

Contents

Pref	Preface		page xv	
	Int	roduction	1	
	P	ART ONE. CAPITAL. PRINCIPLE FEATURES OF THE MARXIAN "CANON	"	
1	Value and Distribution		11	
	A	Introduction	11	
	В	On "Demand-Supply" Analysis	13	
	C	The Transformation of Values into Prices: Formal Analysis	17	
	D	The Transformation and the Allocation Mechanism	23	
	E	Competition Constrained: Land Scarcity and Firm Size	28	
	F	On "Market Value" and Competition	31	
	G	The Inverse Wage-Profit Relation and Profit-Rate Equalization	38	
	Н	Materials, the Luxury-Goods Sector, and the General Profit		
		Rate	40	
	I	The Rate of Surplus Value as Endogenous Variable	42	
	J	More on Final Demand and Distribution	46	
	K	Marx's Strategy	48	
	L	Concluding Comment: The Baumol-Samuelson Exchange	53	
2	Elements of Growth Theory		55	
	A	Introduction	55	
	В	Setting the Stage: Stationary Reproduction as Circular-Flow		
		Process	55	
	C	Capital Accumulation	59	
	D	Determinants of the Rate of Accumulation	61	
	E	The "Simple Reproduction" Scheme	68	
	F	The "Extended Reproduction" Scheme	75	
	G	Concluding Comment	83	



x Contents

3	Eco	onomic Growth and the Falling Real-Wage Trend	85
	A	Introduction	85
	В	The Falling Wage Trend	88
	C	The Subsistence Wage and the Value of Labor Power	90
	D	The Falling Wage Trend and Population Growth	94
	E	The Industrial Reserve Army and Cyclical Wage Fluctuations	100
	F	Inter-Sectoral Labor Movements	102
	G	The Participation Rate	104
	Н	Concluding Comments: Objections to Malthus	106
4	Eco	onomic Growth and the Falling Rate of Profit	110
	A	Introduction	110
	В	The Basic Analysis	111
	C	The Conditions for a Falling: Rate of Profit	114
	D	Increasing Rate of Surplus Value and Cheapening of Constant	
		Capital	118
	E	The Limited Impact of a Rising Rate of Surplus Value	120
	F	Implications of Differential Rates of Productivity Increase	123
	G	Technical Progress and the Falling Profit Rate: An Overview	127
	Н	On Secular Underconsumption	129
	I	Concluding Comments: On the Significance of the Falling	
		Profit Rate	132
5	The Cyclical Dimension		134
	A	Introduction	134
	В	The Cyclical Chronology	135
	C	Trend and Cycle: Causal Mechanisms	139
	D	The Raw Material Constraint and Upper Turning Point	143
	E	The Labor Constraint and Upper Turning Point	145
	F	The Monetary Dimension	150
	G	Inter- and Intra-Departmental Imbalance	157
	Н	A Note on the "Echo Effect"	159
	I	Concluding Remarks	160
		PART TWO. ORIGINS: MARX IN THE 1840s	
6	Ma	rx's Economics 1843–1845	165
	A	Introduction	165
	В	Price Theory	166
	C	Wage-Rate and Profit-Rate Trends	171
	D	The Private Property System: Ricardo as <i>bête noire</i>	176
	E	On Aggregate Demand and "Overproduction"	182
	F	In Partial Defence of Proudhon	184
	G	Objections to Friedrich List	188
	Н	Summary and Conclusion	190



