

# TWILIGHT CAPITALISM

KARL MARX AND  
THE DECAY OF THE  
PROFIT SYSTEM

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# APPENDIXES

## APPENDIX I: METHODS, SOURCES AND DATA

The main purpose of national income theories and accounting matrixes is the measurement and presentation of a gross product/output. As such, value theory has been at the core of national accounting since its inception (Mazzucato 2017: 80). But the official accounts compile and publish economic activity in a bourgeois frame that serves to distort economic aggregates. One cardinal way it does this is by treating all “socially necessary activities” (other than personal consumption) as “productive.” However, while all economic activity has outcomes, not all result in *outputs*, and furthermore not all outputs are “measured” and enter into the specifically capitalistic economic calculus (Shaikh and Tonak 1994: 2-3). Official accounts also make no distinctions concerning the temporal composition of nominal money-income/profit – i.e., whether money-profit is reflective of previously existing values, new value or anticipated future value (i.e., money generated from relations of credit and debt). As such, these accounts cannot distinguish between real or actual value/capital and artificial or fictitious value/capital. Moreover, while classical political economists considered the concept of “surplus product” as essential to the analysis of growth in a capitalist economy, official accounts do not adequately define or recognize such a category.

Some notable works using the official national accounts as foundational in the construction of a *comprehensive* heterodox or Marxian national accounting framework include Shane Mage (1963), Fred Moseley (1991), Shaikh and Tonak (1994) and more recently Tsoulfidis and Tsiliki (2019).

## Part A: Data Sources and Methods

The primary sources and data used to derive our empirical estimates were collected from the US Bureau of Economic Affairs (BEA), National Income and Product Accounts (NIPA); 1) National Data GDP & Personal Income, and 2) National Data Fixed Assets. Interactive data is made available by the US government at <https://apps.bea.gov/itable/index.cfm>. Our estimates were formulated for the 1929 to 2018 period, but due to the turbulent character of the interwar period and the fact that national income data prior to the 1950s is less reliable, we focused specifically on the postwar period (1947-2018). Depending on the speed with which the US federal government updates its data, some of our estimates in Chapter 2 have been extended to 2019 or 2020. Moreover, while circulating constant capital or the flow of constant capital should be included in the denominator of the rate of profit, owing to technical-statistical issues it has been omitted from the present study. This matters little, however, as Kliman (2011) has previously demonstrated that the inclusion of input inventories in rate of profit estimates produces statistically insignificant variations.

Additional sources and data are drawn from the Saez-Piketty dataset, “Income Inequality in the United States, 1913-1998” (with Thomas Piketty, *Quarterly Journal of Economics*, 118(1), 2003, 1-39. (Tables and Figures Updated to 2018 in Excel format, February 2020). Retrieved from <https://eml.berkeley.edu/~saez/>; Excel sheet “data-Fig2” top national income shares.

## Chapter 2

The empirical estimates for our fundamental Marxian value categories and ratios in Chapter 2 are somewhat broader than the truer ones found in Chapter 5. The former measures leave out (“abstract from”) corporate profits realized in the financial, insurance, and real estate (FIRE) sector but includes the FIRE sector’s fixed capital assets and wage-bill. Furthermore, because the top 5% of national income is not representative of working-class wages, this income share is subtracted from the wage-bill in order to better estimate working-class wages (W). It is arguably better to subtract the top 10% of national income when creating a proxy for W, but it should be noted that this would capture too large a share of total income: in 2018 the top 10% took home a whopping 47.7%.

Our definitions of the main variables of our study are as follows:

- Average Rate of Profit (ARP): surplus value (s) / constant capital

stock (C).

- Rate of Exploitation (RE): surplus value (s) / variable capital (v) + unproductive labour (u), or just working-class wages as  $W = v + u$ .
- Organic Composition of Capital (OCC): constant capital stock (C) / surplus value (s) + working-class wages (W).
- *Constant capital* stock (C): The current-dollar value of non-farm, Net Capital Stock in Private Fixed Assets (inclusive of the productive and unproductive spheres), Historical Costs, NIPA Table 4.3.17.
- Working-class Wages (W): After-tax employee compensation, NIPA 1.14.4, less the top 5% by national income. (The Saez figures for 2018 are used for the 2019 year.) Since the official accounts do not provide after-tax wage data, a “crude tax rate” had to be formulated and applied. This tax rate was calculated as the ratio of personal taxes (NIPA 3.4.1) to personal income (2.1.1).
- *Surplus Value* (s): Non-FIRE after-tax corporate profits, NIPA 1.14.29.

GDP data is taken from NIPA 1.1.5.1; net value added is taken from 1.1.4.3; nominal profit data is adjusted for inflation (CPI), taken from 1.14.11 & 13.

- Labour Productivity and Top 1% by Income: Year over year % change of growth in corporate labour productivity taken from U.S. Bureau of Labour Statistics: Labour and Productivity Costs, Non-FIRE Corporate sector at <https://www.bls.gov/lpc/#tables>, Excel sheet NFC, Employees (ANN). Top income accruals taken from Saez-Piketty data, TabFig2018, data-Fig2.
- Ruling Elite Income Composition: Top income accrual composition is taken from Saez-Piketty dataset, TabFig2018, Table Income Growth, on average real income levels including capital gains.

## Chapter 5

Chapter 5 contains our main empirical estimates that were conducted in the theoretic-methodological tradition of the Mage-Smith approach

to Marx's value system. Our empirical approach has been delineated throughout the present study but most explicitly in this chapter; for additional elaboration, readers are referred to Murray Smith's *Invisible Leviathan* (2019).

- Average Rate of Profit (ARP): surplus value (s) / constant capital stock (C).
- Rate of Surplus Value: surplus value (s) / variable capital (v).
- Organic Composition of Capital (OCC): constant capital stock (C) / surplus value (s) + variable capital (v).
- Constant capital stock (C): The current-dollar value of non-farm, Net Capital Stock in Private Fixed Assets, Historical Costs, NIPA 6.3.2. (line 3 for FIRE and line 4 for non-FIRE).
- Surplus Value (s): After-tax corporate profits, NIPA 1.14.13. In an attempt to remove fictitious elements included in the national accounts, financial profit data is subjected to "normalization" (see below). In addition, the after-tax personal income of the top 0.1% is also included.
- Working-class wages are calculated on the basis of employee compensation (NIPA 1.14.4., by industry 6.3.) less the top 0.1% by income. These wages are also calculated after taxes, but since national accounts provide no after-tax wage data, a "crude tax rate" is applied. Wages are further divided between productive wages and SNUL wages.
- SNUL is equal to the sum: wholesale 52/35, legal services 70/66, business services 65/68\*, general government 75/86, miscellaneous services 73/73+74\*.
- Productive labour wage-bill is equal to working-class wages less SNUL wages. Variable capital (v) is equal to the wage bill of specifically productive labour, less the top 5% of this income stream and less the top 0.1% by income.
- SNUL^ is equal to the SNUL wage-bill plus the top 5% by income of productive labour.

- New value (NV) is equal to  $s + v$ ; previously existing value (PEV) is equal to gross output less NV.

\*The way in which the NIPA organizes and presents macroeconomic data has changed over time, which makes longitudinal studies increasingly difficult and subject to error in determining trends.

In the effort to assess cyclical rather than long-term trends, it is important to pinpoint the essential spheres of surplus-value production. Here, we define the essential productive spheres as follows: mining (including oil and gas), agriculture (forestry, fishing, hunting), construction, manufacturing, transportation and warehousing, broadcasting and telecommunications. For SNUL: federal banking (whose profits are “normalized”), wholesale, and retail. The top 0.1% by income is subtracted from the total wage-bill and added to surplus value; the top 5% by income of the productive labour wage-bill is added to the SNUL wage-bill (signified by  $SNUL^{\wedge}$ ). In sum, this is an after-tax rate of profit formulated as  $s/C+W$ . The NIPA publishes more detailed data for the post 1997 period, so this chart derives from data in NIPA 6.2D and 6.3.19D; for fixed assets, see 3.3ESI.

### **Part B: The “Normalization Procedure”**

Although non-FIRE measures (abstracting from FIRE profits or the FIRE sector altogether) are analytically useful, for Marx the capitalist system forms a totality of which the financial system is a vital organ. But a growing proportion of “booked corporate profits” registered in the NIPA are not profits based on surplus-value production. Instead, a portion of the profit data published in the official accounts is representative of relations of credit and debt (i.e., fictitious profit/capital). Accordingly, a large portion of booked profits in the FIRE sector in particular does not represent “actual” surplus value and therefore should be deemed fictitious. But in order to view the capitalist system as a totality, the FIRE sector should be included in the rate of profit measures as well as those for the rate of surplus value and the composition of capital. Thus, to minimize the problem of “fictitiousness,” FIRE sector profit rates are “normalized” or “equalized” with rates in other sectors of the economy.

By distinguishing between the surplus value that derives from production and the fictitious profits deriving from credit and debt, the normalization procedure allows for a more realistic estimate of the

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amount of *actual* surplus value transferred to finance, and therefore a more accurate calculation of the average rate of profit for the social capital as a whole in the “age of fictitious capital.” To do this, the FIRE sector’s rate of profit is “normalized” by “equalizing” it with the prevailing rate in the rest of the economy. To derive the sum of “normalized FIRE profits” (nFp), the non-FIRE average rate of profit (non-FIRE arp) is multiplied by the corresponding year’s fixed assets in the FIRE sector (FIREfa),

$$\text{nFp} = \text{non-FIREarp} * \text{FIREfa}$$

The difference between officially published FIRE profits and normalized FIRE profits is fictitious capital/profit (FP):

$$\text{FP} = \text{pre-normalized FIRE profits} - \text{post-normalized FIRE profits}$$

Moreover, to calculate “actual,” or rather, a “Marxian Gross Output” (MGO), FP is subtracted from published data for Gross Domestic Product (GDP):  $\text{MGO} = \text{GDP} - \text{FP}$ .

# Output

## Mage-Smith [\*Smith-Butovsky-Watterton] MNAF

|  | 1929         | 1930         | 1931          | 1932         | 1933         | 1934         |
|--|--------------|--------------|---------------|--------------|--------------|--------------|
| <b>TOTAL OUTPUT (After-Tax v, s, and cf)</b>                                     |              |              |               |              |              |              |
| US National Income Accounts  |              |              |               |              |              |              |
| <u>GDP (\$Bn)   NIA Table 1.1.5 Line 1</u>                                       | 104.60       | 92.20        | 77.40         | 59.50        | 57.20        | 66.80        |
| Fictitious Capital (FC) in the FIRE Sector                                       | 1.00         | 0.28         | 0.42          | 0.64         | 0.75         | 0.35         |
| Farms   1.3.5.4  | 8.90         | 7.00         | 5.70          | 3.90         | 4.10         | 6.20         |
| Marxian Gross Output   | 94.70        | 84.92        | 71.28         | 54.96        | 52.35        | 62.25        |
| <b>Marxian Gross Output (MGO)</b>  | <b>94.70</b> | <b>84.92</b> | <b>71.28</b>  | <b>54.96</b> | <b>52.35</b> | <b>62.25</b> |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 32.90        | 29.62        | 24.48         | 18.33        | 17.38        | 20.32        |
| <b>Wages and Salaries, after tax</b>   | <b>32.24</b> | <b>29.00</b> | <b>24.11</b>  | <b>18.07</b> | <b>17.09</b> | <b>19.98</b> |
| Top 0.1% of Wages and Salaries   | 2.46         | 1.86         | 1.37          | 1.07         | 1.03         | 1.16         |
| <b>Productive Labour (Wages and Salaries - SNUL - Top 0.1%)</b>                  | <b>9.96</b>  | <b>8.13</b>  | <b>5.39</b>   | <b>2.44</b>  | <b>2.36</b>  | <b>3.08</b>  |
| Top 5% of Income of Productive Labour (μ)  | 3.29         | 2.54         | 1.67          | 0.79         | 0.77         | 1.02         |
| Manufacturing Wages + Transportation Wages and Salaries                          | 20.811       | 18.087       | 14.341        | 10.334       | 10.282       | 12.303       |
| Manu + Trans Wages after tax (v)   | 20.39624385  | 17.7087098   | 14.12271994   | 10.19018688  | 10.10772881  | 12.09832902  |
| Includes ot  |              |              |               |              |              |              |
| <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b>              | <b>19.82</b> | <b>19.01</b> | <b>17.35</b>  | <b>14.57</b> | <b>13.70</b> | <b>15.73</b> |
| ** Wholesale Wages, before tax   | 3.379        | 3.204        | 2.742         | 2.138        | 1.883        | 2.18         |
| ** Retail Wages, before tax  | 5.94         | 5.507        | 4.842         | 3.773        | 3.407        | 3.939        |
| ** FIRE Wages, before tax  | 2.918        | 2.742        | 2.467         | 2.092        | 1.896        | 1.988        |
| Sum total of W R and FIRE wages, before tax                                      | 12.237       | 11.453       | 10.051        | 8.003        | 7.186        | 8.107        |
| ** Sum total of W R and FIRE wages after tax (SNUL)                              | 11.9931      | 11.2135      | 9.8980        | 7.8916       | 7.0642       | 7.9721       |
| <b>New Value Added (nv)</b>  | <b>17.32</b> | <b>13.68</b> | <b>7.16</b>   | <b>1.57</b>  | <b>1.17</b>  | <b>4.58</b>  |
| <b>Variable Capital (v) (Productive Labour - μ)</b>                              | <b>6.67</b>  | <b>5.60</b>  | <b>3.72</b>   | <b>1.64</b>  | <b>1.59</b>  | <b>2.07</b>  |
| <b>Surplus Value (CorpProfits + Top 0.1% - FC)</b>                               | <b>10.65</b> | <b>8.08</b>  | <b>3.447</b>  | <b>-0.08</b> | <b>-0.42</b> | <b>2.51</b>  |
| Corporate Profits   1.14.13  | 9.2          | 6.5          | 2.5           | -0.5         | -0.7         | 1.7          |
| FIRE Profits (pre-normalization)   | 1.3          | 0.5          | 0.5           | 0.6          | 0.7          | 0.4          |
| * New Measure for FIRE Profits (post-normalization)                              | 0.30         | 0.22         | 0.08          | -0.04        | -0.05        | 0.05         |
| Previously Existing Value (cf)   | 77.38        | 71.25        | 64.114        | 53.39        | 51.18        | 57.67        |
| <b>Constant Capital Flow (cf)</b>  | <b>77.38</b> | <b>71.25</b> | <b>64.11</b>  | <b>53.39</b> | <b>51.18</b> | <b>57.67</b> |
| Consumption of fixed capital   | 5.2          | 5.1          | 4.8           | 4.2          | 4            | 4.1          |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>1.98</b>  | <b>1.53</b>  | <b>1.00</b>   | <b>0.65</b>  | <b>0.89</b>  | <b>1.15</b>  |
| Taxes on Corporate Profits   3.1.5   | 1.4          | 0.8          | 0.5           | 0.4          | 0.5          | 0.7          |
| <b>SNUL* (SNUL + μ)</b>  | <b>23.12</b> | <b>21.55</b> | <b>19.023</b> | <b>15.36</b> | <b>14.46</b> | <b>16.75</b> |
| The Various Means of Production and Circulation and Other Necessary Constituents | 45.68        | 42.27        | 38.789        | 32.78        | 31.32        | 34.97        |
| New Value + Previously Existing Value = MGO                                      | 94.70        | 84.92        | 71.278        | 54.96        | 52.35        | 62.25        |
| % Change in MGO  |              | -6.9%        | -6.5%         | -12.7%       | -2.0%        | 12.7%        |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.0199       | 0.0209       | 0.0152        | 0.0139       | 0.0169       | 0.0166       |
| Top 0.1% Income Share   Saez   | 0.0762       | 0.0640       | 0.0568        | 0.0590       | 0.0605       | 0.0582       |
| Top 5% Income Share   Saez   | 0.33         | 0.31         | 0.31          | 0.33         | 0.32         | 0.33         |
| Price Deflator   | 9.424        | 9.079        | 8.146         | 7.193        | 6.993        | 7.376        |
| MGO Deflated   | 1004.847419  | 935.3832831  | 875.0094845   | 764.0337838  | 748.5507486  | 843.9419694  |
| Mass of Surplus Value  | 113.053      | 88.996       | 42.309        | -1.077       | -5.998       | 34.066       |
| ** Phys-Commerce profits   |              |              |               |              |              |              |
| Phys Profits   | 5.321        | 1.799        | -0.496        | -1.614       | 0.44         | 0.965        |
| <u>Phys-commerce profits into bills</u>  | 6.25         | 1.982        | -0.681        | -2.075       | 0.681        | 1.592        |
| Manu   | 4442         | 1443         | -370          | -1283        | 680          | 1166         |
| Trans  | 879          | 356          | -126          | -331         | -240         | -201         |
| Retail   | 575          | 159          | -82           | -299         | 111          | 365          |
| Wholesale  | 354          | 24           | -103          | -162         | 130          | 262          |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>6.55</b>  | <b>2.21</b>  | <b>-0.603</b> | <b>-2.12</b> | <b>0.63</b>  | <b>1.64</b>  |
| 5% productive labour moved to SNUL   | 6.7          | 5.5          | 4.4           | 3.3          | 3.3          | 4.0          |
| 0.1% of total wages moved to surplus value                                       | 2.47         | 1.851517214  | 1.363         | 1.066144295  | 1.0396709    | 1.168839614  |
| TOTAL Wages for Phys-Commerce  | 32.39        | 28.9222      | 24.021        | 18.0818      | 17.1719      | 20.0705      |
| TOTAL Profits after-tax  |              |              |               |              |              |              |
| Farm wages divided by 1000   | 1.30         | 1.18         | 0.92          | 0.67         | 0.62         | 0.68         |
| Financial Profits 1.1.4  | 1.40         | 0.70         | 0.6           | 0.6          | 0.8          | 0.5          |
| FIRE Profits minus FC  | 0.40         | 0.42         | 0.178         | -0.04        | 0.05         | 0.15         |



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## Mage-Smith | \*Smith-Butovsky-Watterton| MNAF

|  | 1935        | 1936        | 1937        | 1938        | 1939        | 1940        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| TOTAL OUTPUT (After-Tax v, s, and cf)  |             |             |             |             |             |             |
| US National Income Accounts  |             |             |             |             |             |             |
| GDP (SBo)   NIA Table 1.1.5 Line 1   | 74.20       | 84.80       | 93.00       | 87.40       | 93.40       | 102.90      |
| Fictitious Capital (FC) in the FIRE Sector                                       | 0.30        | 0.55        | 0.52        | 0.69        | 0.65        | 0.68        |
| Farms   1.3.5.4  | 6.40        | 5.90        | 7.70        | 6.00        | 5.70        | 5.90        |
| Marxian Gross Output   | 67.50       | 78.35       | 84.78       | 80.71       | 87.05       | 96.32       |
| Marxian Gross Output (MGO)   | 67.50       | 78.35       | 84.78       | 80.71       | 87.05       | 96.32       |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 22.32       | 25.43       | 29.51       | 26.32       | 28.81       | 31.87       |
| Wages and Salaries, after tax  | 21.92       | 24.95       | 28.76       | 25.59       | 28.22       | 31.18       |
| Top 0.1% of Wages and Salaries   | 1.27        | 1.67        | 1.77        | 1.32        | 1.54        | 1.74        |
| Productive Labour (Wages and Salaries - SNUL - Top 0.1%)                         | 3.82        | 4.13        | 6.99        | 4.03        | 5.74        | 7.44        |
| Top 5% of Income of Productive Labour (u)  | 1.18        | 1.35        | 2.19        | 1.22        | 1.80        | 2.33        |
| Manufacturing Wages + Transportaion Wages and Salaries                           | 13.713      | 15.647      | 18.12       | 15.016      | 17.014      | 19.223      |
| Manu + Trans Wages after tax (v)   | 13.46490296 | 15.35305347 | 17.65911647 | 14.60311433 | 16.66724728 | 18.81142443 |
| Includes of: Systemically Necessary Unproductive Labour (SNUL), after tax        |             |             |             |             |             |             |
| ** Wholesale Wages, before tax   | 16.83       | 19.15       | 19.99       | 20.24       | 20.94       | 22.01       |
| ** Retail Wages, before tax  | 2.366       | 2.56        | 2.888       | 2.878       | 3.015       | 3.228       |
| ** FIRE Wages, before tax  | 4.265       | 4.674       | 5.287       | 5.131       | 5.371       | 5.792       |
| Sum total of W R and FIRE wages, before tax                                      | 8.689       | 9.470       | 10.581      | 10.332      | 10.765      | 11.473      |
| ** ^ Sum total of W R and FIRE wages after tax (SNUL)                            | 8.5318      | 9.2921      | 10.3119     | 10.0479     | 10.5456     | 11.2274     |
| New Value Added (nv)   | 6.50        | 8.60        | 11.35       | 7.14        | 9.63        | 12.97       |
| Variable Capital (v) [Productive Labour - u]                                     | 2.64        | 2.78        | 4.80        | 2.81        | 3.94        | 5.11        |
| Surplus Value [CorpProfits + Top 0.1% - FC]                                      | 3.87        | 5.82        | 6.55        | 4.33        | 5.69        | 7.86        |
| Corporate Profits   1.14.13  | 2.9         | 4.7         | 5.3         | 3.7         | 4.8         | 6.8         |
| FIRE Profits (pre-normalization)   | 0.4         | 0.7         | 0.7         | 0.8         | 0.8         | 0.9         |
| * New Measure for FIRE Profits (post-normalization)                              | 0.10        | 0.15        | 0.18        | 0.11        | 0.15        | 0.22        |
| Previously Existing Value (cf)   | 60.99       | 69.75       | 73.43       | 73.57       | 77.42       | 83.35       |
| Constant Capital Flow (cf)   | 60.99       | 69.75       | 73.43       | 73.57       | 77.42       | 83.35       |
| Consumption of fixed capital   | 4.2         | 4.2         | 4.7         | 4.8         | 4.8         | 5           |
| Income Taxation (i.e., Taxes on v, SNUL & Top 0.1%)                              | 1.43        | 1.92        | 2.36        | 1.83        | 2.05        | 3.56        |
| Taxes on Corporate Profits   3.1.5   | 1           | 1.4         | 1.5         | 1           | 1.4         | 2.8         |
| SNUL (SNUL + u)  | 18.01       | 20.50       | 22.19       | 21.46       | 22.74       | 24.34       |
| The Various Means of Production and Circulation and Other Necessary Constituents | 36.35       | 41.73       | 42.69       | 44.48       | 46.43       | 47.65       |
| New Value + Previously Existing Value = MGO                                      | 67.50       | 78.35       | 84.78       | 80.71       | 87.05       | 96.32       |
| % Change in MGO  | 6.2%        | 14.7%       | 3.7%        | -2.0%       | 8.9%        | 9.3%        |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.0181      | 0.0188      | 0.0254      | 0.0275      | 0.0204      | 0.0214      |
| Top 0.1% Income Share   Saez   | 0.0580      | 0.0669      | 0.0616      | 0.0516      | 0.0545      | 0.0557      |
| Top 5% Income Share   Saez   | 0.31        | 0.33        | 0.31        | 0.30        | 0.31        | 0.31        |
| Price Deflator   | 7.528       | 7.62        | 7.947       | 7.72        | 7.644       | 7.736       |
| MGO Deflated   | 896.5959708 | 1028.274363 | 1066.778949 | 1045.456024 | 1138.807141 | 1245.092192 |
| Mass of Surplus Value  | 51.359      | 76.419      | 82.405      | 56.072      | 74.421      | 101.581     |
| ** Phys-Commerce profits   |             |             |             |             |             |             |
| Phys Profits   | 1.624       | 2.991       | 3.08        | 1.028       | 3.167       | 4.198       |
| Phys-commerce profits into bills   | 2.32        | 3.988       | 3.947       | 1.521       | 4.027       | 5.209       |
| Manu   | 1762        | 2973        | 3089        | 1265        | 3093        | 4013        |
| Trans  | -138        | 18          | -9          | -237        | 74          | -185        |
| Retail   | 415         | 568         | 506         | 308         | 505         | 584         |
| Wholesale  | 281         | 429         | 361         | 185         | 355         | 427         |
| profits after tax plus normalized FIRE s   | 2.42        | 4.14        | 4.12        | 1.63        | 4.18        | 5.43        |
| 5% productive labour moved to SNUL   | 4.2         | 5.0         | 5.5         | 4.4         | 5.2         | 5.9         |
| 0.1% of total wages moved to surplus value                                       | 1.27512055  | 1.648131863 | 1.723343415 | 1.270937731 | 1.483363031 | 1.674120196 |
| TOTAL Wages for Phys-Commerce  | 21.9967     | 24.6451     | 27.9710     | 24.6510     | 27.2129     | 30.0388     |
| TOTAL Profits after-tax  |             |             |             |             |             |             |
| Farm wages divided by 1000   | 0.78        | 0.87        | 0.99        | 0.98        | 0.99        | 1.03        |
| Financial Profits 1.1.4  | 0.5         | 0.7         | 0.8         | 0.9         | 0.9         | 0.9         |
| FIRE Profits minus FC  | 0.20        | 0.15        | 0.28        | 0.21        | 0.25        | 0.22        |

