


Money 

Labor 

Corn 

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Corn 

A close-up photograph of a corn cob showing the individual kernels. The kernels are a deep, vibrant blue-purple color, characteristic of blue corn. The cob is partially covered by green husk leaves, which are visible as diagonal lines across the frame. The lighting is bright, highlighting the texture and color of the kernels.

BLUE CORN MODEL

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Assumptions

simplest case possible

- one-sector (“corn”) economy
- no fixed capital




- all output plowed back—*literally*—into production
- so farm-workers & -owners consume none of it

Assumptions

- corn production rises by 25%/year
 - *the growth rate of corn is as high as an elephant's eye!*
 - *and it looks like it's climbing right up to the sky!*
- no increase in employment

year		capital	surplus	output	rate of profit
1	labor	256	64	320	25%
1	corn	256	64	320	25%
2	labor	320	64	384	20%
2	corn	320	80	400	25%
3	labor	384	64	448	17%
3	corn	400	100	500	25%
4	labor	448	64	512	14%
4	corn	500	125	625	25%



WHAT IF THE
MONETARY
EXPRESSION OF
LABOR-TIME (\$/hr)
INCREASES
BY 10% / yr ?

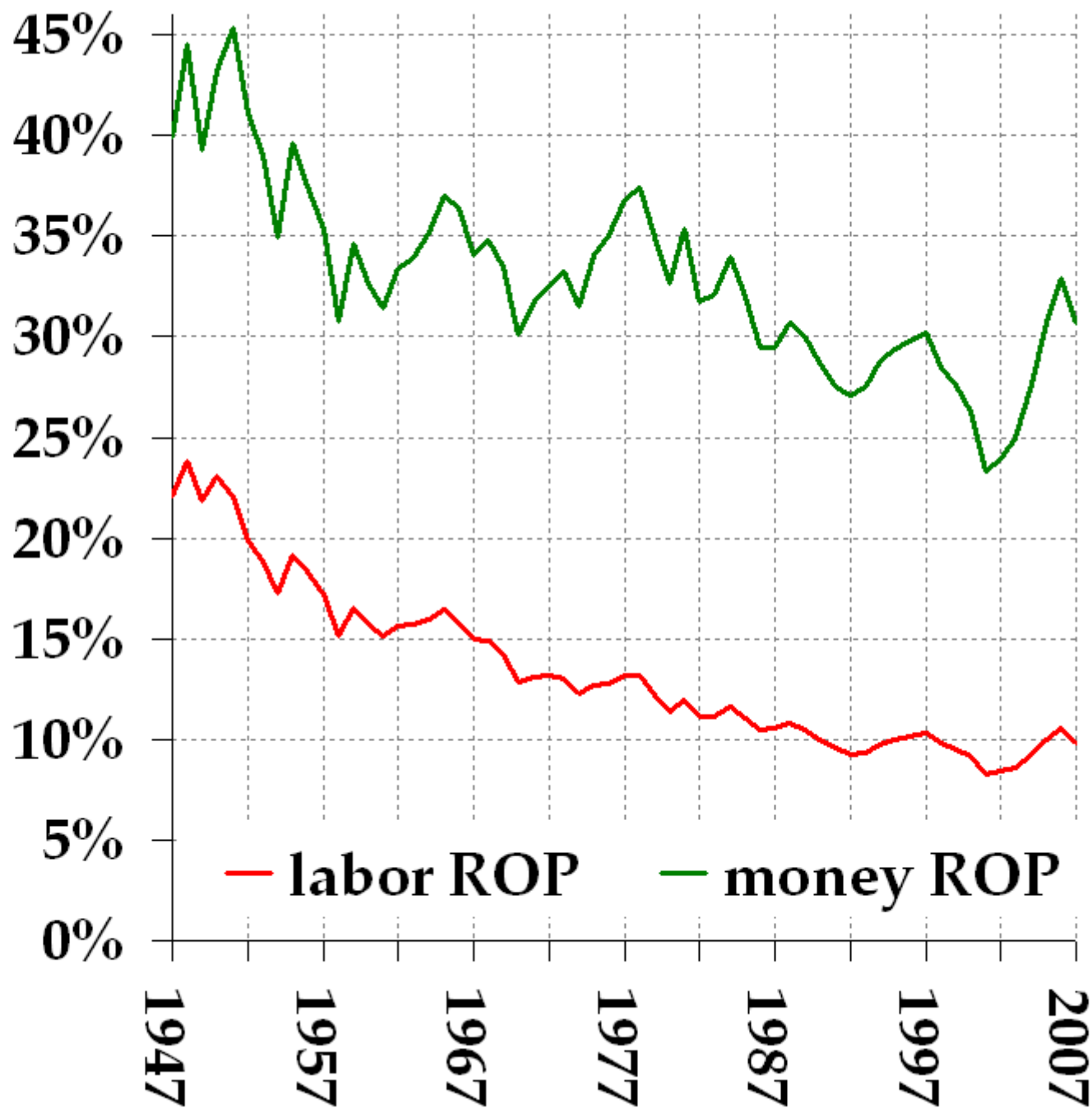
year		capital	surplus	output	rate of profit
1	labor	2000	1000	3000	50%
1	\$	2000	1300	3300	65%
2	labor	3000	1000	4000	33%
2	\$	3300	1540	4840	47%
3	labor	4000	1000	5000	25%
3	\$	4840	1815	6655	38%
4	labor	5000	1000	6000	20%
4	\$	6655	2130	8785	32%


$$1 + \text{MONEY ROP} = (1 + \text{GROWTH RATE OF MELT}) \times (1 + \text{LABOR ROP})$$

