Assessment of The Natural Projection Approach to Production and Uncertainty by Pascal Stiefenhofer

In the paper an economy with uncertainty is considered. There are two dates and one state at the first date and finitely many states at the second date. There are a finite number of consumers and firms. The aim of the paper is to extend the natural projection (see Balasko (1988)) to economies with production.

The two dates and the uncertainty plays no role since consumers are assumed to trade on forward markets rather than on spot markets for goods and financial markets for shares. Therefore the exposition of the paper could be simplified by considering an economy with one date and no uncertainty.

Consumers are characterized by their endowment vectors, portfolios and demand functions. Firms are characterized by their production sets and supply functions. The assumptions made on demand and supply functions are not explicitly stated except for smoothness. Therefore the reader is left with the impression all results follow from smoothness. The paper could gain in clarity by stating all assumptions explicit.

More important, Balasko has already made a paper on economies with production and the natural projection. The paper can be found by googleing *yves balasko production*. In Kehoe (1980) economies with production are considered. The paper should include a discussion of how it compares with these other papers.

To sum up: the paper lacks precision and the results appears to be known already.