**Mage-Smith [\*Smith-Butovsky-Watterton] MNAF**

|  | 1941           | 1942           | 1943           | 1944           | 1945           | 1946           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>TOTAL OUTPUT (After-Tax v, s, and cf)</b>                                     |                |                |                |                |                |                |
| US National Income Accounts  |                |                |                |                |                |                |
| <b>GDP (S8n)   NIA Table 1.1.5 Line 1</b>  | 129.30         | 166.00         | 203.10         | 224.40         | 228.00         | 227.50         |
| Fictitious Capital (FC) in the FIRE Sector                                       | 0.65           | 0.59           | 0.66           | 0.84           | 0.82           | 1.28           |
| Farms   1.3.5.4  | 8.30           | 12.40          | 14.60          | 14.60          | 15.10          | 17.80          |
| Marxian Gross Output   | 120.35         | 153.01         | 187.84         | 208.96         | 212.08         | 208.42         |
| <b>Marxian Gross Output (MGO)</b>  | <b>120.35</b>  | <b>153.01</b>  | <b>187.84</b>  | <b>208.96</b>  | <b>212.08</b>  | <b>208.42</b>  |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 40.35          | 51.17          | 62.07          | 64.89          | 61.79          | 67.36          |
| <b>Wages and Salaries, after tax</b>   | <b>39.40</b>   | <b>49.19</b>   | <b>55.43</b>   | <b>58.12</b>   | <b>54.97</b>   | <b>61.01</b>   |
| Top 0.1% of Wages and Salaries   | 2.08           | 2.20           | 2.10           | 1.93           | 1.82           | 2.09           |
| <b>Productive Labour (Wages and Salaries - SNUL - Top 0.1%)</b>                  | <b>12.00</b>   | <b>15.38</b>   | <b>13.27</b>   | <b>8.77</b>    | <b>2.12</b>    | <b>14.13</b>   |
| Top 5% of Income of Productive Labour (u)  | 3.48           | 3.86           | 3.05           | 1.91           | 0.49           | 3.48           |
| Manufacturing Wages + Transportation Wages and Salaries                          | 25.969         | 36.183         | 47.442         | 50.46          | 46.142         | 45.055         |
| Manu + Trans Wages after tax (v)   | 25.35890092    | 34.78365746    | 42.36977593    | 45.19693577    | 41.05010694    | 40.80872055    |
| Includes ot  |                |                |                |                |                |                |
| <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b>              | <b>25.31</b>   | <b>31.61</b>   | <b>40.07</b>   | <b>47.42</b>   | <b>51.03</b>   | <b>44.78</b>   |
| ** Wholesale Wages, before tax   | 3.793          | 4.042          | 4.232          | 4.604          | 5.138          | 6.691          |
| ** Retail Wages, before tax  | 6.591          | 6.929          | 7.661          | 8.367          | 9.527          | 12.869         |
| ** FIRE Wages, before tax  | 2.598          | 2.713          | 2.835          | 2.988          | 3.269          | 4.097          |
| Sum total of W R and FIRE wages, before tax                                      | 12.982         | 13.684         | 14.728         | 15.959         | 17.934         | 23.657         |
| ** ^Sum total of W R and FIRE wages after tax (SNUL)                             | 12.6770        | 13.1548        | 13.1534        | 14.2944        | 15.9549        | 21.4274        |
| <b>New Value Added (sv)</b>  | <b>17.65</b>   | <b>22.13</b>   | <b>22.15</b>   | <b>19.56</b>   | <b>12.04</b>   | <b>19.86</b>   |
| <b>Variable Capital (v) [Productive Labour - u]</b>                              | <b>8.52</b>    | <b>11.52</b>   | <b>10.21</b>   | <b>6.86</b>    | <b>1.64</b>    | <b>10.65</b>   |
| <b>Surplus Value [CorpProfits + Top 0.1% - FC]</b>                               | <b>9.13</b>    | <b>10.61</b>   | <b>11.94</b>   | <b>12.69</b>   | <b>10.41</b>   | <b>9.21</b>    |
| Corporate Profits   1.14.13  | 7.7            | 9              | 10.5           | 11.6           | 9.4            | 8.4            |
| FIRE Profits (pre-normalization)   | 0.9            | 0.9            | 1              | 1.2            | 1.1            | 1.5            |
| * New Measure for FIRE Profits (post-normalization)                              | 0.25           | 0.31           | 0.34           | 0.36           | 0.28           | 0.22           |
| Previously Existing Value (cf)   | 102.70         | 130.88         | 165.69         | 189.40         | 200.04         | 188.56         |
| <b>Constant Capital Flow (cf)</b>  | <b>102.70</b>  | <b>130.88</b>  | <b>165.69</b>  | <b>189.40</b>  | <b>200.04</b>  | <b>188.56</b>  |
| Consumption of fixed capital   | 5.6            | 6.4            | 6.6            | 6.7            | 7              | 8              |
| <b>Income Taxation (i.e., Taxes on v, SNUL + Top 0.1%)</b>                       | <b>8.59</b>    | <b>13.59</b>   | <b>21.95</b>   | <b>21.11</b>   | <b>19.07</b>   | <b>16.97</b>   |
| Taxes on Corporate Profits   3.1.5   | 7.6            | 11.4           | 14.1           | 12.9           | 10.7           | 9.1            |
| <b>SNUL* (SNUL + u)</b>  | <b>28.80</b>   | <b>35.47</b>   | <b>43.12</b>   | <b>49.33</b>   | <b>51.51</b>   | <b>48.27</b>   |
| The Various Means of Production and Circulation and Other Necessary Constituents | 52.11          | 64.02          | 79.92          | 99.36          | 111.76         | 106.22         |
| <br>   |                |                |                |                |                |                |
| New Value + Previously Existing Value = MGO                                      | 120.35         | 153.01         | 187.84         | 208.96         | 212.08         | 208.42         |
| <br>   |                |                |                |                |                |                |
| % Change in MGO  | 17.0%          | 17.8%          | 17.4%          | 8.7%           | -1.1%          | -13.0%         |
| <br>   |                |                |                |                |                |                |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.0235         | 0.0387         | 0.1069         | 0.1043         | 0.1104         | 0.0942         |
| Top 0.1% Income Share   Saez   | 0.0529         | 0.0448         | 0.0378         | 0.0333         | 0.0332         | 0.0343         |
| Top 5% Income Share   Saez   | 0.29           | 0.25           | 0.23           | 0.22           | 0.23           | 0.25           |
| <br>   |                |                |                |                |                |                |
| Price Deflator   | 8.258          | 8.915          | 9.323          | 9.544          | 9.791          | 11.054         |
| MGO Deflated   | 1457.351757    | 1716.296845    | 2014.831959    | 2189.438391    | 2166.097413    | 1885.438803    |
| Mass of Surplus Value  | 110.585        | 119.013        | 128.070        | 133.006        | 106.293        | 83.321         |
| <br>   |                |                |                |                |                |                |
| ** Phys-Commerce profits   |                |                |                |                |                |                |
| Phys Profits   | 6.625          | 6.66           | 7.03           | 6.764          | 4.886          | 7.897          |
| <br>   |                |                |                |                |                |                |
| <u>Phys-commerce profits into bills</u>  | 8.12           | 8.033          | 8.466          | 8.217          | 6.408          | 11.527         |
| Manu   | 6043           | 5536           | 5810           | 5818           | 4372           | 7678           |
| Trans  | 582            | 1124           | 1220           | 946            | 514            | 219            |
| Retail   | 839            | 828            | 896            | 880            | 938            | 2084           |
| Wholesale  | 656            | 545            | 540            | 573            | 584            | 1546           |
| <br>   |                |                |                |                |                |                |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>8.37</b>    | <b>8.34</b>    | <b>8.81</b>    | <b>8.58</b>    | <b>6.69</b>    | <b>11.74</b>   |
| 5% productive labour moved to SNUL   | 7.4            | 8.7            | 9.8            | 9.8            | 9.4            | 10.1           |
| 0.1% of total wages moved to surplus value                                       | 2.01186733     | 2.146239461    | 2.100589701    | 1.979529957    | 1.891923079    | 2.136016626    |
| <b>TOTAL Wages for Phys-Commerce</b>   | <b>38.0359</b> | <b>47.9384</b> | <b>55.5231</b> | <b>59.4914</b> | <b>57.0050</b> | <b>62.2361</b> |
| <br>   |                |                |                |                |                |                |
| <b>TOTAL Profits after-tax</b>   |                |                |                |                |                |                |
| Farm wages divided by 1000   | 1.25           | 1.63           | 2.03           | 2.21           | 2.31           | 2.54           |
| <br>   |                |                |                |                |                |                |
| Financial Profits 1.1.4  | 1              | 1.1            | 1.1            | 1.3            | 1.3            | 1.7            |
| FIRE Profits minus FC  | 0.35           | 0.51           | 0.44           | 0.46           | 0.48           | 0.42           |

# Twilight Capitalism

## Mage-Smith (\*Smith-Butovsky-Watterton) MNAF

|  | 1947           | 1948           | 1949           | 1950           | 1951           | 1952           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>TOTAL OUTPUT (After-tax v, s, and cf)</b>                                     |                |                |                |                |                |                |
| US National Income Accounts  |                |                |                |                |                |                |
| <u>GDP (\$Bn)   NIA Table 1.1.5 Line 1</u>                                       | 249.60         | 274.50         | 272.50         | 299.80         | 346.90         | 367.30         |
| Fictitious Capital (FC) in the FIRE Sector                                       | 0.95           | 1.50           | 1.80           | 1.61           | 1.81           | 2.17           |
| Farms   1.3.5.4  | 19.10          | 22.10          | 17.60          | 18.70          | 21.70          | 20.80          |
| Marxian Gross Output   | 229.55         | 250.90         | 253.10         | 279.49         | 323.39         | 344.33         |
| <b>Marxian Gross Output (MGO)</b>  | <b>229.55</b>  | <b>250.90</b>  | <b>253.10</b>  | <b>279.49</b>  | <b>323.39</b>  | <b>344.33</b>  |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 79.31          | 88.10          | 85.98          | 95.88          | 111.67         | 120.13         |
| <b>Wages and Salaries, after tax</b>   | <b>71.23</b>   | <b>80.18</b>   | <b>79.18</b>   | <b>88.12</b>   | <b>100.21</b>  | <b>106.52</b>  |
| Top 0.1% of Wages and Salaries   | 2.30           | 2.76           | 2.64           | 3.11           | 3.12           | 2.94           |
| <b>Productive Labour (Wages and Salaries - SNUL - Top 0.1%)</b>                  | <b>23.56</b>   | <b>28.20</b>   | <b>24.73</b>   | <b>29.24</b>   | <b>33.37</b>   | <b>34.69</b>   |
| Top 5% of Income of Productive Labour (u)  | 5.49           | 6.68           | 5.80           | 6.98           | 7.57           | 7.58           |
| Manufacturing Wages + Transportation Wages and Salaries                          | 51.544         | 56.928         | 53.987         | 60.179         | 70.678         | 76.015         |
| ** Manu + Trans Wages after tax (v)  | 46.2968473     | 51.80847963    | 49.71611937    | 55.31214891    | 63.42828842    | 67.40445133    |
| Includes of: <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b> | 45.37          | 49.22          | 51.81          | 55.77          | 63.72          | 68.90          |
| ** Wholesale Wages, before tax   | 7.982          | 9.303          | 9.155          | 9.739          | 10.937         | 11.509         |
| ** Retail Wages, before tax  | 14.872         | 14.682         | 15.069         | 16.111         | 17.479         | 18.454         |
| ** FIRE Wages, before tax  | 4.497          | 4.921          | 5.147          | 5.683          | 6.241          | 6.756          |
| Sum total of W R and FIRE wages, before tax                                      | 27.351         | 28.906         | 29.371         | 31.533         | 34.657         | 36.719         |
| ** ^ Sum total of W R and FIRE wages after tax (SNUL)                            | 24.5667        | 26.3065        | 27.0475        | 28.9828        | 31.1021        | 32.5597        |
| New Value Added (sw)   | 31.42          | 40.68          | 37.67          | 40.86          | 44.32          | 46.58          |
| <b>Variable Capital (v) [Productive Labour - μ]</b>                              | <b>18.07</b>   | <b>21.52</b>   | <b>18.93</b>   | <b>22.26</b>   | <b>25.81</b>   | <b>27.11</b>   |
| <b>Surplus Value [Corp Profits + Top 0.1% - FC]</b>                              | <b>13.35</b>   | <b>19.16</b>   | <b>18.74</b>   | <b>18.60</b>   | <b>18.52</b>   | <b>19.47</b>   |
| Corporate Profits   1.14.13  | 12             | 17.9           | 17.9           | 17.1           | 17.2           | 18.1           |
| FIRE Profits (pre-normalization)   | 1.3            | 2              | 2.3            | 2.1            | 2.3            | 2.7            |
| * New Measure for FIRE Profits (post-normalization)                              | 0.35           | 0.50           | 0.50           | 0.49           | 0.49           | 0.53           |
| Previously Existing Value (cf)   | 198.12         | 210.23         | 215.43         | 238.63         | 279.07         | 297.75         |
| <b>Constant Capital Flow (cf)</b>  | <b>198.12</b>  | <b>210.23</b>  | <b>215.43</b>  | <b>238.63</b>  | <b>279.07</b>  | <b>297.75</b>  |
| Consumption of fixed capital   | 9.8            | 11.5           | 12.4           | 13.3           | 15.1           | 16.1           |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>21.26</b>   | <b>21.90</b>   | <b>18.08</b>   | <b>26.64</b>   | <b>35.40</b>   | <b>34.62</b>   |
| Taxes on Corporate Profits   3.1.5   | 11.2           | 12.3           | 10             | 17.7           | 22.3           | 19.1           |
| <b>SNUL* [SNUL + μ]</b>  | <b>50.86</b>   | <b>55.91</b>   | <b>57.61</b>   | <b>62.75</b>   | <b>71.28</b>   | <b>76.48</b>   |
| The Various Means of Production and Circulation and Other Necessary Constituents | 105.01         | 108.62         | 117.33         | 118.23         | 134.98         | 151.45         |
| New Value + Previously Existing Value = MGO                                      | 229.55         | 250.90         | 253.10         | 279.49         | 323.39         | 344.33         |
| % Change in MGO  | -0.8%          | 3.5%           | 1.0%           | 9.1%           | 8.0%           | 4.7%           |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.1018         | 0.0899         | 0.0791         | 0.0809         | 0.1026         | 0.1133         |
| Top 0.1% Income Share   Saez   | 0.0324         | 0.0344         | 0.0334         | 0.0353         | 0.0312         | 0.0276         |
| Top 5% Income Share   Saez   | 0.23           | 0.24           | 0.23           | 0.24           | 0.23           | 0.22           |
| Price Deflator   | 12.267         | 12.956         | 12.935         | 13.095         | 14.024         | 14.266         |
| MGO Deflated   | 1871.26649     | 1936.589253    | 1956.680551    | 2134.318341    | 2305.985053    | 2413.658534    |
| Mass of Surplus Value  | 108.854        | 147.888        | 144.868        | 142.050        | 132.024        | 136.466        |
| ** Phys-Commerce profits   |                |                |                |                |                |                |
| Phys Profits   | 11.961         | 13.503         | 10.452         | 14.842         | 12.412         | 11.332         |
| <b>Phys-Commerce profits into bills</b>  | <b>15.981</b>  | <b>17.281</b>  | <b>13.046</b>  | <b>18.667</b>  | <b>15.277</b>  | <b>13.748</b>  |
| Manu   | 11306          | 12517          | 9779           | 13728          | 11470          | 10483          |
| Trans  | 655            | 986            | 673            | 1114           | 942            | 849            |
| Retail   | 2312           | 2241           | 1624           | 2113           | 1518           | 1376           |
| Wholesale  | 1708           | 1537           | 970            | 1712           | 1347           | 1040           |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>16.33</b>   | <b>17.79</b>   | <b>13.54</b>   | <b>19.16</b>   | <b>15.77</b>   | <b>14.28</b>   |
| 5% productive labour moved to SNUL   | 10.8           | 12.3           | 11.7           | 13.2           | 14.4           | 14.7           |
| 0.1% of total wages moved to surplus value                                       | 2.292928777    | 2.684924005    | 2.561411086    | 2.977131423    | 2.946598334    | 2.754924027    |
| <b>TOTAL Wages for Phys-Commerce</b>   | <b>70.8635</b> | <b>78.1150</b> | <b>76.7636</b> | <b>84.2950</b> | <b>94.5304</b> | <b>99.9641</b> |
| <b>TOTAL Profits after-tax</b>   |                |                |                |                |                |                |
| Farm wages divided by 1000   | 2.79           | 3.00           | 2.82           | 2.82           | 2.93           | 2.87           |
| Financial Profits 1.1.4  | 1.6            | 2.2            | 2.5            | 2.4            | 2.5            | 3              |
| FIRE Profits minus FC  | 0.65           | 0.70           | 0.70           | 0.79           | 0.69           | 0.83           |