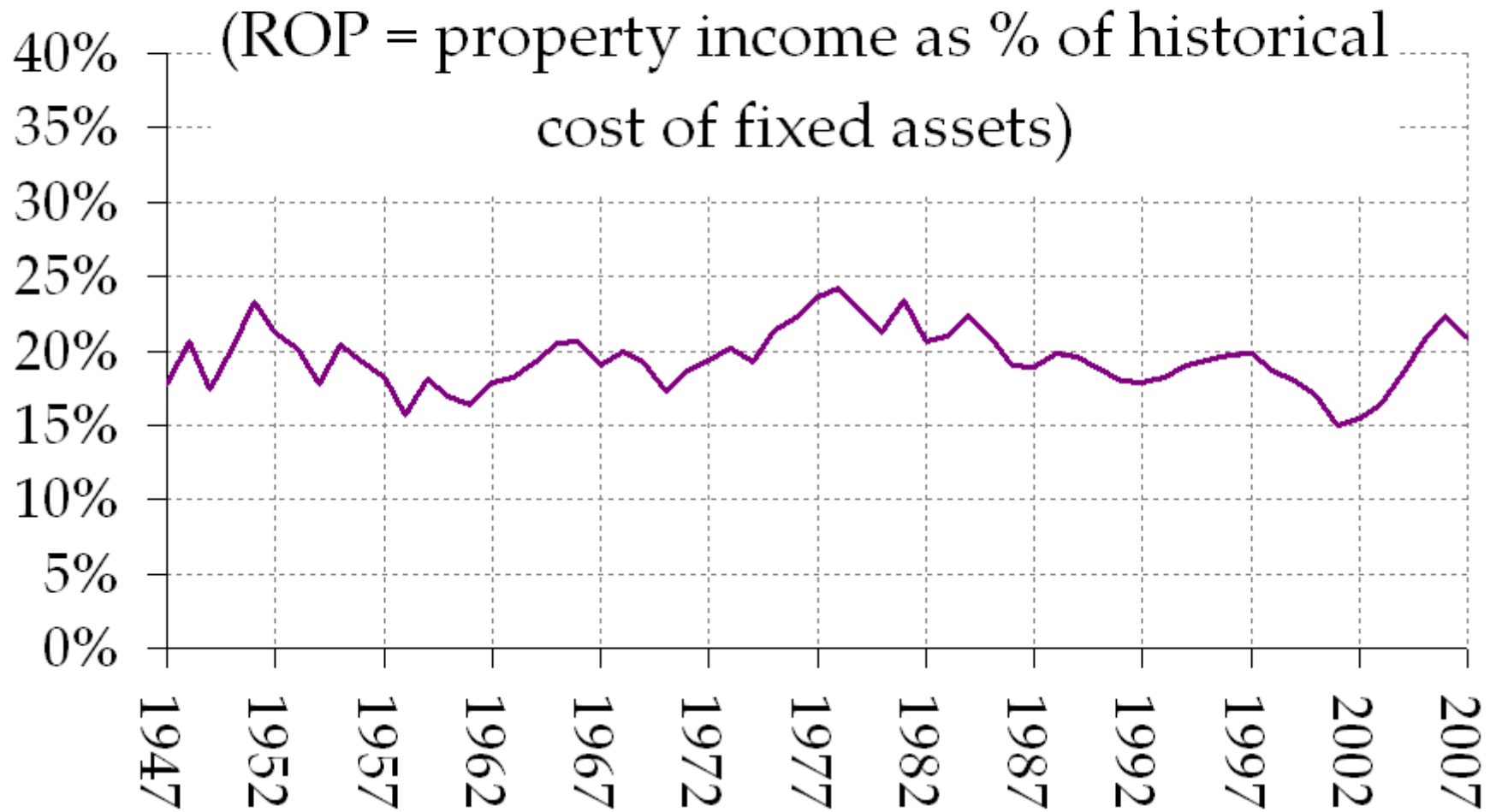
CONSTANT GROWTH
RATE OF MELT

→ MONEY & LABOR ROPs HAVE
SAME TREND

Property
Income,
as % of
Historical-
Cost of Fixed
Assets, U.S.
Corpora-
tions



Gaps Between Money and Labor Rates of Profit, U.S. Corporations



akliman.squarespace.com

ANDREW KLIMAN

I AIN'T GONNA WORK ON PIERO'S FARM NO MORE

Welcome

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The economists have changed Marx, in various ways; the point is to interpret him — correctly.

