

Contents

FOREWORD	V
ACKNOWLEDGEMENT	VII
LIST OF MODELS	XV
LIST OF SYMBOLS	XVII
INTRODUCTION	1
1. SINGLE PRODUCTION	16
1.1. Pure reproduction	16
1.2. Surpluses	24
1.2.1. Balanced growth	24
1.2.2. Non-basics	31
1.3. The distribution of surpluses	38
1.3.1. Labour	38
1.3.2. The solution of the quantity system	42
1.3.3. The solution of the price system	53
Appendix 1.a. Lemmas	57
2. JOINT PRODUCTION	61
2.1. Processes and commodities	61
2.1.1. Introduction	61
2.1.2. Non-basics	64
2.2. Weak joint production	69
2.2.1. Identification and process-dependency	69
2.2.2. Cost functions	75
2.3. Strong joint production	79
2.3.1. Negative embodied labour coefficients	79
	XI

2.3.2. The numéraire-question	83
2.3.3. Corner-point solutions	92
Appendix 2.a. Model 2.1	97
Appendix 2.b. Equal input proportions	99
Appendix 2.c. Non-basics and equilibrium	100
 3. FIXED CAPITAL	102
3.1. Profiles of vintages	102
3.2. The Simple Sraffa model	108
3.2.1. The point-input-flow-output profile	108
3.2.2. Book-values and depreciations	113
3.2.3. The core system	116
3.2.4. The rest-value problem	120
3.2.5. Scrappage and replacement	122
3.2.6. A corner-point solution	127
3.2.7. The equilibrium between savings and investments	130
3.3. The Austrian reproduction model	132
3.3.1. Introduction	132
3.3.2. The flow-input-point-output profile	135
3.3.3. The solution	139
3.3.4. The flow-input-flow-output profile	141
3.4. Unequal life-spans	146
3.4.1. Several machines with a life-span of T years	146
3.4.2. Machines with an unequal life-span	152
3.4.3. Variable coefficients	156
3.5. The Leontief model with fixed capital	159
3.5.1. Misconceptions	159
3.5.2. Morishima's opinion	161
3.5.3. Comparison with the Sraffa model	163
3.5.4. The opinion of Domar and Lange	165
3.5.5. Bródy's opinion	167
3.5.6. Generalization	170

Appendix 3.a. Generalization of the Simple Sraffa model	172
Appendix 3.b. Superimposed joint production	178
Appendix 3.c. Unequal life-spans	179
 4. UNEQUAL EFFICIENCY	183
4.1. Forms of unequal efficiency	183
4.2. A model with three industries	189
4.3. Loss of productivity	193
4.3.1. Introduction	193
4.3.2. Uniform loss of productivity determined by conditions on the demand side	195
4.3.3. Differentiated loss of productivity determined by conditions on the demand side	200
4.3.4. A corner-point solution	205
4.3.5. Loss of productivity determined by conditions on the supply side	212
4.4. Higher operating costs	218
4.4.1. Introduction	218
4.4.2. Economic life-span	222
4.4.3. Uniform higher operating costs	228
4.4.4. Inefficiency and reswitching of techniques	233
4.5. Conclusion	235
Appendix 4.a. The opinions of Burmeister and Dobell	236
 APPENDIX A. OUTLINE OF THE TRANSFORMATION PROBLEM	238
A.1. The surpluses	238
A.2. The disposal of surpluses	241
A.3. The distribution of surpluses	244
 APPENDIX B. INTERNATIONAL TRADE	248
B.1. Introduction	248

B.2. Assumptions	249
B.3. Autarchy	251
B.4. Free trade	252
B.5. Consequences of free trade	255
B.6. Trade without specialization	261
 APPENDIX C. THE TRADITIONAL VINTAGE MODEL	 267
C.1. Introduction	267
C.2. The quantity system	268
C.3. The price system	273
 APPENDIX D. THE TRAVERSE	 278
D.1. The Simple Sraffa model	278
D.2. Planned traverse	280
D.3. Non-planned traverse	288
D.4. The neo-Austrian model	294
 BIBLIOGRAPHY	 298