**Mage-Smith [\*Smith-Butovsky-Watterton] MNAF**

|  | 1953            | 1954            | 1955            | 1956            | 1957            | 1958            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL OUTPUT (After-Tax v, s, and cf)</b>                                     |                 |                 |                 |                 |                 |                 |
| US National Income Accounts  |                 |                 |                 |                 |                 |                 |
| GDP (SBN)   NIA Table 1.1.5 Line 1   | 389.20          | 390.50          | 425.50          | 449.40          | 474.00          | 481.20          |
| Fictitious Capital (FC) in the FIRE Sector                                       | 2.48            | 2.51            | 2.61            | 2.91            | 2.99            | 2.97            |
| Farms   1.3.5.4  | 18.70           | 18.20           | 17.30           | 17.10           | 16.90           | 19.10           |
| Marxian Gross Output   | 368.02          | 369.79          | 405.59          | 429.39          | 454.11          | 459.13          |
| <b>Marxian Gross Output (MGO)</b>  | <b>368.02</b>   | <b>369.79</b>   | <b>405.59</b>   | <b>429.39</b>   | <b>454.11</b>   | <b>459.13</b>   |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 131.25          | 129.59          | 142.00          | 155.59          | 163.79          | 161.13          |
| <b>Wages and Salaries, after tax</b>   | <b>116.69</b>   | <b>116.64</b>   | <b>127.50</b>   | <b>139.22</b>   | <b>146.47</b>   | <b>144.76</b>   |
| Top 0.1% of Wages and Salaries   | 2.92            | 2.99            | 3.17            | 3.32            | 3.46            | 3.32            |
| <b>Productive Labour (Wages and Salaries - SNUL - Top 0.1%)</b>                  | <b>41.09</b>    | <b>38.26</b>    | <b>44.16</b>    | <b>49.69</b>    | <b>52.08</b>    | <b>45.59</b>    |
| Top 5% of Income of Productive Labour (u)  | 8.63            | 8.25            | 9.44            | 10.61           | 11.02           | 9.69            |
| Manufacturing Wages + Transportation Wages and Salaries                          | 83.631          | 79.346          | 86.367          | 92.949          | 96.542          | 92.129          |
| ** Manu + Trans Wages after tax (v)  | 74.35108957     | 71.41665122     | 77.60242782     | 83.1705194      | 86.33688098     | 82.77024934     |
| Includes ot  |                 |                 |                 |                 |                 |                 |
| <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b>              | <b>72.67</b>    | <b>75.39</b>    | <b>80.26</b>    | <b>86.21</b>    | <b>90.94</b>    | <b>95.85</b>    |
| ** Wholesale Wages, before tax   | 12.226          | 12.532          | 13.344          | 14.801          | 15.566          | 15.973          |
| ** Retail Wages, before tax  | 19.673          | 20.083          | 21.462          | 22.88           | 23.934          | 24.285          |
| ** FIRE Wages, before tax  | 7.365           | 7.98            | 8.662           | 9.454           | 10.091          | 10.75           |
| Sum total of W R and FIRE wages, before tax                                      | 39.264          | 40.595          | 43.468          | 47.135          | 49.591          | 51.008          |
| * Sum total of W R and FIRE wages after tax (SNUL)                               | 34.9072         | 36.5382         | 39.0568         | 42.1763         | 44.3489         | 45.8264         |
| ** New Value Added (sv)  | 51.50           | 50.69           | 61.28           | 64.69           | 66.72           | 59.15           |
| <b>Variable Capital (v)   Productive Labour - µ</b>                              | <b>32.46</b>    | <b>30.01</b>    | <b>34.72</b>    | <b>39.08</b>    | <b>41.06</b>    | <b>35.90</b>    |
| <b>Surplus Value (CorpProfits + Top 0.1% - FC)</b>                               | <b>19.04</b>    | <b>20.68</b>    | <b>26.56</b>    | <b>25.61</b>    | <b>25.66</b>    | <b>23.25</b>    |
| Corporate Profits   1.14.13  | 18.6            | 20.2            | 26              | 25.2            | 25.2            | 22.9            |
| * FIRE Profits (pre-normalization)   | 3               | 3.1             | 3.4             | 3.7             | 3.8             | 3.7             |
| * New Measure for FIRE Profits (post-normalization)                              | 0.52            | 0.59            | 0.79            | 0.79            | 0.81            | 0.73            |
| Previously Existing Value (cf)   | 316.52          | 319.09          | 344.31          | 364.70          | 387.39          | 399.98          |
| <b>Constant Capital Flow (cf)</b>  | <b>316.52</b>   | <b>319.09</b>   | <b>344.31</b>   | <b>364.70</b>   | <b>387.39</b>   | <b>399.98</b>   |
| Consumption of fixed capital   | 17.3            | 18.3            | 19.6            | 22.1            | 24.6            | 26.4            |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>36.37</b>    | <b>31.47</b>    | <b>37.66</b>    | <b>39.65</b>    | <b>39.76</b>    | <b>35.86</b>    |
| Taxes on Corporate Profits   3.1.5   | 19.9            | 17.3            | 21.8            | 21.6            | 20.9            | 18.4            |
| <b>SNUL*   SNUL + µ</b>  | <b>81.31</b>    | <b>83.64</b>    | <b>89.70</b>    | <b>96.82</b>    | <b>101.96</b>   | <b>105.54</b>   |
| The Various Means of Production and Circulation and Other Necessary Constituents | 161.64          | 168.38          | 175.55          | 184.53          | 200.17          | 213.78          |
| <br>   |                 |                 |                 |                 |                 |                 |
| New Value + Previously Existing Value = MGO                                      | 368.02          | 369.79          | 405.59          | 429.39          | 454.11          | 459.13          |
| <br>   |                 |                 |                 |                 |                 |                 |
| % Change in MGO  | 5.6%            | -0.4%           | 7.9%            | 2.4%            | 2.4%            | -1.1%           |
| <br>   |                 |                 |                 |                 |                 |                 |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.1110          | 0.0999          | 0.1015          | 0.1052          | 0.1057          | 0.1016          |
| Top 0.1% Income Share   Saez   | 0.0251          | 0.0257          | 0.0249          | 0.0238          | 0.0236          | 0.0229          |
| Top 5% Income Share   Saez   | 0.21            | 0.22            | 0.21            | 0.21            | 0.21            | 0.21            |
| <br>   |                 |                 |                 |                 |                 |                 |
| Price Deflator   | 14.439          | 14.573          | 14.819          | 15.324          | 15.832          | 16.192          |
| MGO Deflated   | 2548.791468     | 2537.480485     | 2736.943086     | 2802.065068     | 2868.29174      | 2835.52856      |
| Mass of Surplus Value  | 131.897         | 141.910         | 179.236         | 167.097         | 162.099         | 143.576         |
| <br>   |                 |                 |                 |                 |                 |                 |
| ** Phys-Commerce profits   |                 |                 |                 |                 |                 |                 |
| Phys Profits   | 12.316          | 12.06           | 16.164          | 16.389          | 15.459          | 12.499          |
| <br>   |                 |                 |                 |                 |                 |                 |
| <b>Phys-commerce profits into bills</b>  | <b>14.49</b>    | <b>14.128</b>   | <b>19.069</b>   | <b>19.366</b>   | <b>18.237</b>   | <b>15.166</b>   |
| Manu   | 11564           | 11668           | 15475           | 15736           | 14993           | 12174           |
| Trans  | 752             | 392             | 689             | 653             | 466             | 325             |
| Retail   | 1231            | 1217            | 1592            | 1529            | 1448            | 1421            |
| Wholesale  | 943             | 851             | 1313            | 1448            | 1330            | 1246            |
| <br>   |                 |                 |                 |                 |                 |                 |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>15.01</b>    | <b>14.72</b>    | <b>19.86</b>    | <b>20.15</b>    | <b>19.04</b>    | <b>15.89</b>    |
| 5% productive labour moved to SNUL   | 15.6            | 15.4            | 16.6            | 17.8            | 18.3            | 17.6            |
| 0.1% of total wages moved to surplus value                                       | 2.738362936     | 2.770483928     | 2.901443007     | 2.986907937     | 3.083058762     | 2.948380793     |
| <b>TOTAL Wages for Phys-Commerce</b>   | <b>109.2583</b> | <b>107.9548</b> | <b>116.6593</b> | <b>125.3468</b> | <b>130.6858</b> | <b>128.5967</b> |
| <br>   |                 |                 |                 |                 |                 |                 |
| <b>TOTAL Profits after-tax</b>   |                 |                 |                 |                 |                 |                 |
| Farm wages divided by 1000   | 2.75            | 2.61            | 2.60            | 2.61            | 2.71            | 2.87            |
| <br>   |                 |                 |                 |                 |                 |                 |
| Financial Profits 1.1.4  | 3.3             | 3.3             | 3.7             | 4               | 4.1             | 4.1             |
| FIRE Profits minus FC  | 0.82            | 0.79            | 1.09            | 1.09            | 1.11            | 1.13            |

# Twilight Capitalism

## Mage-Smith [\*Smith-Butovsky-Watterton] MNAF

|  | 1959        | 1960        | 1961        | 1962        | 1963        | 1964        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| TOTAL OUTPUT (After-Tax, v, s, and cf)   |             |             |             |             |             |             |
| US National Income Accounts  |             |             |             |             |             |             |
| GDP (S&B)   NIA Table 1.1.5 Line 1   | 521.70      | 542.40      | 562.20      | 603.90      | 637.50      | 684.50      |
| Fictitious Capital (FC) in the FIRE Sector                                       | 4.25        | 4.55        | 4.30        | 4.52        | 3.91        | 4.26        |
| Farms   1.3.5.4  | 17.30       | 18.20       | 18.30       | 18.40       | 18.50       | 17.30       |
| Marxian Gross Output   | 500.15      | 519.65      | 539.60      | 580.98      | 615.09      | 662.94      |
| Marxian Gross Output (MGO)   | 500.15      | 519.65      | 539.60      | 580.98      | 615.09      | 662.94      |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 177.35      | 187.61      | 192.38      | 207.68      | 219.29      | 235.74      |
| Wages and Salaries, after tax  | 158.73      | 167.12      | 171.72      | 184.82      | 194.99      | 212.49      |
| Top 0.1% of Wages and Salaries   | 3.48        | 3.50        | 3.53        | 3.67        | 3.83        | 4.18        |
| Productive Labour (Wages and Salaries - SNUL - Top 0.1%)                         | 53.98       | 56.22       | 55.48       | 61.45       | 64.41       | 69.78       |
| Top 5% of Income of Productive Labour (u)  | 11.35       | 11.53       | 11.60       | 12.87       | 13.46       | 14.39       |
| Manufacturing Wages + Transportation Wages and Salaries                          | 101.16      | 104.40      | 104.37      | 111.852     | 116.212     | 123.615     |
| Manu + Trans Wages after tax (v)   | 90.53932986 | 93.00232172 | 93.16550386 | 99.54064505 | 103.3362386 | 111.4220021 |
| Includes ot  |             |             |             |             |             |             |
| ** Systemically Necessary Unproductive Labour (SNUL), after tax                  | 101.27      | 107.39      | 112.72      | 119.70      | 126.75      | 138.53      |
| ** Wholesale Wages, before tax   | 17.057      | 18.027      | 18.567      | 19.51       | 20.496      | 21.905      |
| ** Retail Wages, before tax  | 26.114      | 27.77       | 28.168      | 29.912      | 31.645      | 34.04       |
| ** FIRE Wages, before tax  | 11.624      | 12.33       | 13.221      | 13.876      | 14.722      | 15.82       |
| Sum total of W R and FIRE wages, before tax                                      | 54.795      | 58.127      | 59.956      | 63.298      | 66.863      | 71.765      |
| ** ^ Sum total of W R and FIRE wages after tax (SNUL)                            | 49.0421     | 51.7786     | 53.5195     | 56.3309     | 59.4549     | 64.6863     |
| New Value Added (v+w)  | 71.86       | 73.34       | 73.51       | 84.73       | 91.77       | 102.01      |
| Variable Capital (v) [Productive Labour - μ]                                     | 42.63       | 44.69       | 43.88       | 48.58       | 50.95       | 55.39       |
| Surplus Value (CorpProfits + Top 0.1% - FC)                                      | 29.23       | 28.65       | 29.63       | 36.14       | 40.82       | 46.62       |
| Corporate Profits   1.14.13  | 30          | 29.7        | 30.4        | 37          | 40.9        | 46.7        |
| FIRE Profits (pre-normalization)   | 5.2         | 5.5         | 5.3         | 5.8         | 5.4         | 6           |
| * New Measure for FIRE Profits (post-normalization)                              | 0.95        | 0.95        | 1.00        | 1.28        | 1.49        | 1.74        |
| Previously Existing Value (cf)   | 428.29      | 446.30      | 466.10      | 496.25      | 523.32      | 560.93      |
| Constant Capital Flow (cf)   | 428.29      | 446.30      | 466.10      | 496.25      | 523.32      | 560.93      |
| Consumption of fixed capital   | 27.6        | 28.5        | 29.5        | 30.8        | 32.4        | 34.4        |
| Income Taxation (i.e., Taxes on v, SNUL & Top 0.1%)                              | 42.86       | 43.22       | 43.57       | 47.01       | 50.68       | 50.50       |
| Taxes on Corporate Profits   3.1.5   | 22.7        | 21.8        | 22.1        | 23.2        | 25.4        | 26.4        |
| SNUL* [SNUL + μ]   | 112.62      | 118.92      | 124.32      | 132.57      | 140.21      | 152.92      |
| The Various Means of Production and Circulation and Other Necessary Constituents | 222.52      | 233.86      | 246.61      | 262.67      | 274.63      | 296.71      |
| New Value + Previously Existing Value = MGO                                      | 500.15      | 519.65      | 539.60      | 580.98      | 615.09      | 662.94      |
| % Change in MGO  | 7.5%        | 2.5%        | 2.7%        | 6.4%        | 4.7%        | 6.2%        |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.1050      | 0.1092      | 0.1074      | 0.1101      | 0.1108      | 0.0986      |
| Top 0.1% Income Share   Saez   | 0.0219      | 0.0210      | 0.0205      | 0.0198      | 0.0196      | 0.0197      |
| Top 5% Income Share   Saez   | 0.21        | 0.21        | 0.21        | 0.21        | 0.21        | 0.21        |
| Price Deflator   | 16.414      | 16.638      | 16.815      | 17.02       | 17.215      | 17.477      |
| MGO Deflated   | 3047.092648 | 3123.266135 | 3209.067804 | 3413.498913 | 3572.977194 | 3793.217537 |
| Mass of Surplus Value  | 178.067     | 172.212     | 176.217     | 212.365     | 237.100     | 266.776     |
| Phys-Commerce profits  | 16.377      | 14.951      | 13.963      | 16.525      | 18.463      | 21.346      |
| PhysProfits  | 16.377      | 14.951      | 13.963      | 16.525      | 18.463      | 21.346      |
| Phys-commerce profits into bills   | 19.773      | 17.816      | 17.162      | 20.205      | 22.328      | 26.427      |
| Manu   | 15927       | 14651       | 13654       | 16036       | 17749       | 20448       |
| Trans  | 450         | 300         | 309         | 489         | 714         | 898         |
| Retail   | 1816        | 1495        | 1778        | 2079        | 2205        | 2958        |
| Wholesale  | 1580        | 1370        | 1421        | 1601        | 1660        | 2123        |
| profits after tax plus normalized FIREs  | 20.72       | 18.77       | 18.17       | 21.48       | 23.82       | 28.17       |
| 5% productive labour moved to SNUL   | 19.0        | 19.1        | 19.5        | 20.8        | 21.6        | 23.0        |
| 0.1% of total wages moved to surplus value                                       | 3.058609503 | 3.035266803 | 3.012029762 | 3.09267436  | 3.196495985 | 3.467548427 |
| TOTAL Wages for Phys-Commerce  | 139.5815    | 144.7809    | 146.6850    | 155.8715    | 162.7911    | 176.1083    |
| TOTAL Profits after-tax  |             |             |             |             |             |             |
| Farm wages divided by 1000   | 2.95        | 3.09        | 3.23        | 3.32        | 3.41        | 3.46        |
| Financial Profits 1.1.4  | 5.5         | 5.7         | 5.6         | 5.9         | 5.5         | 6.1         |
| FIRE Profits minus FC  | 1.25        | 1.15        | 1.30        | 1.38        | 1.59        | 1.84        |

**Mage-Smith [\*Smith-Butovsky-Watterton] MNAF**

|  | 1965            | 1966            | 1967            | 1968            | 1969            | 1970            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL OUTPUT (After-Tax v, s, and cf)</b>                                     |                 |                 |                 |                 |                 |                 |
| US National Income Accounts  |                 |                 |                 |                 |                 |                 |
| <u>GDP (Sbn)   NIA Table 1.1.5 Line 1</u>  | 742.30          | 813.40          | 860.00          | 940.70          | 1017.60         | 1073.30         |
| Fictitious Capital (FC) in the FIRE Sector                                       | 4.35            | 5.44            | 5.59            | 6.76            | 7.68            | 9.44            |
| Farms   1.3.5.4  | 19.90           | 20.80           | 20.10           | 20.50           | 22.80           | 23.70           |
| Marxian Gross Output   | 718.05          | 787.16          | 834.31          | 913.44          | 987.12          | 1040.16         |
| <b>Marxian Gross Output (MGO)</b>  | <b>718.05</b>   | <b>787.16</b>   | <b>834.31</b>   | <b>913.44</b>   | <b>987.12</b>   | <b>1040.16</b>  |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 256.34          | 284.88          | 304.77          | 336.43          | 373.48          | 393.79          |
| <b>Wages and Salaries, after tax</b>   | <b>230.42</b>   | <b>254.38</b>   | <b>271.35</b>   | <b>296.39</b>   | <b>324.71</b>   | <b>346.85</b>   |
| Top 0.1% of Wages and Salaries   | 4.69            | 5.48            | 5.86            | 6.36            | 6.50            | 6.72            |
| <b>Productive Labour (Wages and Salaries - SNUL - Top 0.1%)</b>                  | <b>76.99</b>    | <b>86.15</b>    | <b>88.65</b>    | <b>96.15</b>    | <b>108.12</b>   | <b>107.67</b>   |
| Top 5% of Income of Productive Labour (μ)  | 15.94           | 18.08           | 18.68           | 20.17           | 22.36           | 21.95           |
| Manufacturing Wages + Transportation Wages and Salaries                          | 132.954         | 146.785         | 154.028         | 167.393         | 180.894         | 182.897         |
| Manu + Trans Wages after tax (v)   | 119.5118311     | 131.0724029     | 137.1374427     | 147.4679884     | 157.2735789     | 161.0973691     |
| Includes ot  |                 |                 |                 |                 |                 |                 |
| <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b>              | <b>148.74</b>   | <b>162.75</b>   | <b>176.84</b>   | <b>193.87</b>   | <b>210.09</b>   | <b>232.46</b>   |
| ** Wholesale Wages, before tax   | 23.541          | 25.715          | 27.568          | 29.866          | 32.846          | 35.52           |
| ** Retail Wages, before tax  | 36.714          | 39.643          | 42.445          | 46.776          | 51.321          | 55.17           |
| ** FIRE Wages, before tax  | 16.915          | 18.243          | 20.031          | 22.613          | 25.063          | 27.311          |
| Sum total of W R and FIRE wages, before tax                                      | 77.170          | 83.601          | 90.044          | 99.255          | 109.230         | 118.001         |
| ** Sum total of W R and FIRE wages after tax (SNUL)                              | 69.3678         | 74.6519         | 80.1699         | 87.4405         | 94.9672         | 103.9364        |
| <b>New Value Added (sv)</b>  | <b>116.20</b>   | <b>127.51</b>   | <b>128.34</b>   | <b>134.48</b>   | <b>139.48</b>   | <b>130.90</b>   |
| <b>Variable Capital (v) [Productive Labour - μ]</b>                              | <b>61.05</b>    | <b>68.07</b>    | <b>69.97</b>    | <b>75.98</b>    | <b>85.76</b>    | <b>85.72</b>    |
| <b>Surplus Value [CorpProfits + Top 0.1% - FC]</b>                               | <b>55.15</b>    | <b>59.44</b>    | <b>58.37</b>    | <b>58.50</b>    | <b>53.71</b>    | <b>45.18</b>    |
| Corporate Profits   1.14.13  | 54.8            | 59.4            | 58.1            | 58.9            | 54.9            | 47.9            |
| FIRE Profits (pre-normalization)   | 6.5             | 7.8             | 7.9             | 9.1             | 9.9             | 11.3            |
| * New Measure for FIRE Profits (post-normalization)                              | 2.15            | 2.36            | 2.31            | 2.34            | 2.22            | 1.86            |
| Previously Existing Value (cf)   | 601.85          | 659.65          | 705.97          | 778.96          | 847.64          | 909.26          |
| <b>Constant Capital Flow (cf)</b>  | <b>601.85</b>   | <b>659.65</b>   | <b>705.97</b>   | <b>778.96</b>   | <b>847.64</b>   | <b>909.26</b>   |
| Consumption of fixed capital   | 37.1            | 40.9            | 45.1            | 50              | 55.7            | 61.8            |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>56.47</b>    | <b>63.59</b>    | <b>64.98</b>    | <b>77.75</b>    | <b>86.70</b>    | <b>78.60</b>    |
| Taxes on Corporate Profits   3.1.5   | 29.6            | 32              | 30.7            | 36.9            | 36.7            | 30.9            |
| <b>SNUL<sup>A</sup> [SNUL + μ]</b>   | <b>164.68</b>   | <b>180.84</b>   | <b>195.52</b>   | <b>214.04</b>   | <b>232.45</b>   | <b>254.41</b>   |
| The Various Means of Production and Circulation and Other Necessary Constituents | 314.01          | 342.32          | 369.67          | 400.27          | 436.09          | 483.56          |
| <br>   |                 |                 |                 |                 |                 |                 |
| New Value + Previously Existing Value = MGO                                      | 718.05          | 787.16          | 834.31          | 913.44          | 987.12          | 1040.16         |
| <br>   |                 |                 |                 |                 |                 |                 |
| % Change in MGO  | 6.4%            | 6.6%            | 3.0%            | 5.0%            | 3.0%            | 0.1%            |
| <br>   |                 |                 |                 |                 |                 |                 |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.1011          | 0.1070          | 0.1097          | 0.1190          | 0.1306          | 0.1192          |
| Top 0.1% Income Share   Saez   | 0.0204          | 0.0215          | 0.0216          | 0.0215          | 0.0200          | 0.0194          |
| Top 5% Income Share   Saez   | 0.21            | 0.21            | 0.21            | 0.21            | 0.21            | 0.20            |
| <br>   |                 |                 |                 |                 |                 |                 |
| Price Deflator   | 17.798          | 18.296          | 18.827          | 19.628          | 20.591          | 21.677          |
| MGO Deflated   | 4034.450028     | 4302.376009     | 4431.468104     | 4653.747696     | 4793.924682     | 4798.438462     |
| Mass of Surplus Value  | 309.842         | 324.894         | 310.053         | 298.025         | 260.866         | 208.417         |
| <br>   |                 |                 |                 |                 |                 |                 |
| ** Phys-Commerce profits   |                 |                 |                 |                 |                 |                 |
| Phys-Profits   | 26.927          | 29.191          | 26.999          | 27.799          | 25.41           | 19.921          |
| <br>   |                 |                 |                 |                 |                 |                 |
| <u>Phys-commerce profits into bills</u>  | 32.866          | 35.314          | 33.563          | 35.282          | 33.256          | 27.741          |
| Manu   | 25639           | 27837           | 26269           | 27436           | 25397           | 20545           |
| Trans  | 1288            | 1354            | 730             | 363             | 13              | -624            |
| Retail   | 3395            | 3356            | 3924            | 4409            | 4464            | 4353            |
| Wholesale  | 2544            | 2767            | 2640            | 3074            | 3382            | 3467            |
| <br>   |                 |                 |                 |                 |                 |                 |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>35.02</b>    | <b>37.68</b>    | <b>35.88</b>    | <b>37.62</b>    | <b>35.47</b>    | <b>29.60</b>    |
| 5% productive labour moved to SNUL   | 24.7            | 27.5            | 28.9            | 30.9            | 32.5            | 32.8            |
| 0.1% of total wages moved to surplus value                                       | 3.847835777     | 4.431659434     | 4.693842804     | 5.039849067     | 5.047727959     | 5.135751887     |
| <b>TOTAL Wages for Phys-Commerce</b>   | <b>188.8796</b> | <b>205.7243</b> | <b>217.3073</b> | <b>234.9085</b> | <b>252.2408</b> | <b>265.0337</b> |
| <br>   |                 |                 |                 |                 |                 |                 |
| <b>TOTAL Profits after-tax</b>   |                 |                 |                 |                 |                 |                 |
| Farm wages divided by 1000   | 3.56            | 3.62            | 3.63            | 3.77            | 4.02            | 4.22            |
| <br>   |                 |                 |                 |                 |                 |                 |
| Financial Profits 1.1.4  | 6.6             | 8               | 8               | 9.3             | 10              | 11.5            |
| FIRE Profits minus FC  | 2.25            | 2.56            | 2.41            | 2.54            | 2.32            | 2.06            |

