

Keynes' 'grandchildren' essay is a recent source of inspiration to many and Sergio Nisticó adds his own refreshing perspective to the literature. Putting ourselves in Keynes' position today, two consequences, even for our children, will strike any inhabitant on the planet. The first is the ravages of climate change which is already eroding the pleasantness of our lives. It is already too late to force-undertake massive green investments. We do not need to invoke Keynes' "dark forces ..." to see that the gargantuan costs and technological uncertainties involved in any Green New Deal are beyond the scope of the largest private financial-real consortia to profile. The expected answer from "The State of Long-Term Expectation" in the *General Theory* is ... "the State, which is in a position to calculate the marginal efficiency of capital goods on long views and on the basis of the general social advantage, taking an ever greater responsibility for directly organizing investment; ... We support Professor Nisticó's endorsement of present-value calculations and using Keynes' notation we have for the MEC,  $\sum W_r d_r$ . In the present case of government as entrepreneur, the  $d_r$ s are social discount rates. There might be years when the quasi-rents are negative. All that is required is a positive NPV for the projects. Indeed, if the projects must be truncated at any time, a negative value of the numerator can be matched by a negative value in the denominator. Equilibrium negative interest rates can emerge endogenously. The second consequence for modern times Keynes DID foresee in his essay is given by the following. "The increase of technological efficiency has been taking place faster than we can deal with the problem of unemployment". And again, we are ... "afflicted with a new disease ... technological unemployment". These days we describe the phenomenon by the challenge posed by Artificial Intelligence and Robotics. In the short run, we have the collapse of effective demand. Wages and employment have

been on a secular downward trend. With lukewarm output growth, the implication is that profits in the production of goods and services is not increasing smartly either. At the same time, distributed profits are not diminishing and taking on a life of their own with share buybacks and whatnots. Profits are not being retained for the purpose of investing in green plan and machinery. The consequence for distribution is that rentier consumption is going up and Basics consumption is going down. It would seem that Sergio Nisticó's analysis applies to the former.