

As argued above, with this Marxist • Neo-classical model=The Marxist optimal growth model, we can see how government plays a role in the economy. Such as, in the competitive firms, the marginal product of capital will be increased if there are government and taxes, then in the competitive households, the taxes on private asset income would lead to a lower level of the growth of consumption, and government purchases would increase the growth of consumption, last in the social planner's solution, an increase in government purchases would increase the level of social capital in the steady-state, and an increase in tax on the earning of firms would lead to a lower level of it.

Though Government factor in economic grow have been discussed a lot in macroeconomics and other fields, this paper uses a Marxist optimal growth model for an attempt to analyze it in the field of Marxist Economics.

There are also other extends of the Marxist optimal growth model, such as the extend on two-class model, over-accumulation in knowledge spillovers model, and so on. Furthermore, this model is still under-construction now. We hope The Marxist optimal growth model will give a perfect description on the economy, and to be a bridge between Marxist economics and microeconomics • macroeconomics, even a new horizon of economic theory.

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Falling Rate of Profit in the Post war J-Economy
——Empirically Estimated

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I. The Basic Point for the Law of Tendency of the Rate of Profit to Fall

Marx emphasized that economist thought inverted over explanatory controversies for the tendency of falling profit rate.

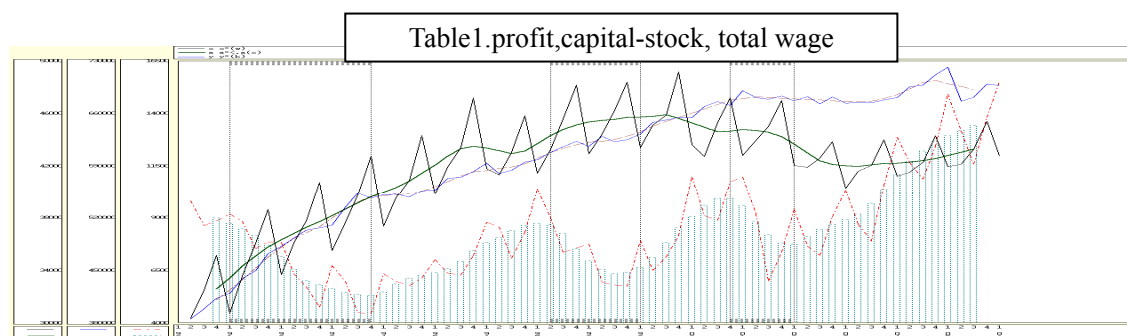
J. S. Mill’s (1806-1873) solution of that problem was harmonized with contradicted two faced tendencies; Mill’s “stationary state” are realized this harmonic and utopian combination. The general tendency of the rate of profit to fall and the counter-acting factors were consistent with the social and human development.

Marx’s argument pointed out not only the two factors inconsistency but also contradictory consequences; Mill’s “stationary state” was not realistic premise when we analyzed modern capitalist economy.

The counter-acting factors against the law

- 1) More increased intensity of exploitation of labor
- 2) Depression of wages below the natural labor-power values
- 3) The generating of relative over-populations
- 4) Cutting down on the elements of constant capital
- 5) Foreign trade cheapens the element of the constant and variable capital values.
- 6) The rising associational combined-capital
- 7) Shorten the turnover-time of circulation capital
- 8) Increasing the military spending and non-productive labor class

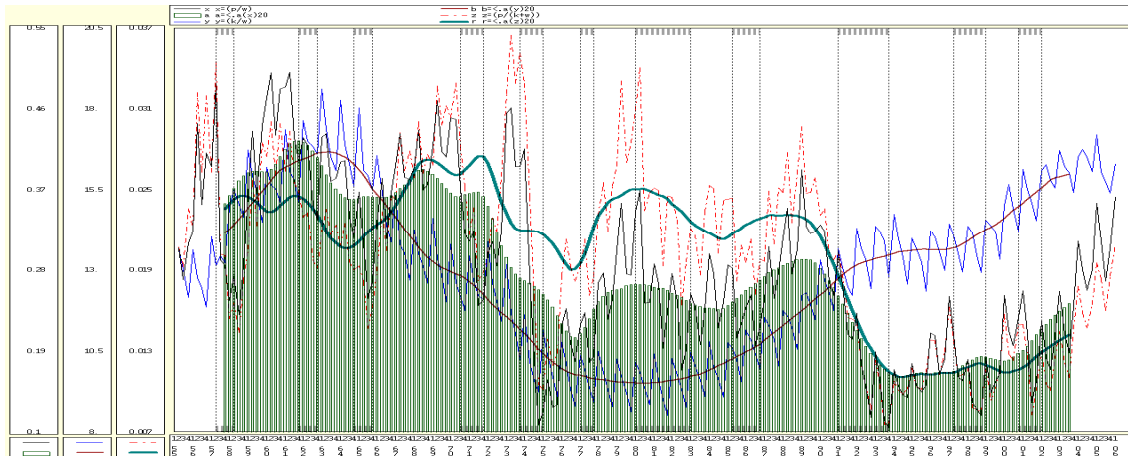
II. Profit, Capital, Wage



III. The Calculation of the Rate of Profit

$$P' = M / (C+V) = (M / V) / ((C / V) + 1)$$

Table2.profit-rate, capital-composition,exploitation ratio



Profit-rate = capital-share ratio / capital-yield ratio

$$p/k = (p / (p + w)) / ((p+w)/k) = (p/Y) / (Y/k)$$

$$\log(R) = \log (P) - \log (K)$$

p : profit, w : total-wage, k : capital-stock

Y : total value-added

M : surplus-value

V : variable-capital

C : constant-capital

N : employment

R : real-wage

c : unit-value of const-c

w : time-wage

IV. The New Approaches to Synthetic Analysis

$$P' = \frac{\left\{ \frac{T}{R} \cdot \frac{W}{t} \right\} - 1}{\left\{ \frac{C}{w} \cdot \frac{q}{N} \right\} + 1}$$

The dual moments of the law should be presented at the counteracted antagonistic agencies effects.(an extra paper)

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