

Response on Referee report 2

I like to thank the referee for taking the time to do the math.

With respect to your comments (i), (ii) and (iii) the following:

- (i) I will correct a number of typo's
- (ii) $Y=E+F$ is motivated as follows: E and F are the value of the sold product of the firm and this has to add up to GDP Y. The other approach is production costs plus mark-up which is of course also equal to GDP Y. Because the system is over-determined this leads to a contradiction.
- (iii) I am not sure if I interpret your last point right. But if you are referring to the use of the term firms, workers, etc., than I agree that the way they can act must be sharply defined. An extensive treatment of this issue can be found in a coming paper, which I already submitted. I am referring to it but it is still under consideration. (Profit for Capitalists and Monetary Profit for Firms - A fundamental approach)

On request I can send you a preliminary copy of this paper. Please send me an e-mail at marcel@dfsustainable.nl I would appreciate if you would comment on this paper for which I filed a request at the editorial board.