest also that positioning can be strategically used for generating kinks demand and, therefore, collusion. Chapter 21, by Simone d'Alessandro and Luciano Fanti, analyses vertically integrated industry with a monopolistic upstream firm and two downstream firms choosing f strategic reasons then competing ***à la*** Bertrand in the final product market with differentiated produc It is shown that the common wisdom according to which (i) the profit of the monopolistic supplier higher when it is price-discriminating, and (ii) consumers' surplus and social welfare are higher when it non-price-discriminating, is always contradicted. Moreover, interpreting the monopolistic upstream fir as a centralized union, it is shown that an 'egalitarian' wage policy is preferred not only by the union b

also by consumers and society as a whole. Both results hold in certain conditions even when strateg entry is taken into consideration. In Chapter 22 Rodolfo Signorino provides a close textual compariso between the 1957 second Italian edition and the 1962 first American edition of ***Oligopoly ar Technical Progress***, showing that Sylos Labini added to the later edition some sections concerning ne firms' entry and incumbent firms' reaction, which partially contradict Modigliani's 1958 presentation the Sylos Postulate. The theoretical differences between Sylos Labini and Modigliani with regard to th assumption of constant output are traced back to their different modelling strategies on how to tackle th issue of external firms' conjectures in determining the long-run oligopoly equilibrium price.

Part 6 deals with the 'history of economic analysis' and has five chapters. Chapter 23, by Amitava Dutt, examines whether there is anything useful left in Malthus's analysis of population and econom growth. Distinguishing between theoretical frameworks of analysis and specific predictions made usi such frameworks, it argues that even though Malthus's predictions proved to be incorrect, his theoretic framework has much to offer, and deserves careful attention. Moreover, using this framework can b useful in addressing whether his fears are still justified. This is done by developing a simple formulatio of Malthus's theory of population and economic growth and by extending it to examine a number relevant and important issues that were neglected or not sufficiently emphasized by him, that technological change, the demographic transition, aggregate demand and the environment. In Chapter Riccardo Faucci reconstructs the evolution of the thought of the Italian economist Federico Caffè, born 1914, who mysteriously disappeared between 14 and 15 April 1987. Federico Caffè was among the mo important post-1945 Italian economists. As a professor at the University of Rome for almost thirty yea he authored more than 150 academic publications. An outstanding teacher, he supervised the diplom theses of a huge number of students and educated many excellent scholars, including Mario Dragl Ignazio Visco, Guido M. Rey, Ezio Tarantelli, Marcello De Cecco, and Nicola Acocella (his successor i the Rome chair). A militant intellectual, his opinions leaned strongly toward the left. The chapt reconstructs his political commitments, his post-war economic policy and economics contributions, h warm admiration of Cambridge economics and his hostility to monetarism. Chapter 25, by Dunca Foley, revisits the labour theory of value developed by classical economists and Marx. It claims th classical political economists and Marx conceptualized human labour in terms of the subjective cost production, but regarded labour nonetheless as comparable and aggregatable across individuals. Labo in this sense is both universal across workers and fungible among different productive employments. commodity-producing systems where labour is mobile among different employments, the rate exploitation in the sense of the ratio of labour effort to money income will tend to be equalized acro employments. This proportionality is sufficient to establish a proportionality between value added an labour effort over a commodity-producing system, and the conservation of surplus value in a capitali commodity-producing system, despite the competition of capitals to maximize their share of the pool surplus value. Chapter 26, by Bruno Jossa, argues that the establishment of a system of cooperative firm reversing the current capital–labour relation is tantamount to a revolution, in that it results in th introduction of a new production mode. It then asks whether the idea of a revolution enacted by peacef and democratic means is fully compatible with Marx and Engels's writings. Although the best proxy f the system imagined by Marx is doubtless an economy in which labour-managed firms operate within centrally planned system, the chapter argues that a system with self-managed firms would be consiste

with Marx's theoretical edifice even if it should fail to adopt central planning. In Chapter 27 Alber Quadrio Curzio analyses the works of two Italian 'institutional economists', Carlo Cattaneo (1801–186 and Giuseppe Colombo (1836–1921), who, in the nineteenth and twentieth century, contribute significantly to building an industrialized nation. Attention is drawn to the Italian industrial developmer which 150 years after national unification has not yet spread to the whole country. Cattaneo ar Colombo were both influenced by the civil ethics of the ***Risorgimento*** and had a structural concept political economy in which economics (in particular industrial growth with a focus on technologic innovation) and finance were seen to be complementary rather than alternative. Finally, they both we conscious that overcoming the existing territorial dualism was a step on the way to national unification.

We take this opportunity to thank all contributors for their fine work and the colleagues we involve in assessing first versions of the chapters for helping to improve them. We are grateful to them and th publisher, especially Emily Kindleysides and Laura Johnson, for a smooth collaboration.

Last but not least, we thank Neri Salvadori for his generosity, kindness, support and friendship ov many years.

2

Personal reminiscences of a close friend and colleague

Heinz D. Kurz

Neri and I saw each other for the first time on the occasion of a research seminar organised by Domeni Mario Nuti and Bob Rowthorn in the Faculty of Economics of the University of Cambridge in the spri of 1978. Neri was then a research student in Cambridge after he had studied under the supervision of Ia Steedman at the University of Manchester. I was a British Academy visiting scholar, coming from Ki University, Germany, where I had recently finished my PhD thesis on Piero Sraffa's work and wished t meet the man whose work I admired. Neri and I saw each other in the seminar, but we did not get closer contact.

We met again in 1981 at the Trieste International Summer School at the Centro di Studi Economi Avanzati. The school had freshly started the year before in Udine and was organised by Sergio Parrinell who did a marvellous job in bringing together scholars with a critical orientation towards mainstrea economics. He, Pierangelo Garegnani and Jan Kregel represented the school, but Sergio, I believe, ma it all happen, raised the funds, booked the venue, etc. The school was of the utmost importance for m intellectual life, because there I made friends with a number of scholars whose work I appreciated a with whom I cooperated during the following years in a number of ways. The scholars included, among others, in addition to the main three, in alphabetical order: Tom Asimakopoulos, Christian Bidard, Am Bhaduri, Krishna Bharadwaj, Paul Davidson, Pierangelo Garegnani, Geoff Harcourt, Hyman Minsk Edward J. Nell, Sergio Parrinello, Fabio Petri, Alessandro Roncaglia, Bertram Schefold, Ian Steedma Josef Steindl, Sidney Weintraub – and, of course, Neri. He attended the 1981 meeting as a junior fellow but his interventions showed that he was anything but junior. The mathematician and economist Ulri Krause, a friend and colleague of mine in Bremen, had come across a paper by Neri and had asked m contact him and invite him to Bremen. Neri and I had plenty of opportunities to talk in Trieste and got friendly terms with one another.

In 1979 I had been appointed to a chair in the economics department of the recently founde University of Bremen and had begun to invite major representatives of the classical approach to t theory of value and distribution, including several of the aforementioned scholars. In November 19 Neri visited us in Bremen and stayed with my wife, Gabriele, and I for two weeks. He gave a splend lecture on the problem of the choice of technique in Sraffa and then also one in a workshop in th Mathematical Department organised by Uli. He came again to Bremen in late November–ear December of the following year, and then in 1983 when there was a meeting of, among others, U

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