# Twilight Capitalism

## Mage-Smith [\*Smith-Butovsky-Watterton] MNAF

|  | 1971            | 1972            | 1973            | 1974            | 1975            | 1976            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL OUTPUT (After-Tax v, s, and cf)</b>                                     |                 |                 |                 |                 |                 |                 |
| US National Income Accounts  |                 |                 |                 |                 |                 |                 |
| <u>GDP (Sbn)   NIA Table 1.1.5 Line 1</u>  | 1164.90         | 1279.10         | 1425.40         | 1545.20         | 1684.90         | 1873.40         |
| Fictitious Capital (FC) in the FIRE Sector                                       | 10.46           | 11.16           | 12.97           | 13.82           | 11.76           | 13.58           |
| Farms   1.3.5.4  | 25.40           | 29.70           | 46.80           | 44.20           | 45.60           | 43.00           |
| Marxian Gross Output   | 1129.04         | 1238.24         | 1365.63         | 1487.18         | 1627.54         | 1816.82         |
| <b>Marxian Gross Output (MGO)</b>  | <b>1129.04</b>  | <b>1238.24</b>  | <b>1365.63</b>  | <b>1487.18</b>  | <b>1627.54</b>  | <b>1816.82</b>  |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 417.49          | 463.85          | 520.97          | 571.31          | 601.32          | 675.46          |
| <b>Wages and Salaries, after tax</b>   | <b>371.97</b>   | <b>407.89</b>   | <b>460.51</b>   | <b>502.39</b>   | <b>536.51</b>   | <b>597.82</b>   |
| Top 0.1% of Wages and Salaries   | 7.12            | 7.81            | 8.69            | 10.58           | 10.93           | 12.07           |
| <b>Productive Labour (Wages and Salaries - SNUL - Top 0.1%)</b>                  | <b>112.44</b>   | <b>128.88</b>   | <b>152.77</b>   | <b>166.99</b>   | <b>168.51</b>   | <b>198.78</b>   |
| Top 5% of Income of Productive Labour (L)  | 23.05           | 26.25           | 31.43           | 35.13           | 35.43           | 41.44           |
| Manufacturing Wages + Transportation Wages and Salaries                          | 186.875         | 203.691         | 228.427         | 245.868         | 246.119         | 276.497         |
| Manu + Trans Wages after tax (v)   | 166.5006566     | 179.1168589     | 201.9160123     | 216.2098533     | 219.5912036     | 244.7180622     |
| Includes ot  |                 |                 |                 |                 |                 |                 |
| <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b>              | <b>252.41</b>   | <b>271.19</b>   | <b>299.05</b>   | <b>324.82</b>   | <b>357.06</b>   | <b>386.97</b>   |
| Wholesale Wages, before tax  | 37.631          | 41.033          | 46.096          | 52.071          | 55.08           | 60.317          |
| Retail Wages, before tax   | 59.369          | 64.515          | 70.957          | 77.237          | 83.151          | 92.616          |
| FIRE Wages, before tax   | 29.747          | 32.714          | 36.115          | 39.611          | 43.116          | 47.572          |
| Sum total of W R and FIRE wages, before tax                                      | 126.747         | 138.262         | 153.168         | 168.919         | 181.347         | 200.505         |
| ^ Sum total of W R and FIRE wages after tax (SNUL)                               | 112.9262        | 121.5815        | 135.3915        | 148.5429        | 161.8006        | 177.4601        |
| <b>New Value Added (nv)</b>  | <b>144.06</b>   | <b>167.88</b>   | <b>189.97</b>   | <b>189.63</b>   | <b>210.26</b>   | <b>254.23</b>   |
| <b>Variable Capital (v) [Productive Labour - µ]</b>                              | <b>89.40</b>    | <b>102.63</b>   | <b>121.35</b>   | <b>131.86</b>   | <b>133.08</b>   | <b>157.34</b>   |
| <b>Surplus Value [CorpProfits + Top 0.1% - FC]</b>                               | <b>54.66</b>    | <b>65.25</b>    | <b>68.62</b>    | <b>57.77</b>    | <b>77.18</b>    | <b>96.89</b>    |
| Corporate Profits   1.14.13  | 58              | 68.6            | 72.9            | 61              | 78              | 98.4            |
| FIRE Profits (pre-normalization)   | 12.8            | 14.1            | 16.1            | 16.4            | 15.6            | 18.8            |
| New Measure for FIRE Profits (post-normalization)                                | 2.34            | 2.94            | 3.13            | 2.58            | 3.84            | 5.22            |
| Previously Existing Value (cf)   | 984.98          | 1070.36         | 1175.67         | 1297.55         | 1417.29         | 1562.59         |
| <b>Constant Capital Flow (cf)</b>  | <b>984.98</b>   | <b>1070.36</b>  | <b>1175.67</b>  | <b>1297.55</b>  | <b>1417.29</b>  | <b>1562.59</b>  |
| Consumption of fixed capital   | 67.6            | 73.4            | 82              | 96              | 113.5           | 125             |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>79.48</b>    | <b>93.74</b>    | <b>104.84</b>   | <b>115.94</b>   | <b>110.11</b>   | <b>134.45</b>   |
| Taxes on Corporate Profits   3.1.5   | 34.4            | 38.6            | 44.9            | 46.2            | 45.5            | 58.3            |
| <b>SNUL^ [SNUL + µ]</b>  | <b>275.45</b>   | <b>297.45</b>   | <b>330.47</b>   | <b>359.95</b>   | <b>392.49</b>   | <b>428.41</b>   |
| The Various Means of Production and Circulation and Other Necessary Constituents | 528.05          | 567.16          | 613.45          | 679.47          | 755.69          | 816.42          |
| <b>New Value + Previously Existing Value = MGO</b>                               | <b>1129.04</b>  | <b>1238.24</b>  | <b>1365.63</b>  | <b>1487.18</b>  | <b>1627.54</b>  | <b>1816.82</b>  |
| <b>% Change in MGO</b>   | <b>3.3%</b>     | <b>5.1%</b>     | <b>4.6%</b>     | <b>-0.1%</b>    | <b>0.2%</b>     | <b>5.8%</b>     |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.1090          | 0.1206          | 0.1161          | 0.1206          | 0.1078          | 0.1149          |
| Top 0.1% Income Share   Saez   | 0.0191          | 0.0192          | 0.0189          | 0.0211          | 0.0204          | 0.0202          |
| Top 5% Income Share   Saez   | 0.20            | 0.20            | 0.21            | 0.21            | 0.21            | 0.21            |
| Price Deflator   | 22.776          | 23.761          | 25.063          | 27.318          | 29.849          | 31.491          |
| MGO Deflated   | 4957.163603     | 5211.217784     | 5448.800011     | 5443.964569     | 5452.591127     | 5769.319746     |
| Mass of Surplus Value  | 240.010         | 274.614         | 273.788         | 211.462         | 258.562         | 307.668         |
| Phys-Commerce profits  |                 |                 |                 |                 |                 |                 |
| Phys Profits   | 24.993          | 31.032          | 40.73           | 47.454          | 42.551          | 56.854          |
| <b>Phys-commerce profits into bills</b>  | <b>33.993</b>   | <b>42.524</b>   | <b>56.967</b>   | <b>67.138</b>   | <b>61.593</b>   | <b>77.615</b>   |
| Manu   | 24885           | 30342           | 40045           | 45721           | 42641           | 55063           |
| Trans  | 108             | 690             | 685             | 1733            | -90             | 1791            |
| Retail   | 5173            | 5312            | 6321            | 6161            | 7273            | 8784            |
| Wholesale  | 3827            | 6180            | 9916            | 13523           | 11769           | 11977           |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>36.34</b>    | <b>45.46</b>    | <b>60.10</b>    | <b>69.72</b>    | <b>65.44</b>    | <b>82.83</b>    |
| 5% productive labour moved to SNUL   | 34.1            | 36.5            | 41.5            | 45.5            | 46.2            | 51.0            |
| 0.1% of total wages moved to surplus value                                       | 5.34942592      | 5.760234999     | 6.362802721     | 7.684907217     | 7.772890331     | 8.524558066     |
| <b>TOTAL Wages for Phys-Commerce</b>   | <b>279.4289</b> | <b>300.6983</b> | <b>337.3075</b> | <b>364.7528</b> | <b>381.3918</b> | <b>422.1782</b> |
| <b>TOTAL Profits after-tax</b>   |                 |                 |                 |                 |                 |                 |
| Farm wages divided by 1000   | 4.21            | 4.35            | 5.13            | 5.99            | 6.48            | 7.35            |
| Financial Profits 1.1.4  | 13.1            | 14.1            | 15.9            | 16.4            | 16.1            | 19.6            |
| FIRE Profits minus FC  | 2.64            | 2.94            | 2.93            | 2.58            | 4.34            | 6.02            |

**Mage-Smith [\*Smith-Butovsky-Watterton] MNAF**

|  | 1977            | 1978            | 1979            | 1980            | 1981            | 1982            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL OUTPUT (After-Tax v, s, and cf)</b>                                     |                 |                 |                 |                 |                 |                 |
| US National Income Accounts  |                 |                 |                 |                 |                 |                 |
| <b>GDP (Sbn)   NIA Table 1.1.5 Line 1</b>  | 2081.80         | 2351.60         | 2627.30         | 2857.30         | 3207.00         | 3348.80         |
| Fictitious Capital (FC) in the FIRE Sector                                       | 17.12           | 22.03           | 22.71           | 18.49           | 13.75           | 11.13           |
| Farms   1.3.5.4  | 43.50           | 50.70           | 60.10           | 51.40           | 65.00           | 60.40           |
| Marxian Gross Output   | 2021.18         | 2278.87         | 2544.49         | 2787.41         | 3128.25         | 3272.27         |
| <b>Marxian Gross Output (MGO)</b>  | <b>2021.18</b>  | <b>2278.87</b>  | <b>2544.49</b>  | <b>2787.41</b>  | <b>3128.25</b>  | <b>3272.27</b>  |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 763.91          | 876.53          | 995.50          | 1092.80         | 1211.65         | 1265.09         |
| <b>Wages and Salaries, after tax</b>   | <b>672.79</b>   | <b>768.54</b>   | <b>866.97</b>   | <b>951.95</b>   | <b>1050.81</b>  | <b>1104.34</b>  |
| Top 0.1% of Wages and Salaries   | 13.74           | 15.98           | 18.71           | 21.24           | 23.38           | 27.06           |
| <b>Productive Labour [Wages and Salaries - SNUL - Top 0.1%]</b>                  | <b>237.63</b>   | <b>283.23</b>   | <b>331.44</b>   | <b>358.03</b>   | <b>399.17</b>   | <b>399.40</b>   |
| Top 5% of Income of Productive Labour (u)  | 49.51           | 59.09           | 69.04           | 75.79           | 83.70           | 85.45           |
| Manufacturing Wages + Transportation Wages and Salaries                          | 309.716         | 348.887         | 390.131         | 415.144         | 450.674         | 448.251         |
| Manu + Trans Wages after tax (v)   | 272.7748257     | 305.9055893     | 339.7606999     | 361.6340895     | 390.8517017     | 391.2963397     |
| Includes of:   |                 |                 |                 |                 |                 |                 |
| <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b>              | <b>421.43</b>   | <b>469.33</b>   | <b>516.83</b>   | <b>572.68</b>   | <b>628.26</b>   | <b>677.89</b>   |
| Wholesale Wages, before tax  | 66.707          | 75.429          | 86.165          | 95.57           | 105.661         | 110.696         |
| Retail Wages, before tax   | 101.872         | 114.009         | 125.409         | 134.739         | 145.42          | 152.446         |
| FIRE Wages, before tax   | 53.133          | 61.907          | 70.582          | 80.65           | 90.45           | 99.107          |
| Sum total of W R and FIRE wages, before tax                                      | 221.712         | 251.345         | 282.156         | 310.959         | 341.531         | 362.249         |
| Sum total of W R and FIRE wages after tax (SNUL)                                 | 195.2674        | 220.3804        | 245.7265        | 270.8780        | 296.1963        | 316.2217        |
| <b>New Value Added (nv)</b>  | <b>302.94</b>   | <b>355.90</b>   | <b>392.00</b>   | <b>397.58</b>   | <b>472.61</b>   | <b>475.88</b>   |
| Variable Capital (v) [Productive Labour - u]                                     | 188.12          | 224.15          | 262.40          | 282.23          | 315.47          | 313.94          |
| <b>Surplus Value [CorpProfits + Top 0.1% - FC]</b>                               | <b>114.82</b>   | <b>131.75</b>   | <b>129.60</b>   | <b>115.35</b>   | <b>157.14</b>   | <b>161.93</b>   |
| Corporate Profits   1.14.13  | 118.2           | 137.8           | 133.6           | 112.6           | 147.5           | 146             |
| FIRE Profits (pre-normalization)   | 23.6            | 29.6            | 30.2            | 25.1            | 23.6            | 21.5            |
| New Measure for FIRE Profits (post-normalization)                                | 6.48            | 7.57            | 7.49            | 6.61            | 9.85            | 10.37           |
| Previously Existing Value (cf)   | 1718.24         | 1922.97         | 2152.49         | 2389.83         | 2655.65         | 2796.40         |
| <b>Constant Capital Flow (cf)</b>  | <b>1718.24</b>  | <b>1922.97</b>  | <b>2152.49</b>  | <b>2389.83</b>  | <b>2655.65</b>  | <b>2796.40</b>  |
| Consumption of fixed capital   | 140.5           | 159.3           | 183.4           | 212.1           | 244.9           | 272.5           |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>154.20</b>   | <b>177.67</b>   | <b>200.79</b>   | <b>210.48</b>   | <b>227.63</b>   | <b>210.30</b>   |
| Taxes on Corporate Profits   3.1.5   | 67.1            | 76.5            | 78.7            | 73.1            | 67.1            | 47.9            |
| <b>SNUL* [SNUL + u]</b>  | <b>470.93</b>   | <b>528.42</b>   | <b>585.87</b>   | <b>648.47</b>   | <b>711.96</b>   | <b>763.34</b>   |
| The Various Means of Production and Circulation and Other Necessary Constituents | 885.51          | 981.09          | 1103.74         | 1245.68         | 1404.06         | 1502.36         |
| <b>New Value + Previously Existing Value = MGO</b>                               | <b>2021.18</b>  | <b>2278.87</b>  | <b>2544.49</b>  | <b>2787.41</b>  | <b>3128.25</b>  | <b>3272.27</b>  |
| % Change in MGO  | 4.7%            | 5.3%            | 3.1%            | 0.5%            | 2.5%            | -1.5%           |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.1193          | 0.1232          | 0.1291          | 0.1289          | 0.1327          | 0.1271          |
| Top 0.1% Income Share   Saez   | 0.0204          | 0.0208          | 0.0216          | 0.0223          | 0.0223          | 0.0245          |
| Top 5% Income Share   Saez   | 0.21            | 0.21            | 0.21            | 0.21            | 0.21            | 0.21            |
| Price Deflator   | 33.448          | 35.801          | 38.771          | 42.273          | 46.273          | 49.132          |
| MGO Deflated   | 6042.759588     | 6365.390791     | 6562.86848      | 6593.830078     | 6760.431714     | 6660.165177     |
| Mass of Surplus Value  | 343.273         | 368.016         | 334.265         | 272.867         | 339.590         | 329.586         |
| <b>Phys-Commerce profits</b>   | <b>63.683</b>   | <b>77.216</b>   | <b>86.116</b>   | <b>76.508</b>   | <b>84.73</b>    | <b>63.424</b>   |
| Phys-Profits   |                 |                 |                 |                 |                 |                 |
| <b>Phys-commerce profits into bills</b>  | <b>88.032</b>   | <b>106.366</b>  | <b>119.22</b>   | <b>107.179</b>  | <b>115.117</b>  | <b>91.301</b>   |
| Manu   | 61293           | 74164           | 82901           | 74463           | 84255           | 64968           |
| Trans  | 2390            | 3052            | 3215            | 2045            | 475             | -1544           |
| Retail   | 10651           | 12467           | 12041           | 10164           | 9626            | 11035           |
| Wholesale  | 13698           | 16683           | 21063           | 20507           | 20761           | 16842           |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>94.51</b>    | <b>113.94</b>   | <b>126.71</b>   | <b>113.79</b>   | <b>124.97</b>   | <b>101.67</b>   |
| 5% productive labour moved to SNUL   | 56.8            | 63.8            | 70.8            | 76.6            | 82.0            | 83.7            |
| 0.1% of total wages moved to surplus value                                       | 9.555618605     | 10.942781       | 12.63403433     | 14.11222083     | 15.28915217     | 17.33623036     |
| <b>TOTAL Wages for Phys-Commerce</b>   | <b>468.0423</b> | <b>526.2859</b> | <b>585.4872</b> | <b>632.5121</b> | <b>687.0480</b> | <b>707.5181</b> |
| <b>TOTAL Profits after-tax</b>   |                 |                 |                 |                 |                 |                 |
| Farm wages divided by 1000   | 7.79            | 8.17            | 8.90            | 9.20            | 8.96            | 10.01           |
| Financial Profits 1.1.4  | 24.7            | 30.5            | 31.7            | 28              | 25.9            | 24.6            |
| FIRE Profits minus FC  | 7.58            | 8.47            | 8.99            | 9.51            | 12.15           | 13.47           |



# Twilight Capitalism

## Mage-Smith [\*Smith-Butovsky-Watterton] MNAF

|  | 1983           | 1984           | 1985           | 1986           | 1987           | 1988           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>TOTAL OUTPUT (After-Tax v, s, and cf)</b>                                     |                |                |                |                |                |                |
| US National Income Accounts  |                |                |                |                |                |                |
| <u>GDP (Sbn)   NIA Table 1.1.5 Line 1</u>  | 3634.00        | 4037.60        | 4339.00        | 4579.60        | 4855.20        | 5236.40        |
| Fictitious Capital (FC) in the FIRE Sector                                       | 16.48          | 8.93           | 15.14          | 22.92          | 21.74          | 20.67          |
| Farms   1.3.5.4  | 44.90          | 64.20          | 63.70          | 59.90          | 62.00          | 61.40          |
| Marxian Gross Output   | 3572.62        | 3964.47        | 4260.16        | 4496.78        | 4771.46        | 5154.33        |
| <b>Marxian Gross Output (MGO)</b>  | <b>3572.62</b> | <b>3964.47</b> | <b>4260.16</b> | <b>4496.78</b> | <b>4771.46</b> | <b>5154.33</b> |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 1343.34        | 1491.35        | 1606.00        | 1714.13        | 1838.19        | 1991.72        |
| <b>Wages and Salaries, after tax</b>   | <b>1184.32</b> | <b>1320.19</b> | <b>1415.64</b> | <b>1513.10</b> | <b>1611.01</b> | <b>1756.49</b> |
| Top 0.1% of Wages and Salaries   | 30.89          | 37.36          | 41.21          | 43.39          | 60.03          | 91.57          |
| <b>Productive Labour [Wages and Salaries - SNUL - Top 0.1%]</b>                  | <b>418.64</b>  | <b>469.90</b>  | <b>493.02</b>  | <b>515.45</b>  | <b>548.11</b>  | <b>566.88</b>  |
| Top 5% of Income of Productive Labour (μ)  | 91.21          | 103.83         | 110.32         | 116.43         | 134.23         | 152.76         |
| Manufacturing Wages + Transportation Wages and Salaries                          | 464.191        | 514.006        | 540.457        | 555.697        | 577.386        | 616.085        |
| ** Manu + Trans Wages after tax (v)  | 409.2404771    | 455.0140276    | 476.3976126    | 490.5275305    | 506.0289257    | 543.3209804    |
| Includes ot  |                |                |                |                |                |                |
| <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b>              | <b>734.78</b>  | <b>812.93</b>  | <b>881.41</b>  | <b>954.27</b>  | <b>1002.88</b> | <b>1098.04</b> |
| ** Wholesale Wages, before tax   | 114.503        | 127.808        | 137.011        | 144.277        | 155.045        | 169.968        |
| ** Retail Wages, before tax  | 164.026        | 181.152        | 195.521        | 209.357        | 223.171        | 240.017        |
| ** FIRE Wages, before tax  | 111.498        | 123.559        | 138.639        | 158.074        | 176.899        | 191.283        |
| Sum total of W R and FIRE wages, before tax                                      | 390.027        | 432.519        | 471.171        | 511.708        | 555.115        | 601.268        |
| ** ^ Sum total of W R and FIRE wages after tax (SNUL)                            | 343.8559       | 382.8792       | 415.3240       | 451.6973       | 486.5103       | 530.2540       |
| <b>New Value Added (s+v)</b>   | <b>520.15</b>  | <b>614.30</b>  | <b>643.56</b>  | <b>612.48</b>  | <b>657.47</b>  | <b>718.21</b>  |
| <b>Variable Capital (v) [Productive Labour - μ]</b>                              | <b>327.44</b>  | <b>366.07</b>  | <b>382.70</b>  | <b>399.01</b>  | <b>413.88</b>  | <b>414.11</b>  |
| <b>Surplus Value [CorpProfits + Top 0.1% - FC]</b>                               | <b>192.71</b>  | <b>248.23</b>  | <b>260.86</b>  | <b>213.47</b>  | <b>243.59</b>  | <b>304.10</b>  |
| Corporate Profits   1.14.13  | 178.3          | 219.8          | 234.8          | 193            | 205.3          | 233.2          |
| FIRE Profits (pre-normalization)   | 29.5           | 26.8           | 34.8           | 39             | 40.2           | 43.2           |
| * New Measure for FIRE Profits (post-normalization)                              | 13.02          | 17.87          | 19.66          | 16.08          | 18.46          | 22.53          |
| Previously Existing Value (cf)   | 3052.47        | 3350.17        | 3616.60        | 3884.30        | 4113.99        | 4436.12        |
| <b>Constant Capital Flow (cf)</b>  | <b>3052.47</b> | <b>3350.17</b> | <b>3616.60</b> | <b>3884.30</b> | <b>4113.99</b> | <b>4436.12</b> |
| Consumption of fixed capital   | 285.9          | 303.2          | 326.9          | 349.9          | 371.3          | 399.9          |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>220.81</b>  | <b>246.70</b>  | <b>260.74</b>  | <b>275.40</b>  | <b>319.88</b>  | <b>337.75</b>  |
| Taxes on Corporate Profits   3.1.5   | 63             | 78             | 78.7           | 88.7           | 109.4          | 119.8          |
| <b>SNUL^ [SNUL + μ]</b>  | <b>825.99</b>  | <b>916.76</b>  | <b>991.74</b>  | <b>1070.70</b> | <b>1137.11</b> | <b>1250.81</b> |
| The Various Means of Production and Circulation and Other Necessary Constituents | 1656.77        | 1805.51        | 1958.52        | 2099.60        | 2176.30        | 2327.86        |
| <br>   |                |                |                |                |                |                |
| New Value + Previously Existing Value = MGO                                      | 3572.62        | 3964.47        | 4260.16        | 4496.78        | 4771.46        | 5154.33        |
| <br>   |                |                |                |                |                |                |
| % Change in MGO  | 5.1%           | 7.1%           | 4.2%           | 3.5%           | 3.5%           | 4.3%           |
| <br>   |                |                |                |                |                |                |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.1184         | 0.1148         | 0.1185         | 0.1173         | 0.1236         | 0.1181         |
| Top 0.1% Income Share   Saez   | 0.0261         | 0.0283         | 0.0291         | 0.0287         | 0.0373         | 0.0521         |
| Top 5% Income Share   Saez   | 0.22           | 0.22           | 0.22           | 0.23           | 0.24           | 0.269485445    |
| <br>   |                |                |                |                |                |                |
| Price Deflator   | 51.056         | 52.898         | 54.571         | 55.67          | 57.046         | 59.059         |
| MGO Deflated   | 6997.455034    | 7494.553041    | 7806.629108    | 8077.559425    | 8364.23256     | 8727.4307      |
| Mass of Surplus Value  | 377.456        | 469.258        | 478.024        | 383.450        | 427.003        | 514.913        |
| <br>   |                |                |                |                |                |                |
| ** Phys-Commerce profits   |                |                |                |                |                |                |
| PhysProfits  | 66.21          | 77.989         | 72.759         | 36.209         | 62.221         | 86.065         |
| <br>   |                |                |                |                |                |                |
| <u>Phys-commerce profits into bills</u>  |                |                |                |                |                |                |
| Manu   | 99.545         | 115.938        | 102.767        | 64.726         | 93.018         | 120.7          |
| Manu   | 65186          | 74601          | 72207          | 37246          | 62962          | 87224          |
| Trans  | 1024           | 3388           | 552            | -1037          | -741           | -1159          |
| Retail   | 14421          | 15278          | 15940          | 14783          | 15882          | 15058          |
| Wholesale  | 18914          | 22671          | 14068          | 13734          | 14915          | 19577          |
| <br>   |                |                |                |                |                |                |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>112.57</b>  | <b>133.81</b>  | <b>122.42</b>  | <b>80.80</b>   | <b>111.48</b>  | <b>143.23</b>  |
| 5% productive labour moved to SNUL   | 89.2           | 100.5          | 106.6          | 110.8          | 123.9          | 146.4          |
| 0.1% of total wages moved to surplus value                                       | 19.64466547    | 23.71096698    | 25.95648842    | 27.0187968     | 36.98294738    | 55.96746781    |
| TOTAL Wages for Phys-Commerce  | 753.0964       | 837.8932       | 891.7216       | 942.2249       | 992.5392       | 1073.5750      |
| <br>   |                |                |                |                |                |                |
| TOTAL Profits after-tax  |                |                |                |                |                |                |
| Farm wages divided by 1000   | 9.66           | 9.75           | 9.90           | 9.27           | 9.41           | 10.58          |
| <br>   |                |                |                |                |                |                |
| Financial Profits 1.1.4  | 31.5           | 29.2           | 35.9           | 40.7           | 41.9           | 46.6           |
| FIRE Profits minus FC  | 15.02          | 20.27          | 20.76          | 17.78          | 20.16          | 25.93          |

