Andrew Kliman, Aug. 8, 2016

Moseley's "prices of production" are NOT prices of production

That's because the two sectors' rates of profit aren't equal!

At the end of point 2 of his "Reply to Kliman's Part 7,"[1] published today, he tries to demon-strate that his equalized rate of profit (corresponding to his prices of production) can differ from the physicalist rate of profit, 11.11%. He uses the following physical data–which, together with the assumption that the rate of profit is equalized, imply that the physicalist rate of profit equals 11.11%.

Sector	Input of Good 1	Input of Good 2	Real Wages (units of Good 2)	Physical Output
1	0	8	1	10
2	4	0	5	0
total	4	8	6	

Moseley accepts that all of the following apply to his interpretation:

$$C_{11} = 0, C_{21} = 8p_2, V_1 = 1 \cdot p_2, P_1 = 10p_1$$

$$C_{12} = 4p_1, C_{22} = 0, V_2 = 5p_2, P_2 = 10p_2$$

In addition, he makes the following assumptions

1. New value added in Sector 1 = $V_1 + S_1 = 6$
2. New value added in Sector 2 = $V_2 + S_2 = 30$
3. $p_1 = 5$
4. $p_2 = 3$

His "price of production" table is therefore

sector	C_1	C_2	V	S	W	π	P	$r = \dfrac{\pi}{C_1 + C_2 + V}$
1	0	24	3	3	30	23	50	85.2%
2	20	0	15	15	50	−5	30	−14.3%
total	20	24	18	18	80	18	80	29.0%

What he needs to show is that his rate of profit need not equal 11.11% given the physical data above **AND AN EQUALIZED RATE OF PROFIT.** Hic Rhodus! Hic Salta!

He will not succeed.

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[1] Available at http://www.marxisthumanistinitiative.org/miscellaneous/all-value-form-no-value-substance-comments-on-moseleys-new-book-part-7.html/comment-page-1#comment-383128