		Contents	xi
7	A "First Draft" of Capital 1847–1849		
	A	Introduction	194
	В	Allocation, Cost Price, and the Labor Theory	195
	C	Differential Rent	204
	D	Labor as Commodity	206
	E	On "Labor Power" and the Source of Surplus Value	207
	F	The Inverse Wage-Profit Relation	212
	G	The Falling Real-Wage Trend	214
	Н	More on the Real-Wage Trend: Increasing Organic	
		Composition, Demographic Patterns, and the Reserve Army	218
	I	Profit-Rate Determination: "Competition of Capitals"	223
	J	Labor and Free Trade: On Marx's Ricardian bonâ fides	224
	K	Summary and Conclusion	227
	PAI	RT THREE. A "SECOND DRAFT" OF <i>CAPITAL:</i> THE <i>GRUNDRISSE</i> 1857–	1858
8	185	57–1858 I: Surplus Value	235
	A	Introduction	235
	В	The Basic Doctrine	236
	C	Surplus Value and the Transition to Growth	244
	D	Elements of a Growth Model: Productivity Increase,	
		Population Growth and the Reserve of Unemployed	246
	E	The Falling Rate of Profit	252
	F	The "Transformation"	254
	G	A Marxian "Reply" to Böhm-Bawerk	256
	Н	Surplus Value: Matters of Timing and Indebtedness	258
	Ι	On Ricardo and Surplus Value: An Excursus	260
	J	Summary and Conclusion	265
9	185	57–1858 II: Value "Realization"	268
	A	Introduction	268
	В	Capital Turnover: A Circular-Flow Process	268
	C	Obstacles to Value Realization	273
	D	On the Law of Markets and Overproduction Literature	280
	E	On Working-Class Consumption	285
	F	Summary and Conclusion	289
		PART FOUR. A "THIRD DRAFT" OF CAPITAL: THE	
		ECONOMIC MANUSCRIPTS 1861–1863	293
10	1861–1863 I: Surplus Value – Profit, Rent, and Interest		
	A	Introduction	293
	В	Profit-Rate Equalization and the Transformation	293
	C	The Transformation Aborted: Absolute Rent and the Priority	
		of the Industrial Sector	297



xii		Contents	
	D	The Falling Rate of Profit and Its Significance	306
	Е	Materials, the Luxury Sector, and the General Profit Rate	311
	F	The Rate of Interest	312
	G	Commercial Capital and the Surplus-Value Doctrine	318
	Н	Summary and Conclusion	324
11	186	1861–1863 II: Sectoral Analysis, Accumulation, and Stability	
	A	Introduction	326
	В	Sectoral Analysis and the Constant Capital "Riddle"	326
	C	Conditions for "Continuous" Accumulation	334
	D	Aggregate Demand Constraints	338
	E	The Secular-Cyclical Nexus	341
	F	Sources of Cyclical Instability	344
	G	The Recovery Process: Corrective Mechanisms	347
	Н	On the "Overproduction" Literature	349
	I	Summary and Conclusion	351
12	1861–1863 III: The Labor Market		353
	A	Introduction	353
	В	The "Wage-Fund" Doctrine Rejected: Synchronized Activity	
		vs. Advances	353
	C	Labor Demand and Technical Change	360
	D	Labor Supply: Population Growth and the "Reserve Army"	368
	E	The Mechanics of Population Growth and the Falling Wage	
		Trend	375
	F	Summary and Conclusion	380
		PART FIVE. TOPICS IN APPLICATION	
13	Eco	onomic Organization and the Equality Issue	385
	A	Introduction	385
	В	Objections to Egalitarian Reform	386
	C	The Allocative Role of the Free Market vs. Central Control	396
	D	Some Unexpected Parallels	401
	E	Summary and Conclusion: The Evolutionary Dimension	406
14	Is There a Marxian "Entrepreneur"? On the Functions of the		
	Ind	lustrial Capitalist	409
	A	Introduction	409
	В	Preliminaries: Industrial Organization	411
	C	The Supervisory and Allocative Function	414
	D	Science and the Sources of New Technology	419
	E	Innovatory Investment	425
	F	The Category of "Minor" Improvement	428
	G	On Measurable Risk and Insurance	429
	Η	On "Profit of Enterprise" in Capital 3	430



		Contents	xiii
	I	On Cooperation	435
	J	On Joint-Stock Organization and Limited Liability	435
	K	Conclusion: The Industrial Capitalist and Uncertainty	
		Revisited	438
15	Principles of Social Reform		444
	A	Introduction	444
	В	Early Statements	444
	C	Marx's "Revisionism": The 1860s and 1870s	449
	D	Summary and Conclusion	461
Coı	nclus	ion: A Recapitulation and Overview	463
	Α	The Theory of Surplus Value	463
	В	Marx and the Classical Canon: The Theory of Value	471
	C	Marx and the Classical Canon: The Trend Path of the Factor	
		Returns	477
	D	Marx as "Revisionist"	479
	E	Marx and the Moderns	483
	F	Epilogue: On Engels and the "Closure" of Marx's System	488
App	pendi	ices	493
Bib	liogr	aphy	501
Ind	'ex		519