**Mage-Smith | \*Smith-Butovsky-Watterton | MNAF**

|  | 1989             | 1990             | 1991             | 1992             | 1993             |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>TOTAL OUTPUT (After-Tax v, s, and cf)</b>                                     |                  |                  |                  |                  |                  |
| US National Income Accounts  |                  |                  |                  |                  |                  |
| <u>GDP (\$Bn)   NIA Table 1.1.5 Line 1</u>                                       | 5641.60          | 5963.10          | 6158.10          | 6520.30          | 6858.60          |
| Fictitious Capital (FC) in the FIRE Sector                                       | 28.23            | 34.09            | 54.41            | 53.29            | 26.97            |
| Farms   1.3.5.4  | 73.90            | 77.80            | 70.40            | 79.90            | 71.30            |
| Marxian Gross Output   | 5539.47          | 5851.21          | 6033.29          | 6387.11          | 6760.33          |
| <b>Marxian Gross Output (MGO)</b>  | <b>5539.47</b>   | <b>5851.21</b>   | <b>6033.29</b>   | <b>6387.11</b>   | <b>6760.33</b>   |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 2107.89          | 2221.47          | 2264.56          | 2407.49          | 2501.51          |
| <b>Wages and Salaries, after tax</b>   | <b>1849.19</b>   | <b>1952.61</b>   | <b>2002.30</b>   | <b>2135.34</b>   | <b>2214.66</b>   |
| Top 0.1% of Wages and Salaries   | 87.64            | 95.65            | 87.24            | 111.33           | 104.44           |
| <b>Productive Labour (Wages and Salaries - SNUL - Top 0.1%)</b>                  | <b>599.42</b>    | <b>615.47</b>    | <b>618.33</b>    | <b>648.09</b>    | <b>680.05</b>    |
| Top 5% of Income of Productive Labour (u)  | 159.83           | 166.51           | 163.42           | 180.69           | 186.41           |
| Manufacturing Wages + Transportaion Wages and Salaries                           | 638.803          | 657.891          | 667.104          | 688.272          | 701.215          |
| ** Manu + Trans Wages after tax (v)  | 560.4026923      | 578.2160186      | 585.423427       | 610.4670079      | 620.8056092      |
| Includes ot  |                  |                  |                  |                  |                  |
| <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b>              | <b>1162.13</b>   | <b>1241.49</b>   | <b>1296.72</b>   | <b>1375.92</b>   | <b>1430.16</b>   |
| ** Wholesale Wages, before tax   | 181.732          | 188.706          | 191.476          | 202.072          | 204.433          |
| ** Retail Wages, before tax  | 253.072          | 263.211          | 268.282          | 278.376          | 292.002          |
| ** FIRE Wages, before tax  | 197.251          | 208.002          | 215.155          | 238.393          | 249.813          |
| Sum total of W R and FIRE wages, before tax                                      | 632.055          | 659.919          | 674.913          | 718.841          | 746.248          |
| ** <sup>A</sup> Sum total of W R and FIRE wages after tax (SNUL)                 | 554.4829         | 580.0513         | 596.7490         | 637.5804         | 660.6746         |
| <b>New Value Added (nv)</b>  | <b>721.70</b>    | <b>730.32</b>    | <b>746.04</b>    | <b>797.64</b>    | <b>863.71</b>    |
| <b>Variable Capital (v)   Productive Labour - u</b>                              | <b>439.59</b>    | <b>448.96</b>    | <b>454.91</b>    | <b>467.40</b>    | <b>493.64</b>    |
| <b>Surplus Value [CorpProfits + Top 0.1% - FC]</b>                               | <b>282.11</b>    | <b>281.35</b>    | <b>291.13</b>    | <b>330.25</b>    | <b>370.07</b>    |
| Corporate Profits   1.14.13  | 222.7            | 219.8            | 258.3            | 272.2            | 292.6            |
| FIRE Profits (pre-normalization)   | 49.9             | 55.8             | 78.8             | 79.6             | 58.9             |
| * New Measure for FIRE Profits (post-normalization)                              | 21.67            | 21.71            | 24.39            | 26.31            | 31.93            |
| Previously Existing Value (cf)   | 4817.77          | 5120.89          | 5287.25          | 5589.47          | 5896.62          |
| <b>Constant Capital Flow (cf)</b>  | <b>4817.77</b>   | <b>5120.89</b>   | <b>5287.25</b>   | <b>5589.47</b>   | <b>5896.62</b>   |
| Consumption of fixed capital   | 427.1            | 454.7            | 479.6            | 494.3            | 517.2            |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>358.10</b>    | <b>366.31</b>    | <b>350.01</b>    | <b>364.06</b>    | <b>392.58</b>    |
| Taxes on Corporate Profits   3.1.5   | 119.8            | 117              | 112.8            | 149.4            | 149.4            |
| <b>SNUL * [SNUL + u]</b>   | <b>1321.95</b>   | <b>1408.00</b>   | <b>1460.15</b>   | <b>1556.61</b>   | <b>1616.58</b>   |
| The Various Means of Production and Circulation and Other Necessary Constituents | 2590.81          | 2774.88          | 2884.69          | 3048.10          | 3220.86          |
| <br>   |                  |                  |                  |                  |                  |
| New Value + Previously Existing Value = MGO                                      | 5539.47          | 5851.21          | 6033.29          | 6387.11          | 6760.33          |
| <br>   |                  |                  |                  |                  |                  |
| % Change in MGO  | 3.4%             | 1.8%             | -0.3%            | 3.5%             | 3.4%             |
| <br>   |                  |                  |                  |                  |                  |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.1227           | 0.1210           | 0.1158           | 0.1130           | 0.1147           |
| Top 0.1% Income Share   Saez   | 0.0474           | 0.0490           | 0.0436           | 0.0521           | 0.0472           |
| Top 5% Income Share   Saez   | 0.266634496      | 0.270539691      | 0.264297154      | 0.278805317      | 0.274117001      |
| <br>   |                  |                  |                  |                  |                  |
| Price Deflator   | 61.374           | 63.671           | 65.825           | 67.325           | 68.92            |
| MGO Deflated   | 9025.758906      | 9189.751681      | 9165.646097      | 9486.987747      | 9808.953299      |
| Mass of Surplus Value  | 459.662          | 441.887          | 442.278          | 490.528          | 536.954          |
| <br>   |                  |                  |                  |                  |                  |
| ** Phys-Commerce profits   |                  |                  |                  |                  |                  |
| Phys Profits   | 70.333           | 65.917           | 54.844           | 57.889           | 70.238           |
| <br>   |                  |                  |                  |                  |                  |
| <u>Phys-commerce profits into bills</u>  | 104.641          | 96.319           | 91.466           | 97.677           | 121.771          |
| Manu   | 75506            | 73197            | 59855            | 63944            | 70846            |
| Trans  | -5173            | -7280            | -5011            | -6055            | -608             |
| Retail   | 15750            | 15113            | 19829            | 20758            | 30438            |
| Wholesale  | 18558            | 15289            | 16793            | 19030            | 21095            |
| <br>   |                  |                  |                  |                  |                  |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>126.31</b>    | <b>118.03</b>    | <b>115.85</b>    | <b>123.99</b>    | <b>153.70</b>    |
| 5% productive labour moved to SNUL   | 149.4            | 156.4            | 154.7            | 170.2            | 170.2            |
| 0.1% of total wages moved to surplus value                                       | 52.84066978      | 56.73699949      | 51.5087061       | 65.07154711      | 60.43178757      |
| <b>TOTAL Wages for Phys-Commerce</b>   | <b>1114.8856</b> | <b>1158.2673</b> | <b>1182.1724</b> | <b>1248.0474</b> | <b>1281.4802</b> |
| <br>   |                  |                  |                  |                  |                  |
| <b>TOTAL Profits after-tax</b>   |                  |                  |                  |                  |                  |
| Farm wages divided by 1000   | 11.41            | 13.44            | 13.24            | 13.01            | 14.19            |
| <br>   |                  |                  |                  |                  |                  |
| Financial Profits 1.1.4  | 55.1             | 66.2             | 91.2             | 95               | 72.9             |
| FIRE Profits minus FC  | 26.87            | 32.11            | 36.79            | 41.71            | 45.93            |

# Twilight Capitalism

## Mage-Smith [\*Smith-Butovsky-Watterton] MNAF

|  | 1984             | 1985             | 1986             | 1987             | 1988             |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>TOTAL OUTPUT (After-Tax v, s, and cf)</b>                                     |                  |                  |                  |                  |                  |
| US National Income Accounts  |                  |                  |                  |                  |                  |
| <b>GDP (Sbn)   NIA Table 1.1.5 Line 1</b>  | 7287.20          | 7639.70          | 8073.10          | 8577.60          | 9062.80          |
| Fictitious Capital (FC) in the FIRE Sector                                       | 32.21            | 31.71            | 30.62            | 43.75            | 27.34            |
| Farms   1.3.5.4  | 83.60            | 68.40            | 92.60            | 88.10            | 79.00            |
| Marxian Gross Output   | 7171.39          | 7539.59          | 7949.88          | 8445.75          | 8956.46          |
| <b>Marxian Gross Output (MGO)</b>  | <b>7171.39</b>   | <b>7539.59</b>   | <b>7949.88</b>   | <b>8445.75</b>   | <b>8956.46</b>   |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 2634.57          | 2772.42          | 2937.67          | 3159.46          | 3429.29          |
| <b>Wages and Salaries, after tax</b>   | <b>2327.52</b>   | <b>2442.62</b>   | <b>2569.46</b>   | <b>2744.37</b>   | <b>2963.86</b>   |
| Top 0.1% of Wages and Salaries   | 109.50           | 121.72           | 136.82           | 159.34           | 183.76           |
| <b>Productive Labour [Wages and Salaries - SNUL - Top 0.1%]</b>                  | <b>724.05</b>    | <b>745.67</b>    | <b>771.03</b>    | <b>812.65</b>    | <b>992.80</b>    |
| Top 5% of Income of Productive Labour (u)  | 199.13           | 212.22           | 224.83           | 242.59           | 301.39           |
| Manufacturing Wages + Transportaion Wages and Salaries                           | 736.651          | 769.407          | 801.826          | 855.447          | 904.488          |
| Manu + Trans Wages after tax (v)   | 650.7986         | 677.8813938      | 701.3231109      | 743.0598989      | 781.7286679      |
| Includes ot  |                  |                  |                  |                  |                  |
| <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b>              | <b>1493.97</b>   | <b>1575.24</b>   | <b>1661.60</b>   | <b>1772.39</b>   | <b>1787.30</b>   |
| Wholesale Wages, before tax  | 216.561          | 233.47           | 246.56           | 266.995          | 242.234          |
| Retail Wages, before tax   | 310.842          | 328.552          | 344.612          | 365.296          | 301.906          |
| FIRE Wages, before tax   | 255.814          | 269.421          | 295.473          | 325.962          | 352.198          |
| Sum total of W R and FIRE wages, before tax                                      | 783.217          | 831.443          | 886.645          | 958.253          | 896.338          |
| Sum total of W R and FIRE wages after tax (SNUL)                                 | 691.9376         | 732.5378         | 775.5107         | 832.3594         | 774.6848         |
| <b>New Value Added (nv)</b>  | <b>976.31</b>    | <b>1042.25</b>   | <b>1128.50</b>   | <b>1223.05</b>   | <b>1331.73</b>   |
| Variable Capital (v) [Productive Labour - u]                                     | 524.91           | 533.44           | 546.20           | 570.06           | 691.41           |
| <b>Surplus Value [CorpProfits + Top 0.1% - FC]</b>                               | <b>451.40</b>    | <b>508.81</b>    | <b>582.30</b>    | <b>652.99</b>    | <b>640.32</b>    |
| Corporate Profits   1.14.13  | 374.1            | 418.8            | 476.1            | 537.4            | 483.9            |
| FIRE Profits (pre-normalization)   | 73.3             | 78.3             | 83.5             | 101.9            | 80.6             |
| New Measure for FIRE Profits (post-normalization)                                | 41.09            | 46.59            | 52.88            | 58.15            | 53.26            |
| Previously Existing Value (cf)   | 6195.08          | 6497.34          | 6821.38          | 7222.71          | 7624.73          |
| <b>Constant Capital Flow (cf)</b>  | <b>6195.08</b>   | <b>6497.34</b>   | <b>6821.38</b>   | <b>7222.71</b>   | <b>7624.73</b>   |
| Consumption of fixed capital   | 547.6            | 590.4            | 626.3            | 670.1            | 715              |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>437.62</b>    | <b>471.00</b>    | <b>523.76</b>    | <b>581.08</b>    | <b>629.52</b>    |
| Taxes on Corporate Profits   3.1.5   | 166.2            | 187.6            | 203.6            | 216.5            | 212.6            |
| <b>SNUL* [SNUL + u]</b>  | <b>1693.11</b>   | <b>1787.46</b>   | <b>1886.43</b>   | <b>2014.98</b>   | <b>2088.69</b>   |
| The Various Means of Production and Circulation and Other Necessary Constituents | 3350.56          | 3460.88          | 3581.29          | 3740.04          | 3978.93          |
| New Value + Previously Existing Value = MGO                                      | 7171.39          | 7539.59          | 7949.88          | 8445.75          | 8956.46          |
| % Change in MGO  | 3.9%             | 3.0%             | 3.5%             | 4.4%             | 4.9%             |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.1165           | 0.1190           | 0.1253           | 0.1314           | 0.1357           |
| Top 0.1% Income Share   Saez   | 0.0470           | 0.0498           | 0.0533           | 0.0581           | 0.0620           |
| Top 5% Income Share   Saez   | 0.275029649      | 0.28461          | 0.2916           | 0.29852          | 0.30358          |
| Price Deflator   | 70.392           | 71.868           | 73.183           | 74.445           | 75.283           |
| MGO Deflated   | 10187.79792      | 10490.88759      | 10863.00882      | 11344.95415      | 11897.06035      |
| Mass of Surplus Value  | 641.264          | 707.974          | 795.676          | 877.143          | 850.555          |
| Phys-Commerce profits  | 105.259          | 139.851          | 143.311          | 163.781          | 125.358          |
| Phys Profits   |                  |                  |                  |                  |                  |
| <b>Phys-commerce profits into bills</b>  | <b>166.908</b>   | <b>199.094</b>   | <b>211.28</b>    | <b>242.374</b>   | <b>210.215</b>   |
| Manu   | 102400           | 135499           | 138741           | 159618           | 118327           |
| Trans  | 2859             | 4352             | 4570             | 4163             | 7031             |
| Retail   | 35433            | 34670            | 39778            | 44741            | 44685            |
| Wholesale  | 26216            | 24573            | 28191            | 33852            | 40172            |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>208.00</b>    | <b>245.69</b>    | <b>264.16</b>    | <b>300.53</b>    | <b>263.48</b>    |
| 5% productive labour moved to SNUL   | 179.0            | 192.9            | 204.5            | 221.8            | 237.3            |
| 0.1% of total wages moved to surplus value                                       | 63.17244786      | 70.28119028      | 78.64139958      | 91.46884623      | 96.49763538      |
| <b>TOTAL Wages for Phys-Commerce</b>   | <b>1342.7362</b> | <b>1410.4192</b> | <b>1476.8338</b> | <b>1575.4193</b> | <b>1556.4135</b> |
| <b>TOTAL Profits after-tax</b>   |                  |                  |                  |                  |                  |
| Farm wages divided by 1000   | 14.44            | 15.48            | 16.03            | 17.14            | 18.21            |
| Financial Profits 1.1.4  | 85.6             | 86.2             | 89.4             | 98.9             | 75.8             |
| FIRE Profits minus FC  | 53.39            | 54.49            | 58.78            | 55.15            | 48.46            |

**Mage-Smith [\*Smith-Butovsky-Watterton] MNAF**

|  | 1999             | 2000             | 2001             | 2002             | 2003             |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>TOTAL OUTPUT (After-Tax v, s, and cf)</b>                                     |                  |                  |                  |                  |                  |
| US National Income Accounts  |                  |                  |                  |                  |                  |
| <b>GDP (Sbn)   NIA Table 1.1.5 Line 1</b>  | 9630.70          | 10252.30         | 10581.80         | 10936.40         | 11458.20         |
| Fictitious Capital (FC) in the FIRE Sector                                       | 50.15            | 45.04            | 102.72           | 157.15           | 159.07           |
| Farms   1.3.5.4  | 70.90            | 76.00            | 78.10            | 74.00            | 91.10            |
| Marxian Gross Output   | 9509.65          | 10131.26         | 10400.98         | 10705.25         | 11208.03         |
| <b>Marxian Gross Output (MGO)</b>  | <b>9509.65</b>   | <b>10131.26</b>  | <b>10400.98</b>  | <b>10705.25</b>  | <b>11208.03</b>  |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 3665.39          | 3989.18          | 3992.97          | 3951.91          | 4020.41          |
| <b>Wages and Salaries, after tax</b>   | <b>3156.07</b>   | <b>3419.20</b>   | <b>3443.61</b>   | <b>3497.91</b>   | <b>3595.17</b>   |
| Top 0.1% of Wages and Salaries   | 209.41           | 243.69           | 215.50           | 207.60           | 219.63           |
| <b>Productive Labour (Wages and Salaries - SNUL - Top 0.1%)</b>                  | <b>1028.95</b>   | <b>1093.32</b>   | <b>1182.79</b>   | <b>1136.22</b>   | <b>1114.05</b>   |
| Top 5% of Income of Productive Labour (u)  | 318.65           | 344.51           | 359.55           | 344.98           | 341.51           |
| Manufacturing Wages + Transportation Wages and Salaries                          | 826.721          | 860.456          | 909.593          | 880.946          | 844.701          |
| ** Manu + Trans Wages after tax (v)  | 711.8443982      | 737.5124047      | 784.4502303      | 779.7415693      | 755.3563409      |
| Includes of  |                  |                  |                  |                  |                  |
| <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b>              | 1917.71          | 2082.20          | 2045.33          | 2154.08          | 2261.49          |
| ** Wholesale Wages, before tax   | 259.617          | 282.522          | 285.192          | 282.489          | 289.905          |
| ** Retail Wages, before tax  | 322.387          | 345.491          | 354.158          | 359.186          | 367.015          |
| ** FIRE Wages, before tax  | 379.652          | 416.789          | 445.109          | 443.107          | 465.672          |
| Sum total of W R and FIRE wages, before tax                                      | 961.656          | 1044.802         | 1084.459         | 1084.782         | 1122.592         |
| * Sum total of W R and FIRE wages after tax (SNUL)                               | 828.0296         | 895.5187         | 935.2580         | 960.1606         | 1003.8546        |
| ** <b>New Value Added (sv)</b>   | <b>1355.36</b>   | <b>1354.95</b>   | <b>1355.81</b>   | <b>1436.00</b>   | <b>1516.70</b>   |
| <b>Variable Capital (v) [Productive Labour - u]</b>                              | <b>710.31</b>    | <b>748.80</b>    | <b>823.23</b>    | <b>791.24</b>    | <b>772.54</b>    |
| <b>Surplus Value [CorpProfits + Top 0.1% - FC]</b>                               | <b>645.05</b>    | <b>606.15</b>    | <b>532.58</b>    | <b>644.75</b>    | <b>744.16</b>    |
| Corporate Profits   1.14.13  | 485.8            | 407.5            | 419.8            | 594.3            | 683.6            |
| FIRE Profits (pre-normalization)   | 101.5            | 88.1             | 140.1            | 208.2            | 220.4            |
| * <b>New Measure for FIRE Profits (post-normalization)</b>                       | <b>51.35</b>     | <b>43.06</b>     | <b>37.38</b>     | <b>51.05</b>     | <b>61.33</b>     |
| Previously Existing Value (cf)   | 8154.29          | 8776.31          | 9045.17          | 9269.25          | 9691.33          |
| <b>Constant Capital Flow (cf)</b>  | <b>8154.29</b>   | <b>8776.31</b>   | <b>9045.17</b>   | <b>9269.25</b>   | <b>9691.33</b>   |
| Consumption of fixed capital   | 769.6            | 838.6            | 888.6            | 914.6            | 932.5            |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>682.65</b>    | <b>741.72</b>    | <b>673.27</b>    | <b>563.54</b>    | <b>572.37</b>    |
| Taxes on Corporate Profits   3.1.5   | 223.4            | 229.3            | 166.4            | 156.8            | 209.8            |
| <b>SNUL^ [SNUL + u]</b>  | <b>2236.36</b>   | <b>2426.71</b>   | <b>2404.88</b>   | <b>2499.06</b>   | <b>2603.00</b>   |
| The Various Means of Production and Circulation and Other Necessary Constituents | 4242.28          | 4539.98          | 4912.02          | 5135.25          | 5373.66          |
| <b>New Value + Previously Existing Value = MGO</b>                               | <b>9509.65</b>   | <b>10131.26</b>  | <b>10400.98</b>  | <b>10705.25</b>  | <b>11208.03</b>  |
| <b>% Change in MGO</b>   | <b>4.7%</b>      | <b>4.2%</b>      | <b>0.5%</b>      | <b>1.3%</b>      | <b>2.8%</b>      |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.1390           | 0.1429           | 0.1376           | 0.1149           | 0.1058           |
| Top 0.1% Income Share   Saez   | 0.0664           | 0.0713           | 0.0626           | 0.0594           | 0.0611           |
| Top 5% Income Share   Saez   | 0.30968          | 0.31511          | 0.30399          | 0.30362          | 0.30655          |
| Price Deflator   | 76.37            | 78.078           | 79.79            | 81.052           | 82.557           |
| MGO Deflated   | 12452.07003      | 12975.82042      | 13035.44499      | 13207.88284      | 13576.10982      |
| Mass of Surplus Value  | 844.639          | 776.336          | 667.481          | 795.482          | 901.387          |
| ** Phys-Commerce profits   |                  |                  |                  |                  |                  |
| Phys Profits   | 118.769          | 117.482          | 24.892           | 30.991           | 83.582           |
| <b>Phys-commerce profits into bills</b>  | <b>206.697</b>   | <b>202.479</b>   | <b>116.314</b>   | <b>133.451</b>   | <b>198.762</b>   |
| Manu   | 115861           | 112091           | 28165            | 39416            | 82702            |
| Trans  | 2908             | 5391             | -3273            | -8425            | 880              |
| Retail   | 43819            | 35371            | 51948            | 60818            | 66970            |
| Wholesale  | 44109            | 49626            | 39474            | 41642            | 48210            |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>258.04</b>    | <b>245.54</b>    | <b>153.70</b>    | <b>184.50</b>    | <b>260.09</b>    |
| 5% productive labour moved to SNUL   | 220.4            | 232.4            | 238.5            | 236.7            | 231.6            |
| 0.1% of total wages moved to surplus value                                       | 102.170638       | 116.3861266      | 107.6193398      | 103.2631923      | 107.4701964      |
| <b>TOTAL Wages for Phys-Commerce</b>   | <b>1539.8740</b> | <b>1633.0311</b> | <b>1719.7082</b> | <b>1739.9021</b> | <b>1759.2109</b> |
| <b>TOTAL Profits after-tax</b>   |                  |                  |                  |                  |                  |
| Farm wages divided by 1000   | 18.91            | 19.72            | 20.83            | 20.79            | 20.49            |
| Financial Profits 1.1.4  | 93.7             | 81.4             | 131.1            | 195.7            | 215.5            |
| FIRE Profits minus FC  | 43.55            | 36.36            | 28.38            | 38.55            | 56.43            |

# Twilight Capitalism

## Mage-Smith [\*Smith-Butovsky-Watterton] MNAF

|  | 2004             | 2005             | 2006             | 2007             | 2008             |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>TOTAL OUTPUT (After-Tax v, s, and cf)</b>                                     |                  |                  |                  |                  |                  |
| US National Income Accounts  |                  |                  |                  |                  |                  |
| <u>GDP (\$Bn)   NIA Table 1.1.5 Line 1</u>                                       | 12213.70         | 13036.60         | 13814.60         | 14451.90         | 14712.80         |
| Fictitious Capital (FC) in the FIRE Sector                                       | 163.82           | 174.18           | 150.16           | 68.61            | -55.24           |
| Farms   1.3.5.4  | 119.40           | 104.50           | 96.30            | 115.70           | 119.50           |
| Marxian Gross Output   | 11930.48         | 12757.92         | 13568.14         | 14267.59         | 14648.54         |
| <b>Marxian Gross Output (MGO)</b>  | <b>11930.48</b>  | <b>12757.92</b>  | <b>13568.14</b>  | <b>14267.59</b>  | <b>14648.54</b>  |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 4218.02          | 4420.97          | 4659.31          | 4868.86          | 4914.62          |
| <b>Wages and Salaries, after tax</b>   | <b>3777.22</b>   | <b>3915.22</b>   | <b>4103.88</b>   | <b>4263.81</b>   | <b>4319.28</b>   |
| Top 0.1% of Wages and Salaries   | 260.82           | 303.86           | 324.95           | 347.97           | 337.60           |
| <b>Productive Labour (Wages and Salaries - SNUL - Top 0.1%)</b>                  | <b>1130.37</b>   | <b>1132.63</b>   | <b>1159.44</b>   | <b>1162.45</b>   | <b>1152.28</b>   |
| Top 5% of Income of Productive Labour (u)  | 358.42           | 375.16           | 389.44           | 393.42           | 389.20           |
| Manufacturing Wages + Transportaion Wages and Salaries                           | 840.386          | 869.595          | 893.396          | 931.027          | 956.111          |
| Manu + Trans Wages after tax (v)   | 752.562979       | 770.1161283      | 786.8952406      | 815.3289963      | 840.2914103      |
| Includes ot  |                  |                  |                  |                  |                  |
| <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b>              | <b>2386.04</b>   | <b>2478.73</b>   | <b>2619.50</b>   | <b>2753.40</b>   | <b>2829.41</b>   |
| ** Wholesale Wages, before tax   | 307.412          | 324.776          | 349.162          | 371.615          | 376.421          |
| ** Retail Wages, before tax  | 379.939          | 392.783          | 407.212          | 419.751          | 414.425          |
| ** FIRE Wages, before tax  | 503.936          | 536.194          | 584.884          | 623.878          | 612.895          |
| Sum total of W R and FIRE wages, before tax                                      | 1191.287         | 1253.753         | 1341.258         | 1415.244         | 1403.741         |
| ** ^ Sum total of W R and FIRE wages after tax (SNUL)                            | 1066.7937        | 1110.3277        | 1181.3681        | 1239.3727        | 1233.6972        |
| <b>New Value Added (nv)</b>  | <b>1684.65</b>   | <b>1770.25</b>   | <b>1920.88</b>   | <b>1851.68</b>   | <b>1795.40</b>   |
| <b>Variable Capital (v) [Productive Labour - µ]</b>                              | <b>771.95</b>    | <b>757.47</b>    | <b>769.99</b>    | <b>769.03</b>    | <b>763.07</b>    |
| <b>Surplus Value [CorpProfits + Top 0.1% - FC]</b>                               | <b>912.70</b>    | <b>1012.78</b>   | <b>1150.88</b>   | <b>1082.66</b>   | <b>1032.33</b>   |
| Corporate Profits   1.14.13  | 815.7            | 883.1            | 976.1            | 803.3            | 639.5            |
| FIRE Profits (pre-normalization)   | 239.6            | 257              | 246              | 152.5            | 23.5             |
| * New Measure for FIRE Profits (post-normalization)                              | 75.78            | 82.82            | 95.84            | 83.89            | 78.74            |
| Previously Existing Value (cf)   | 10245.83         | 10987.67         | 11647.26         | 12415.90         | 12853.13         |
| <b>Constant Capital Flow (cf)</b>  | <b>10245.83</b>  | <b>10987.67</b>  | <b>11647.26</b>  | <b>12415.90</b>  | <b>12853.13</b>  |
| Consumption of fixed capital   | 973              | 1042             | 1119.3           | 1188.9           | 1256.6           |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>645.24</b>    | <b>799.42</b>    | <b>894.14</b>    | <b>936.01</b>    | <b>859.83</b>    |
| Taxes on Corporate Profits   3.1.5   | 273.9            | 374.4            | 425.2            | 386.1            | 249.4            |
| <b>SNUL^ [SNUL + µ]</b>  | <b>2744.46</b>   | <b>2853.89</b>   | <b>3008.94</b>   | <b>3146.82</b>   | <b>3218.61</b>   |
| The Various Means of Production and Circulation and Other Necessary Constituents | 5609.24          | 5917.95          | 6199.68          | 6758.07          | 7268.69          |
| <b>New Value + Previously Existing Value = MGO</b>                               | <b>11930.48</b>  | <b>12757.92</b>  | <b>13568.14</b>  | <b>14267.59</b>  | <b>14648.54</b>  |
| % Change in MGO  | 3.7%             | 3.7%             | 3.2%             | 2.4%             | 0.7%             |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.1045           | 0.1144           | 0.1192           | 0.1243           | 0.1211           |
| Top 0.1% Income Share   Saez   | 0.0691           | 0.0776           | 0.0792           | 0.0816           | 0.0782           |
| Top 5% Income Share   Saez   | 0.31708          | 0.33123          | 0.33589          | 0.33844          | 0.33777          |
| Price Deflator   | 84.78            | 87.421           | 90.066           | 92.486           | 94.285           |
| MGO Deflated   | 14072.27997      | 14593.65763      | 15064.65958      | 15426.75211      | 15536.44478      |
| Mass of Surplus Value  | 1076.547         | 1158.511         | 1277.820         | 1170.616         | 1094.906         |
| ** Phys-Commerce profits   |                  |                  |                  |                  |                  |
| Phys Profits   | 141.471          | 209.367          | 277.841          | 241.016          | 188.828          |
| <u>Phys-commerce profits into bills</u>  |                  |                  |                  |                  |                  |
| Manu   | 278.745          | 384.068          | 468.302          | 426.082          | 331.452          |
| Manu   | 134918           | 188871           | 247333           | 223865           | 168367           |
| Trans  | 6553             | 20496            | 30508            | 17151            | 20461            |
| Retail   | 72938            | 94172            | 100708           | 94262            | 63824            |
| Wholesale  | 64336            | 80529            | 89753            | 90804            | 78800            |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>354.52</b>    | <b>466.89</b>    | <b>564.14</b>    | <b>509.97</b>    | <b>410.19</b>    |
| 5% productive labour moved to SNUL   | 238.6            | 255.1            | 264.3            | 275.9            | 283.8            |
| 0.1% of total wages moved to surplus value                                       | 125.6265789      | 145.9412446      | 155.8470915      | 167.6842075      | 162.1029531      |
| <b>TOTAL Wages for Phys-Commerce</b>   | <b>1819.3567</b> | <b>1880.4438</b> | <b>1968.2633</b> | <b>2054.7017</b> | <b>2073.9887</b> |
| <b>TOTAL Profits after-tax</b>   |                  |                  |                  |                  |                  |
| Farm wages divided by 1000   | 22.18            | 22.03            | 21.89            | 25.34            | 25.68            |
| Financial Profits 1.1.4  | 246.8            | 292.3            | 279              | 185.8            | 46.5             |
| FIRE Profits minus FC  | 82.98            | 118.12           | 128.84           | 117.19           | 101.74           |

**Mage-Smith [\*Smith-Butovsky-Watterton] MNAF**

|  | 2009             | 2010             | 2011             | 2012             | 2013             |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>TOTAL OUTPUT (After-Tax, v, s, and cf)</b>                                    |                  |                  |                  |                  |                  |
| US National Income Accounts  |                  |                  |                  |                  |                  |
| <u>GDP (\$Bn)   NIA Table 1.1.5 Line 1</u>                                       | 14448.90         | 14992.10         | 15542.60         | 16197.00         | 16784.90         |
| Fictitious Capital (FC) in the FIRE Sector                                       | 222.36           | 218.54           | 187.92           | 247.20           | 185.19           |
| Farms   1.3.5.4  | 103.10           | 117.60           | 152.20           | 148.90           | 184.60           |
| Marxian Gross Output   | 14123.44         | 14655.96         | 15202.48         | 15800.90         | 16415.11         |
| <b>Marxian Gross Output (MGO)</b>  | <b>14123.44</b>  | <b>14655.96</b>  | <b>15202.48</b>  | <b>15800.90</b>  | <b>16415.11</b>  |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 4581.75          | 4676.52          | 4904.90          | 5154.40          | 5323.84          |
| <b>Wages and Salaries, after tax</b>   | <b>4144.06</b>   | <b>4215.52</b>   | <b>4370.06</b>   | <b>4599.26</b>   | <b>4694.72</b>   |
| Top 0.1% of Wages and Salaries   | 291.70           | 316.84           | 322.47           | 384.31           | 343.61           |
| <b>Productive Labour (Wages and Salaries - SNUL - Top 0.1%)</b>                  | <b>1033.78</b>   | <b>1039.75</b>   | <b>1137.42</b>   | <b>1206.48</b>   | <b>1322.22</b>   |
| Top 5% of Income of Productive Labour (u)  | 339.16           | 350.73           | 386.46           | 426.47           | 450.84           |
| Manufacturing Wages + Transportaion Wages and Salaries                           | 947.017          | 853.049          | 868.807          | 913.226          | 953.001          |
| Manu + Trans Wages after tax (v)   | 856.5489233      | 768.9579257      | 774.0693036      | 814.8707626      | 840.3835672      |
| <b>Includes ot Systemically Necessary Unproductive Labour (SNUL), after tax</b>  | <b>2818.58</b>   | <b>2858.93</b>   | <b>2910.17</b>   | <b>3008.47</b>   | <b>3028.89</b>   |
| ** Wholesale Wages, before tax   | 349.29           | 354.691          | 373.992          | 393.445          | 401.886          |
| ** Retail Wages, before tax  | 393.5            | 398.765          | 410.896          | 426.51           | 436.712          |
| ** FIRE Wages, before tax  | 552.883          | 573.445          | 605.194          | 635.008          | 647.8            |
| Sum total of W R and FIRE wages, before tax                                      | 1295.673         | 1326.901         | 1390.082         | 1454.963         | 1486.398         |
| ** ^ Sum total of W R and FIRE wages after tax (SNUL)                            | 1171.8980        | 1196.0990        | 1238.5027        | 1298.2622        | 1310.7483        |
| New Value Added (nv)   | 1597.86          | 1857.72          | 2001.61          | 2174.33          | 2278.90          |
| Variable Capital (v)   Productive Labour - $\mu$                                 | 694.62           | 689.02           | 750.96           | 780.02           | 871.38           |
| <b>Surplus Value (CorpProfits + Top 0.1% - FC)</b>                               | <b>903.24</b>    | <b>1168.70</b>   | <b>1250.65</b>   | <b>1394.31</b>   | <b>1407.51</b>   |
| Corporate Profits   1.14.13  | 833.9            | 1070.4           | 1116.1           | 1257.2           | 1249.1           |
| FIRE Profits (pre-normalization)   | 290              | 310.4            | 285.5            | 350.8            | 292.5            |
| * New Measure for FIRE Profits (post-normalization)                              | 67.64            | 91.86            | 97.58            | 103.60           | 107.31           |
| Previously Existing Value (cf)   | 12525.58         | 12798.24         | 13200.87         | 13626.57         | 14136.21         |
| <b>Constant Capital Flow (cf)</b>  | <b>12525.58</b>  | <b>12798.24</b>  | <b>13200.87</b>  | <b>13626.57</b>  | <b>14136.21</b>  |
| Consumption of fixed capital   | 1263.8           | 1271.2           | 1324.6           | 1392.5           | 1450.2           |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>645.75</b>    | <b>713.51</b>    | <b>800.30</b>    | <b>861.11</b>    | <b>959.73</b>    |
| Taxes on Corporate Profits   3.1.5   | 197.5            | 265.5            | 272.3            | 325.4            | 352.3            |
| <b>SNUL* [SNUL + <math>\mu</math>]</b>   | <b>3157.74</b>   | <b>3209.66</b>   | <b>3296.63</b>   | <b>3434.93</b>   | <b>3479.73</b>   |
| The Various Means of Production and Circulation and Other Necessary Constituents | 7260.79          | 7338.37          | 7507.05          | 7612.63          | 7894.26          |
| <br>   |                  |                  |                  |                  |                  |
| New Value + Previously Existing Value = MGO                                      | 14123.44         | 14655.96         | 15202.48         | 15800.90         | 16415.11         |
| <br>   |                  |                  |                  |                  |                  |
| % Change in MGO  | -4.3%            | 2.6%             | 1.6%             | 2.0%             | 2.1%             |
| <br>   |                  |                  |                  |                  |                  |
| Average Tax Rate   = 3.4.1 / 2.1.1   | 0.0955           | 0.0986           | 0.1090           | 0.1077           | 0.1182           |
| Top 0.1% Income Share   Saez   | 0.0704           | 0.0752           | 0.0738           | 0.0836           | 0.0732           |
| Top 5% Income Share   Saez   | 0.32808          | 0.33732          | 0.33977          | 0.35348          | 0.34097          |
| <br>   |                  |                  |                  |                  |                  |
| Price Deflator   | 95.004           | 96.111           | 98.118           | 100              | 101.755          |
| MGO Deflated   | 14866.15676      | 15248.99351      | 15494.08193      | 15800.89759      | 16131.98923      |
| <br>   |                  |                  |                  |                  |                  |
| Mass of Surplus Value  | 950.743          | 1215.989         | 1274.638         | 1394.312         | 1383.236         |
| <br>   |                  |                  |                  |                  |                  |
| ** Phys-Commerce profits   | 107.691          | 255.388          | 261.335          | 344.736          | 360.91           |
| Phys Profits   |                  |                  |                  |                  |                  |
| <br>   |                  |                  |                  |                  |                  |
| <u>Phys-commerce profits into bills</u>  | 265.022          | 445.954          | 451.08           | 584.064          | 584.392          |
| Manu   | 89162            | 216921           | 236483           | 300570           | 327021           |
| Trans  | 18529            | 38467            | 24852            | 44166            | 33889            |
| Retail   | 83326            | 96350            | 95347            | 122797           | 113400           |
| Wholesale  | 74005            | 94216            | 94398            | 116531           | 110082           |
| <br>   |                  |                  |                  |                  |                  |
| <b>profits after tax plus normalized FIREs</b>                                   | <b>332.67</b>    | <b>537.81</b>    | <b>548.66</b>    | <b>687.66</b>    | <b>691.70</b>    |
| 5% productive labour moved to SNUL   | 281.0            | 259.4            | 263.0            | 288.0            | 286.5            |
| 0.1% of total wages moved to surplus value                                       | 142.7823778      | 147.6936772      | 148.5076873      | 176.5733916      | 157.4413424      |
| <b>TOTAL Wages for Phys-Commerce</b>   | <b>2028.4469</b> | <b>1965.0569</b> | <b>2012.5720</b> | <b>2113.1330</b> | <b>2151.1319</b> |
| <br>   |                  |                  |                  |                  |                  |
| <b>TOTAL Profits after-tax</b>   |                  |                  |                  |                  |                  |
| Farm wages divided by 1000   | 25.75            | 24.28            | 23.10            | 28.30            | 28.56            |
| <br>   |                  |                  |                  |                  |                  |
| Financial Profits 1.1.4  | 320.9            | 337.4            | 306.6            | 393.3            | 331.6            |
| FIRE Profits minus FC  | 98.54            | 118.86           | 118.68           | 146.10           | 146.41           |

# Twilight Capitalism

## Mage-Smith [\*Smith-Butovsky-Watterton] MNAF

|  | 2014             | 2015             | 2016             | 2017             | 2018             |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>TOTAL OUTPUT (After-Tax v, s, and cf)</b>                                     |                  |                  |                  |                  |                  |
| US National Income Accounts  |                  |                  |                  |                  |                  |
| <b>GDP (\$Bn)   NIA Table 1.1.5 Line 1</b>                                       | 17527.30         | 18224.80         | 18715.00         | 19519.40         | 20580.20         |
| Fictitious Capital (FC) in the FIRE Sector                                       | 221.02           | 189.99           | 210.83           | 199.82           | 224.30           |
| Farms   1.3.5.4  | 168.10           | 146.00           | 129.00           | 139.40           | 129.60           |
| Marxian Gross Output   | 17138.18         | 17888.81         | 18375.17         | 19180.18         | 20226.30         |
| <b>Marxian Gross Output (MGO)</b>  | <b>17138.18</b>  | <b>17888.81</b>  | <b>18375.17</b>  | <b>19180.18</b>  | <b>20226.30</b>  |
| Wages and Salaries Before tax, minus farms   1.14.4                              | 5616.09          | 5914.49          | 6066.12          | 6382.47          | 6717.59          |
| <b>Wages and Salaries, after tax</b>   | <b>4947.78</b>   | <b>5185.31</b>   | <b>5330.07</b>   | <b>5608.88</b>   | <b>5934.37</b>   |
| Top 0.1% of Wages and Salaries   | 373.21           | 400.20           | 397.04           | 442.43           | 474.75           |
| <b>Productive Labour (Wages and Salaries - SNUL - Top 0.1%)</b>                  | <b>1413.24</b>   | <b>1493.86</b>   | <b>1554.95</b>   | <b>1648.22</b>   | <b>1775.49</b>   |
| Top 5% of Income of Productive Labour (u)  | 486.37           | 519.12           | 540.53           | 582.40           | 639.16           |
| Manufacturing Wages + Transportation Wages and Salaries                          | 972.881          | 1022.773         | 1065.973         | 1081.062         | 1129.329         |
| ** Manu + Trans Wages after tax (v)  | 857.1089592      | 896.6784117      | 936.6309048      | 950.0315571      | 997.6567627      |
| Includes ot  |                  |                  |                  |                  |                  |
| <b>Systemically Necessary Unproductive Labour (SNUL), after tax</b>              | <b>3161.33</b>   | <b>3291.24</b>   | <b>3378.09</b>   | <b>3518.23</b>   | <b>3684.13</b>   |
| ** Wholesale Wages, before tax   | 420.659          | 438.636          | 441.311          | 457.269          | 465.601          |
| ** Retail Wages, before tax  | 456.001          | 481.779          | 494.579          | 510.852          | 527.48           |
| ** FIRE Wages, before tax  | 691.273          | 728.415          | 746.563          | 797.719          | 830.901          |
| Sum total of W R and FIRE wages, before tax                                      | 1567.933         | 1648.830         | 1682.453         | 1765.840         | 1823.982         |
| ** ^ Sum total of W R and FIRE wages after tax (SNUL)                            | 1381.3503        | 1445.5507        | 1478.3090        | 1551.8108        | 1611.3179        |
| <b>New Value Added (sw)</b>  | <b>2387.06</b>   | <b>2447.35</b>   | <b>2422.63</b>   | <b>2540.84</b>   | <b>2739.97</b>   |
| <b>Variable Capital (v) [Productive Labour - u]</b>                              | <b>926.87</b>    | <b>974.74</b>    | <b>1014.42</b>   | <b>1065.82</b>   | <b>1136.33</b>   |
| <b>Surplus Value [CorpProfits + Top 0.1% - FC]</b>                               | <b>1460.19</b>   | <b>1472.61</b>   | <b>1408.21</b>   | <b>1475.01</b>   | <b>1603.64</b>   |
| Corporate Profits   1.14.13  | 1308             | 1262.4           | 1222             | 1232.4           | 1353.2           |
| FIRE Profits (pre-normalization)   | 329.1            | 295.1            | 309.7            | 301.7            | 335.6            |
| * New Measure for FIRE Profits (post-normalization)                              | 108.08           | 105.11           | 98.87            | 101.88           | 111.30           |
| Previously Existing Value (cf)   | 14751.12         | 15441.45         | 15952.55         | 16639.35         | 17486.32         |
| <b>Constant Capital Flow (cf)</b>  | <b>14751.12</b>  | <b>15441.45</b>  | <b>15952.55</b>  | <b>16639.35</b>  | <b>17486.32</b>  |
| Consumption of fixed capital   | 1527.5           | 1592.6           | 1630.6           | 1704             | 1796.3           |
| <b>Income Taxation (i.e., Taxes on v, SNUL &amp; Top 0.1%)</b>                   | <b>1031.63</b>   | <b>1093.31</b>   | <b>1083.58</b>   | <b>1093.31</b>   | <b>1026.85</b>   |
| Taxes on Corporate Profits   3.1.5   | 396.2            | 385.3            | 365.4            | 306              | 205.8            |
| <b>SNUL^ [SNUL + u]</b>  | <b>3647.70</b>   | <b>3810.36</b>   | <b>3918.62</b>   | <b>4100.63</b>   | <b>4323.29</b>   |
| The Various Means of Production and Circulation and Other Necessary Constituents | 8148.09          | 8559.88          | 8954.35          | 9435.41          | 10134.08         |
| <b>New Value + Previously Existing Value = MGO</b>                               | <b>17138.18</b>  | <b>17888.81</b>  | <b>18375.17</b>  | <b>19180.18</b>  | <b>20226.30</b>  |
| <b>% Change in MGO</b>   | <b>2.5%</b>      | <b>3.3%</b>      | <b>1.7%</b>      | <b>2.5%</b>      | <b>2.9%</b>      |
| <b>Average Tax Rate   = 3.4.1 / 2.1.1</b>  | <b>0.1190</b>    | <b>0.1233</b>    | <b>0.1213</b>    | <b>0.1212</b>    | <b>0.1166</b>    |
| <b>Top 0.1% Income Share   Saez</b>  | <b>0.0754</b>    | <b>0.0772</b>    | <b>0.0745</b>    | <b>0.0789</b>    | <b>0.08</b>      |
| <b>Top 5% Income Share   Saez</b>  | <b>0.34415</b>   | <b>0.3475</b>    | <b>0.34762</b>   | <b>0.35335</b>   | <b>0.35999</b>   |
| Price Deflator   | 103.638          | 104.717          | 105.801          | 107.794          | 110.42           |
| MGO Deflated   | 16536.57896      | 17083.00137      | 17367.67387      | 17793.36941      | 18317.60105      |
| Mass of Surplus Value  | 1408.934         | 1406.275         | 1330.998         | 1368.363         | 1452.313         |
| ** Phys-Commerce profits   |                  |                  |                  |                  |                  |
| Phys-Profits   | 373.372          | 312.509          | 281.634          | 278.363          | 265.751          |
| <b>Phys-commerce profits into bills</b>  | <b>609.954</b>   | <b>546.415</b>   | <b>505.823</b>   | <b>544.648</b>   | <b>511.514</b>   |
| Manu   | 330847           | 246608           | 227865           | 228961           | 228278           |
| Trans  | 42525            | 47901            | 53769            | 49402            | 37473            |
| Retail   | 120543           | 129350           | 131394           | 149793           | 136429           |
| Wholesale  | 116039           | 104556           | 92795            | 116492           | 109334           |
| <b>profits after tax plus normalized FIRE s</b>                                  | <b>718.03</b>    | <b>651.52</b>    | <b>604.70</b>    | <b>646.53</b>    | <b>622.81</b>    |
| 5% productive labour moved to SNUL   | 295.0            | 311.6            | 325.6            | 335.7            | 359.1            |
| 0.1% of total wages moved to surplus value                                       | 168.8469789      | 180.7732458      | 179.8888732      | 197.3453279      | 208.7179691      |
| <b>TOTAL Wages for Phys-Commerce</b>   | <b>2238.4592</b> | <b>2342.2292</b> | <b>2414.9399</b> | <b>2501.8424</b> | <b>2608.9746</b> |
| <b>TOTAL Profits after-tax</b>   |                  |                  |                  |                  |                  |
| Farm wages divided by 1000   | 29.11            | 27.31            | 29.38            | 30.43            | 32.71            |
| Financial Profits 1.1.4  | 366.7            | 334.2            | 341.5            | 348.5            | 331.7            |
| FIRE Profits minus FC  | 145.68           | 144.21           | 130.67           | 148.68           | 107.40           |

# Fixed Assets

appendixes

## FIXED ASSETS (C-1)

|   |   | 1929        | 1930         | 1931         | 1932         | 1933         | 1934        | 1935        |
|---|---|-------------|--------------|--------------|--------------|--------------|-------------|-------------|
| <b>Fixed Assets (\$Bn)</b>  |   |             |              |              |              |              |             |             |
| <b>Net Private Fixed Non-Farm Corporate Assets, Current Cost   6.1.2</b>    |   | <b>96.5</b> | <b>95.8</b>  | <b>91.7</b>  | <b>82.6</b>  | <b>77.6</b>  | <b>78</b>   | <b>79.3</b> |
| FIRE Fixed Assets, Current  |   | 3.4         | 3.5          | 3.5          | 3            | 2.7          | 2.9         | 2.9         |
| <b>Net Private Fixed Non-Farm Corporate Assets, Historical Cost   6.3.2</b> |   | <b>71.8</b> | <b>75.2</b>  | <b>77</b>    | <b>77</b>    | <b>75.6</b>  | <b>74.1</b> | <b>73.2</b> |
| FIRE Fixed Assets, Hist   |   | 2.6         | 2.7          | 2.9          | 2.9          | 2.8          | 2.7         | 2.7         |
| FA Manufacturing  |   |             |              |              |              |              |             |             |
| FA Transportation   |   |             |              |              |              |              |             |             |
| FA Retail   |   |             |              |              |              |              |             |             |
| FA Wholesale  |   |             |              |              |              |              |             |             |
| <br>  |   |             |              |              |              |              |             |             |
| Broad Measure   | <b>Net Private nonRes Non-Farm Fixed Assets   4.3.1</b> | <b>96.3</b> | <b>101.1</b> | <b>103.7</b> | <b>103.4</b> | <b>101.2</b> | <b>98.7</b> | <b>97.2</b> |
| Sum total for phys-commerce measure   |   |             |              |              |              |              |             |             |
|   |   |             |              |              |              |              |             |             |
| % Change, Current   |   |             | 3.5%         | 3.4%         | 1.9%         | -3.9%        | -4.1%       | 1.1%        |
| 1950-2018 Avg.  |   | <b>4.1%</b> |              |              |              |              |             |             |
| 1930-2018 Avg.  |   | <b>3.3%</b> |              |              |              |              |             |             |
|   |   |             |              |              |              |              |             |             |
| % Change, Historical  |   |             | 9.2%         | 10.6%        | 13.1%        | 0.5%         | -6.5%       | -1.8%       |
| 1950-2018 Avg.  |   | <b>4.5%</b> |              |              |              |              |             |             |
| 1930-2018 Avg.  |   | <b>3.4%</b> |              |              |              |              |             |             |
|   |   |             |              |              |              |              |             |             |
| Price Deflator  |   | 10.41       | 9.985        | 9.24         | 8.169        | 7.984        | 8.367       | 8.413       |
|   |   |             |              |              |              |              |             |             |
| Deflated Current Cost   |   | 926.9933    | 959.4392     | 992.4242     | 1011.14      | 971.9439     | 932.2338    | 942.5889    |
| Deflated Hist Cost  |   | 689.7214    | 753.1297     | 833.3333     | 942.5878     | 946.8938     | 885.6221    | 870.082     |

## FIXED ASSETS (C-1)

|               | 1936        | 1937        | 1938        | 1939        | 1940         | 1941         | 1942         | 1943         | 1944         | 1945         | 1946         | 1947         | 1948         | 1949         |
|---------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|               | <b>78.8</b> | <b>87.1</b> | <b>90.3</b> | <b>89.3</b> | <b>90.5</b>  | <b>96.4</b>  | <b>107.7</b> | <b>113.8</b> | <b>113.8</b> | <b>114.7</b> | <b>125</b>   | <b>151</b>   | <b>179.3</b> | <b>195.4</b> |
|               | 3           | 3.1         | 3.4         | 3.4         | 3.2          | 3.7          | 4.4          | 4.3          | 4.4          | 4.4          | 4.4          | 5.6          | 6.7          | 7.2          |
|               | <b>72.6</b> | <b>72.9</b> | <b>74.4</b> | <b>74.5</b> | <b>75</b>    | <b>76.7</b>  | <b>79.2</b>  | <b>80.4</b>  | <b>80.7</b>  | <b>82</b>    | <b>85.5</b>  | <b>92</b>    | <b>100.8</b> | <b>110.2</b> |
|               | 2.7         | 2.7         | 2.7         | 2.7         | 2.7          | 2.7          | 2.9          | 2.8          | 2.7          | 2.7          | 2.6          |              | 2.9          | 3.1          |
|               |             |             |             |             |              |              |              |              |              |              |              |              | 31.5         | 35.4         |
|               |             |             |             |             |              |              |              |              |              |              |              |              | 36.7         | 38.8         |
|               |             |             |             |             |              |              |              |              |              |              |              |              | 6.4          | 7            |
|               |             |             |             |             |              |              |              |              |              |              |              |              | 2.2          | 2.6          |
| <br>          |             |             |             |             |              |              |              |              |              |              |              |              |              |              |
| Broad Measure | <b>96.4</b> | <b>97.1</b> | <b>99.2</b> | <b>99.6</b> | <b>100.4</b> | <b>102.7</b> | <b>106.1</b> | <b>107.1</b> | <b>107.1</b> | <b>108.7</b> | <b>113.4</b> | <b>122.9</b> | <b>136.5</b> | <b>151.6</b> |
|               |             |             |             |             |              |              |              |              |              |              |              |              | 79.7         | 86.9         |
|               |             |             |             |             |              |              |              |              |              |              |              |              |              |              |
|               | -1.8%       | 2.0%        | 2.4%        | -0.7%       | -1.1%        | -0.7%        | 1.8%         | 0.4%         | -4.0%        | -2.3%        | -0.7%        | 3.3%         | 9.6%         | 6.9%         |
|               |             |             |             |             |              |              |              |              |              |              |              |              |              |              |
|               | -2.0%       | -7.3%       | 0.8%        | 0.6%        | -1.8%        | -4.7%        | -5.9%        | -3.5%        | -3.6%        | -1.5%        | -5.0%        | -8.0%        | 1.1%         | 7.3%         |
|               |             |             |             |             |              |              |              |              |              |              |              |              |              |              |
|               | 8.511       | 9.221       | 9.336       | 9.294       | 9.524        | 10.217       | 11.217       | 11.8         | 12.287       | 12.675       | 13.917       | 16.28        | 17.642       | 17.98        |
|               | 925.8607    | 944.583     | 967.2237    | 960.8349    | 950.231      | 943.5255     | 960.1498     | 964.4068     | 926.1821     | 904.931      | 898.1821     | 927.5184     | 1016.325     | 1086.763     |
|               | 853.0137    | 790.5867    | 796.9152    | 801.5924    | 787.4843     | 750.7096     | 706.0711     | 681.3559     | 656.7917     | 646.9428     | 614.3565     | 565.1106     | 571.3638     | 612.9032     |



# Twilight Capitalism

## FIXED ASSETS (C (-1))

|  | 1950         | 1951         | 1952         | 1953         | 1954         | 1955         | 1956         | 1957         | 1958         | 1959         | 1960         | 1961         | 1962         | 1963         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | <b>198.5</b> | <b>221.7</b> | <b>240.6</b> | <b>255.2</b> | <b>269.6</b> | <b>279.2</b> | <b>308.3</b> | <b>345</b>   | <b>372.2</b> | <b>381.4</b> | <b>398.3</b> | <b>408.1</b> | <b>419.8</b> | <b>434.3</b> |
|  | 6.7          | 7.4          | 8.6          | 9            | 9.2          | 9.2          | 10.3         | 11.9         | 12.7         | 13.1         | 13.7         | 14.3         | 15.2         | 16.3         |
|  | <b>117.2</b> | <b>125.3</b> | <b>136.6</b> | <b>148.8</b> | <b>162.7</b> | <b>175.2</b> | <b>189.4</b> | <b>208.9</b> | <b>229.7</b> | <b>244</b>   | <b>259.7</b> | <b>278</b>   | <b>294.9</b> | <b>313.2</b> |
|  | 3.4          | 3.7          | 4            | 4.4          | 4.8          | 5.4          | 5.9          | 6.7          | 7.6          | 8.4          | 9            | 9.8          | 10.7         | 11.6         |
|  | 37.5         | 39.7         | 44.3         | 49.2         | 54.1         | 58.4         | 62.9         | 70.4         | 78.1         | 82.3         | 86.1         | 91.7         | 96.5         | 102          |
|  | 40.5         | 42           | 44           | 45.7         | 47.4         | 48.1         | 49.2         | 51           | 53.2         | 53.8         | 55.1         | 56.6         | 57.5         | 59.1         |
|  | 7.5          | 8.1          | 8.6          | 8.8          | 9.4          | 10.1         | 11.1         | 11.9         | 12.8         | 13.7         | 14.9         | 16           | 17.2         | 18.4         |
|  | 2.8          | 3            | 3.3          | 3.4          | 3.6          | 3.8          | 4.2          | 4.6          | 5            | 5.2          | 5.4          | 5.9          | 6.3          | 7.1          |

Broad Measure

|  |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | <b>163.7</b> | <b>177.5</b> | <b>194.3</b> | <b>210.6</b> | <b>229.4</b> | <b>246.4</b> | <b>266.4</b> | <b>291.4</b> | <b>317.6</b> | <b>337.2</b> | <b>358.8</b> | <b>382.5</b> | <b>404.8</b> | <b>429.6</b> |
|  | 91.7         | 96.5         | 104.2        | 111.5        | 119.3        | 125.8        | 133.3        | 144.6        | 156.7        | 163.4        | 170.5        | 180          | 188.2        | 198.2        |
|  | -0.6%        | 2.9%         | 6.0%         | 5.1%         | 4.9%         | 1.8%         | 4.4%         | 8.2%         | 7.4%         | 1.4%         | 3.8%         | 2.7%         | 2.8%         | 3.7%         |
|  | 4.0%         | -1.5%        | 6.5%         | 8.0%         | 8.5%         | 5.9%         | 2.2%         | 6.6%         | 9.5%         | 5.2%         | 5.8%         | 7.3%         | 6.0%         | 6.5%         |
|  | 18.38        | 19.944       | 20.42        | 20.599       | 20.754       | 21.106       | 22.315       | 23.078       | 23.173       | 23.408       | 23.554       | 23.501       | 23.527       | 23.47        |
|  | 1079.978     | 1111.613     | 1178.257     | 1238.895     | 1299.027     | 1322.847     | 1381.582     | 1494.93      | 1606.18      | 1629.357     | 1691.008     | 1736.522     | 1784.333     | 1850.447     |
|  | 637.6496     | 628.2591     | 668.952      | 722.3652     | 783.9453     | 830.0957     | 848.7564     | 905.1911     | 991.2398     | 1042.379     | 1102.573     | 1182.928     | 1253.453     | 1334.47      |

## FIXED ASSETS (C (-1))

|  | 1964         | 1965         | 1966         | 1967         | 1968         | 1969         | 1970         | 1971         | 1972         | 1973         | 1974          | 1975          | 1976          | 1977          |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
|  | <b>449.2</b> | <b>474.9</b> | <b>509.1</b> | <b>555.6</b> | <b>605.2</b> | <b>668.4</b> | <b>739.5</b> | <b>814.9</b> | <b>892.5</b> | <b>969.7</b> | <b>1094.4</b> | <b>1337.1</b> | <b>1482.5</b> | <b>1627.9</b> |
|  | 17.3         | 19.1         | 21           | 23.3         | 25.8         | 29.7         | 34           | 38.2         | 43.6         | 49.1         | 57.1          | 71.4          | 80.7          | 90.7          |
|  | <b>331.6</b> | <b>354.1</b> | <b>383.7</b> | <b>420.1</b> | <b>455</b>   | <b>494.1</b> | <b>538.3</b> | <b>580.2</b> | <b>621.8</b> | <b>671.5</b> | <b>732.7</b>  | <b>804.8</b>  | <b>871.5</b>  | <b>948.1</b>  |
|  | 12.6         | 13.6         | 15.1         | 16.8         | 18.5         | 20.4         | 23.2         | 26           | 28.6         | 31.8         | 35.1          | 40.1          | 46.7          | 53.6          |
|  | 107.9        | 115.7        | 126.8        | 141.4        | 155          | 168.6        | 183.7        | 198          | 210.4        | 224.8        | 242.4         | 268.4         | 293.7         | 320.3         |
|  | 60.4         | 62           | 64.4         | 67.6         | 70.5         | 74.1         | 78.1         | 80.8         | 83.5         | 86.9         | 92.4          | 97.7          | 103.7         | 111.7         |
|  | 19.6         | 21.1         | 23.1         | 25.3         | 27.4         | 29.6         | 32.2         | 34.8         | 37.6         | 41.2         | 45.7          | 50.7          | 55.2          | 59.6          |
|  | 8.1          | 9.1          | 10.6         | 12.1         | 13.3         | 14.9         | 16.6         | 18.1         | 19.8         | 22.4         | 26.1          | 29.3          | 31.4          | 34.7          |

Broad Measure

|  |              |              |              |              |              |              |              |              |              |              |              |               |               |             |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|-------------|
|  | <b>455.2</b> | <b>485.7</b> | <b>525.5</b> | <b>572.3</b> | <b>616.8</b> | <b>665.7</b> | <b>721.8</b> | <b>776.3</b> | <b>831.3</b> | <b>896.1</b> | <b>977.1</b> | <b>1067.5</b> | <b>1153.3</b> | <b>1251</b> |
|  | 208.6        | 221.5        | 240          | 263.2        | 284.7        | 307.6        | 333.8        | 357.7        | 379.9        | 407.1        | 441.7        | 486.2         | 530.7         | 579.9       |
|  | 2.7%         | 4.0%         | 5.0%         | 6.3%         | 4.7%         | 5.2%         | 6.0%         | 4.9%         | 5.0%         | 2.9%         | 2.7%         | 8.9%          | 4.8%          | 2.0%        |
|  | 5.1%         | 5.1%         | 6.1%         | 6.6%         | 4.1%         | 3.5%         | 4.4%         | 2.7%         | 2.8%         | 2.3%         | -0.7%        | -2.1%         | 2.4%          | 1.0%        |
|  | 23.633       | 24.019       | 24.523       | 25.185       | 26.196       | 27.498       | 28.699       | 30.134       | 31.42        | 33.169       | 36.449       | 40.874        | 43.232        | 46.55       |
|  | 1900.732     | 1977.185     | 2076.01      | 2206.075     | 2310.276     | 2430.722     | 2576.745     | 2704.254     | 2840.547     | 2923.513     | 3002.552     | 3271.273      | 3429.173      | 3497.1      |
|  | 1403.123     | 1474.25      | 1564.654     | 1668.056     | 1736.906     | 1796.858     | 1875.675     | 1925.4       | 1978.994     | 2024.481     | 2010.206     | 1968.978      | 2015.868      | 2036.735    |

**FIXED ASSETS (C-1)**

|               | 1978          | 1979          | 1980          | 1981          | 1982          | 1983          | 1984          | 1985          | 1986          | 1987          | 1988          | 1989          | 1990          | 1991          |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|               | <b>1809.6</b> | <b>2055.2</b> | <b>2368.6</b> | <b>2727</b>   | <b>3095.3</b> | <b>3308.9</b> | <b>3426.4</b> | <b>3654.1</b> | <b>3881.1</b> | <b>4081</b>   | <b>4317.1</b> | <b>4631</b>   | <b>4922.5</b> | <b>5218.3</b> |
|               | 103.3         | 120.6         | 145.3         | 173.9         | 203.2         | 229.8         | 252.9         | 285.3         | 322.1         | 365.3         | 406.3         | 452.8         | 502.9         | 548           |
|               | <b>1045.6</b> | <b>1172.6</b> | <b>1328.4</b> | <b>1499.8</b> | <b>1699.5</b> | <b>1890.3</b> | <b>2064</b>   | <b>2283.1</b> | <b>2513.5</b> | <b>2715.6</b> | <b>2897.5</b> | <b>3088.1</b> | <b>3298.9</b> | <b>3524</b>   |
|               | 60.8          | 68.4          | 79.2          | 93.3          | 110.5         | 130.7         | 152.1         | 174.9         | 204.3         | 237.6         | 273.1         | 307.2         | 344.1         | 385.6         |
|               | 351.5         | 390.3         | 435           | 486.9         | 547.1         | 594.9         | 632.8         | 685.6         | 743.3         | 787.8         | 827.9         | 869.4         | 926.1         | 985.4         |
|               | 121.1         | 133.5         | 151.7         | 166.3         | 178.2         | 185.2         | 193.6         | 205.6         | 216.4         | 224.5         | 232.3         | 242.3         | 250.7         | 256.9         |
|               | 64.6          | 71.7          | 80.7          | 89            | 98.2          | 107.6         | 118.9         | 133           | 147.8         | 163.4         | 178.6         | 195.8         | 213.2         | 230.6         |
|               | 39.2          | 47            | 55            | 63.6          | 73.6          | 85.2          | 98.5          | 115.1         | 127.3         | 138           | 145.9         | 154.1         | 161.5         | 166.3         |
| <br>          |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| Broad Measure | <b>1374.1</b> | <b>1534.7</b> | <b>1733.5</b> | <b>1946.9</b> | <b>2202.4</b> | <b>2445.8</b> | <b>2663.4</b> | <b>2937.5</b> | <b>3228.3</b> | <b>3485.5</b> | <b>3727.4</b> | <b>3985.7</b> | <b>4262.6</b> | <b>4538.6</b> |
|               | 637.2         | 710.9         | 801.6         | 899.1         | 1007.6        | 1103.6        | 1195.9        | 1314.2        | 1439.1        | 1551.3        | 1657.8        | 1768.8        | 1895.6        | 2024.8        |
|               | 2.6%          | 4.2%          | 5.4%          | 5.4%          | 7.5%          | 6.5%          | 2.6%          | 5.1%          | 3.7%          | 3.1%          | 2.9%          | 4.6%          | 4.0%          | 4.2%          |
|               | 1.8%          | 2.9%          | 3.6%          | 3.4%          | 7.3%          | 10.8%         | 8.1%          | 9.0%          | 7.5%          | 5.9%          | 3.8%          | 3.9%          | 4.5%          | 5.0%          |
|               | 50.444        | 54.977        | 60.105        | 65.624        | 69.311        | 69.575        | 70.253        | 71.277        | 73.021        | 74.506        | 76.586        | 78.561        | 80.278        | 81.683        |
|               | 3587.344      | 3738.291      | 3940.77       | 4155.492      | 4465.814      | 4755.875      | 4877.229      | 5126.619      | 5315.046      | 5477.411      | 5636.931      | 5894.782      | 6131.817      | 6388.477      |
|               | 2072.794      | 2132.892      | 2210.132      | 2285.444      | 2451.992      | 2716.924      | 2937.953      | 3203.137      | 3442.16       | 3644.807      | 3783.329      | 3930.831      | 4109.345      | 4314.239      |

**FIXED ASSETS (C-1)**

|               | 1992          | 1993          | 1994          | 1995          | 1996          | 1997          | 1998          | 1999          | 2000          | 2001          | 2002          | 2003          | 2004          | 2005           |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
|               | <b>5365.5</b> | <b>5569.3</b> | <b>5847.6</b> | <b>6187.9</b> | <b>6562.1</b> | <b>6916.2</b> | <b>7330.4</b> | <b>7750.9</b> | <b>8235.7</b> | <b>8832.4</b> | <b>9265.8</b> | <b>9561.3</b> | <b>9848.6</b> | <b>10665.1</b> |
|               | 570.8         | 597.3         | 631.9         | 675.7         | 709.5         | 745.9         | 789.8         | 854           | 925.9         | 992.1         | 1034.7        | 1069.1        | 1097.8        | 1194.2         |
|               | <b>3717</b>   | <b>3906.6</b> | <b>4122.4</b> | <b>4363.5</b> | <b>4659</b>   | <b>4988.2</b> | <b>5347.9</b> | <b>5733</b>   | <b>6153.1</b> | <b>6612.8</b> | <b>6964.9</b> | <b>7180</b>   | <b>7390.3</b> | <b>7642.9</b>  |
|               | 421.5         | 446.8         | 469.6         | 495.5         | 525.2         | 553           | 587.6         | 623.9         | 675.7         | 731           | 779.6         | 813.4         | 839.5         | 859.1          |
|               | 1041.3        | 1095.3        | 1143.1        | 1204.6        | 1290.1        | 1389.7        | 1488          | 1584.3        | 1668.8        | 1761.3        | 1839.4        | 1876.2        | 1900.9        | 1934.2         |
|               | 263.4         | 273.4         | 288           | 307.8         | 332.9         | 356           | 388.2         | 422.2         | 450.7         | 480.4         | 505.5         | 511.4         | 514           | 524            |
|               | 244.9         | 258.9         | 275.3         | 294.6         | 317.2         | 340           | 359.7         | 387.1         | 416.7         | 454           | 486.6         | 515.7         | 550.2         | 587.3          |
|               | 169.2         | 172.1         | 182.3         | 196.9         | 214.3         | 231.5         | 251           | 266.7         | 279.7         | 293.8         | 297.5         | 299           | 306.6         | 317.8          |
| <br>          |               |               |               |               |               |               |               |               |               |               |               |               |               |                |
| Broad Measure | <b>4772.4</b> | <b>4995.7</b> | <b>5253.7</b> | <b>5540.3</b> | <b>5886.8</b> | <b>6271.5</b> | <b>6701.4</b> | <b>7173.4</b> | <b>7688.2</b> | <b>8256.2</b> | <b>8708.2</b> | <b>9021.9</b> | <b>9326.4</b> | <b>9680.4</b>  |
|               | 2140.3        | 2246.5        | 2358.3        | 2499.4        | 2679.7        | 2870.2        | 3074.5        | 3284.2        | 3491.6        | 3720.5        | 3908.6        | 4015.7        | 4111.2        | 4222.4         |
|               | 2.8%          | 2.6%          | 3.4%          | 4.1%          | 6.0%          | 5.2%          | 6.6%          | 5.6%          | 4.8%          | 6.3%          | 4.6%          | 2.3%          | 0.1%          | 4.0%           |
|               | 5.4%          | 3.9%          | 3.9%          | 4.1%          | 6.7%          | 6.9%          | 7.8%          | 7.0%          | 5.8%          | 6.5%          | 5.0%          | 2.2%          | 0.0%          | -0.7%          |
|               | 81.728        | 82.711        | 83.983        | 85.378        | 85.45         | 85.599        | 85.133        | 85.277        | 86.486        | 87.241        | 87.5          | 88.265        | 90.843        | 94.597         |
|               | 6565.069      | 6733.445      | 6962.838      | 7247.652      | 7679.462      | 8079.767      | 8610.527      | 9089.086      | 9522.582      | 10124.14      | 10589.49      | 10832.49      | 10841.34166   | 11274.25       |
|               | 4548.013      | 4723.193      | 4908.612      | 5110.801      | 5452.311      | 5827.405      | 6281.818      | 6722.797      | 7114.562      | 7579.922      | 7959.886      | 8134.595      | 8135.244323   | 8079.432       |

# Twilight Capitalism

## FIXED ASSETS (C-1)

|               | 2006     | 2007     | 2008     | 2009        | 2010     | 2011     | 2012    | 2013     | 2014     | 2015     | 2016     | 2017     | 2018     |
|---------------|----------|----------|----------|-------------|----------|----------|---------|----------|----------|----------|----------|----------|----------|
|               | 11613.5  | 12556.7  | 13261.4  | 14119.3     | 13712.9  | 14092.8  | 14769.6 | 15280.2  | 15887.5  | 16611.3  | 16951.7  | 17364.5  | 18066.1  |
|               | 1290.4   | 1383.2   | 1456.1   | 1532.3      | 1467.8   | 1460.3   | 1500.6  | 1533.1   | 1579.6   | 1627.9   | 1679.6   | 1736.9   | 1798     |
|               | 7983.9   | 8434.1   | 8944.4   | 9424        | 9621.2   | 9876     | 10244.5 | 10707.9  | 11181.6  | 11738.6  | 12284.7  | 12754.7  | 13261.3  |
|               | 892.9    | 926.4    | 963      | 1013.7      | 1042.4   | 1037.5   | 1038.3  | 1050.8   | 1080     | 1111.8   | 1150.5   | 1201.2   | 1258.5   |
|               | 1992     | 2066.4   | 2179     | 2295.2      | 2341.3   | 2390.5   | 2472.3  | 2571.1   | 2680.3   | 2785.4   | 2887.7   | 2975.8   | 3062.4   |
|               | 541.4    | 568.1    | 591      | 619.5       | 626.7    | 639.9    | 659.5   | 690.6    | 728.3    | 788.9    | 846.5    | 890.5    | 932.3    |
|               | 620.8    | 661.2    | 697.1    | 722.4       | 726.2    | 735      | 752.4   | 770.8    | 787.2    | 811.7    | 836.7    | 864.5    | 896.2    |
|               | 342.5    | 361.2    | 367      | 376.9       | 374.1    | 378.3    | 392.5   | 408.1    | 415.1    | 436.9    | 459.2    | 487.1    | 507.8    |
| <br>          |          |          |          |             |          |          |         |          |          |          |          |          |          |
| Broad Measure | 10134.3  | 10722.5  | 11394.9  | 12042.7     | 12350.8  | 12698.4  | 13169.3 | 13755.4  | 14359.4  | 15059.9  | 15743.1  | 16354    | 16999.8  |
|               | 4389.6   | 4583.3   | 4797.1   | 5027.7      | 5110.7   | 5181.2   | 5315    | 5491.4   | 5690.9   | 5934.7   | 6180.6   | 6419.1   | 6657.2   |
|               | 5.2%     | 6.5%     | 4.7%     | 7.8%        | -1.4%    | 1.7%     | 3.4%    | 2.3%     | 1.9%     | 3.5%     | 2.0%     | 0.7%     | 1.7%     |
|               | 0.9%     | 4.0%     | 5.2%     | 6.7%        | 3.7%     | 1.5%     | 2.3%    | 3.4%     | 2.3%     | 4.0%     | 4.6%     | 2.0%     | 1.6%     |
|               | 97.958   | 99.456   | 100.296  | 99.076      | 97.568   | 98.641   | 100     | 101.091  | 103.172  | 104.187  | 104.234  | 106.057  | 108.507  |
|               | 11855.59 | 12625.38 | 13222.26 | 14250.97905 | 14054.71 | 14286.96 | 14769.6 | 15115.29 | 15399.04 | 15943.74 | 16263.12 | 16372.8  | 16649.71 |
|               | 8150.33  | 8480.232 | 8918.003 | 9511.889862 | 9861.02  | 10012.06 | 10244.5 | 10592.34 | 10837.82 | 11266.86 | 11785.69 | 12026.27 | 12221.61 |

## Ratios and Measures

### Core Mage-Smith Marxian Ratios

|            |                              | 1929   | 1930   | 1931  | 1932  | 1933   | 1934   | 1935   | 1936   | 1937   | 1938   | 1939   |
|------------|------------------------------|--------|--------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| s/C        | ARP, Current                 | 11.1%  | 8.0%   | 3.3%  | -0.1% | -0.4%  | 2.5%   | 4.0%   | 6.0%   | 6.7%   | 4.4%   | 5.7%   |
| C/(s+v)    | OCC, Current                 | 5.57   | 7.00   | 12.80 | 52.77 | 66.29  | 17.03  | 12.20  | 9.16   | 7.68   | 12.64  | 9.27   |
| s/C        | ARP, Hist                    | 14.8%  | 10.7%  | 4.5%  | -0.1% | -0.6%  | 3.4%   | 5.3%   | 8.0%   | 9.0%   | 5.8%   | 7.6%   |
| C/(s+v)    | OCC, Hist                    | 4.15   | 5.50   | 10.75 | 49.19 | 64.58  | 16.18  | 11.26  | 8.44   | 6.42   | 10.42  | 7.73   |
| C/v        | VCC, Hist                    | 10.77  | 13.44  | 20.71 | 46.87 | 47.55  | 35.85  | 27.77  | 26.10  | 15.19  | 26.45  | 18.89  |
| s/v        | RSV                          | 159.8% | 144.4% | 92.7% | -4.7% | -26.4% | 121.6% | 146.7% | 209.3% | 136.5% | 153.9% | 144.3% |
|            | VCO (c/f/MGO)                | 81.7%  | 83.9%  | 89.9% | 97.2% | 97.8%  | 92.6%  | 90.4%  | 89.0%  | 86.6%  | 91.2%  | 88.9%  |
|            | s/MGO                        | 11.3%  | 9.5%   | 4.8%  | -0.1% | -0.8%  | 4.0%   | 5.7%   | 7.4%   | 7.7%   | 5.4%   | 6.5%   |
|            | v/MGO                        | 7.0%   | 6.6%   | 5.2%  | 3.0%  | 3.0%   | 3.3%   | 3.9%   | 3.6%   | 5.7%   | 3.5%   | 4.5%   |
|            | NV/PEV                       | 22.4%  | 19.2%  | 11.2% | 2.9%  | 2.3%   | 7.9%   | 10.7%  | 12.3%  | 15.5%  | 9.7%   | 12.4%  |
|            | v/SNUL^                      | 28.8%  | 26.0%  | 19.5% | 10.7% | 11.0%  | 12.3%  | 14.6%  | 13.6%  | 21.6%  | 13.1%  | 17.3%  |
|            |                              |        |        |       |       |        |        |        |        |        |        |        |
| s/C+v      |                              | 14.5%  | 10%    | 4%    | 0%    | -1%    | 3%     | 5%     | 8%     | 8%     | 6%     | 7%     |
| s/C+v+SNUL | ARP, Hist                    | 10.5%  | 7.9%   | 3.5%  | -0.1% | -0.5%  | 2.7%   | 4.1%   | 6.1%   | 6.6%   | 4.4%   | 5.6%   |
| nv/C+SNUL^ | NewValue/Fixed Assets +SNUL^ | 18.2%  | 14.1%  | 7.5%  | 1.7%  | 1.3%   | 5.0%   | 7.1%   | 9.2%   | 11.9%  | 7.5%   | 9.9%   |
|            | PhysARP                      |        |        |       |       |        |        |        |        |        |        |        |
|            | OCC^                         |        |        |       |       |        |        |        |        |        |        |        |
|            | Phys-Commerce APR            |        |        |       |       |        |        |        |        |        |        |        |
|            | ^OCC                         |        |        |       |       |        |        |        |        |        |        |        |
|            | SNUL^ /MGO                   | 24%    | 25%    | 27%   | 28%   | 28%    | 27%    | 27%    | 26%    | 26%    | 27%    | 26%    |

**Core Mage-Smith Marxian Ratios**

|            |                                     | 1940   | 1941   | 1942  | 1943   | 1944   | 1945   | 1946  | 1947  | 1948  | 1949  | 1950  |
|------------|-------------------------------------|--------|--------|-------|--------|--------|--------|-------|-------|-------|-------|-------|
| s/C        | <b>ARP, Current</b>                 | 7.8%   | 8.9%   | 10.0% | 11.1%  | 11.9%  | 9.6%   | 8.1%  | 10.9% | 14.0% | 12.4% | 11.4% |
| C/(s+v)    | <b>OCC, Current</b>                 | 6.98   | 5.46   | 4.87  | 5.14   | 5.82   | 9.52   | 6.29  | 4.81  | 4.41  | 5.19  | 4.86  |
| s/C        | <b>ARP, Hist</b>                    | 10.5%  | 11.9%  | 13.4% | 14.9%  | 15.7%  | 12.7%  | 10.8% | 14.5% | 19.0% | 17.0% | 15.9% |
| C/(s+v)    | <b>OCC, Hist</b>                    | 5.78   | 4.35   | 3.58  | 3.63   | 4.13   | 6.81   | 4.31  | 2.93  | 2.48  | 2.93  | 2.87  |
| C/v        | <b>VCC, Hist</b>                    | 14.67  | 9.00   | 6.88  | 7.87   | 11.76  | 50.12  | 8.03  | 5.09  | 4.68  | 5.82  | 5.27  |
| s/v        | <b>RSV</b>                          | 153.7% | 107.2% | 92.1% | 116.9% | 184.9% | 636.2% | 86.5% | 73.9% | 89.0% | 99.0% | 83.6% |
|            | <b>VCO (cf/MGO)</b>                 | 86.5%  | 85.3%  | 85.5% | 88.2%  | 90.6%  | 94.3%  | 90.5% | 86.3% | 83.8% | 85.1% | 85.4% |
|            | <b>s/MGO</b>                        | 8.2%   | 7.6%   | 6.9%  | 6.4%   | 6.1%   | 4.9%   | 4.4%  | 5.8%  | 7.6%  | 7.4%  | 6.7%  |
|            | <b>v/MGO</b>                        | 5.3%   | 7.1%   | 7.5%  | 5.4%   | 3.3%   | 0.8%   | 5.1%  | 7.9%  | 8.6%  | 7.5%  | 8.0%  |
|            | <b>NV/PEV</b>                       | 15.6%  | 17.2%  | 16.9% | 13.4%  | 10.3%  | 6.0%   | 10.5% | 15.9% | 19.3% | 17.5% | 17.1% |
|            | <b>v/SNUL^</b>                      | 21.0%  | 29.6%  | 32.5% | 23.7%  | 13.9%  | 3.2%   | 22.1% | 35.5% | 38.5% | 32.9% | 35.5% |
| s/C+v      |                                     | 10%    | 11%    | 12%   | 13%    | 14%    | 12%    | 10%   | 12%   | 16%   | 15%   | 13%   |
| s/C+v+SNUL | <b>ARP, Hist</b>                    | 7.5%   | 8.0%   | 8.4%  | 8.9%   | 9.3%   | 7.7%   | 6.4%  | 8.3%  | 10.8% | 10.0% | 9.2%  |
| nv/C+SNUL^ | <b>NewValue/Fixed Assets +SNUL^</b> | 13.1%  | 16.7%  | 19.3% | 17.9%  | 15.0%  | 9.0%   | 14.8% | 22.0% | 26.0% | 22.4% | 22.7% |
|            | <b>Phys ARP</b>                     |        |        |       |        |        |        |       |       |       |       |       |
|            | <b>OCC^</b>                         |        |        |       |        |        |        |       |       |       |       |       |
|            | <b>Phys-Commerce APR</b>            |        |        |       |        |        |        |       |       |       |       |       |
|            | <b>^OCC</b>                         |        |        |       |        |        |        |       |       |       |       |       |
|            | <b>SNUL^ /MGO</b>                   | 25%    | 24%    | 23%   | 23%    | 24%    | 24%    | 23%   | 22%   | 22%   | 23%   | 22%   |

**Core Mage-Smith Marxian Ratios**

|            |                                     | 1951  | 1952  | 1953  | 1954  | 1955  | 1956  | 1957  | 1958  | 1959  | 1960  | 1961  |
|------------|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| s/C        | <b>ARP, Current</b>                 | 10.4% | 10.0% | 9.0%  | 9.0%  | 10.8% | 9.6%  | 8.8%  | 7.3%  | 8.7%  | 8.0%  | 7.7%  |
| C/(s+v)    | <b>OCC, Current</b>                 | 5.00  | 5.17  | 4.95  | 5.32  | 4.56  | 4.77  | 5.17  | 6.29  | 5.31  | 5.43  | 5.55  |
| s/C        | <b>ARP, Hist</b>                    | 14.8% | 14.3% | 12.8% | 12.7% | 15.2% | 13.5% | 12.3% | 10.1% | 12.0% | 11.0% | 10.7% |
| C/(s+v)    | <b>OCC, Hist</b>                    | 2.83  | 2.93  | 2.89  | 3.21  | 2.86  | 2.93  | 3.13  | 3.88  | 3.40  | 3.54  | 3.78  |
| C/v        | <b>VCC, Hist</b>                    | 4.86  | 5.04  | 4.58  | 5.42  | 5.05  | 4.85  | 5.09  | 6.40  | 5.72  | 5.81  | 6.34  |
| s/v        | <b>RSV</b>                          | 71.7% | 71.8% | 58.7% | 68.9% | 76.5% | 65.5% | 62.5% | 64.8% | 68.6% | 64.1% | 67.5% |
|            | <b>VCO (cf/MGO)</b>                 | 86.3% | 86.5% | 86.0% | 86.3% | 84.9% | 84.9% | 85.3% | 87.1% | 85.6% | 85.9% | 86.4% |
|            | <b>s/MGO</b>                        | 5.7%  | 5.7%  | 5.2%  | 5.6%  | 6.5%  | 6.0%  | 5.7%  | 5.1%  | 5.8%  | 5.5%  | 5.5%  |
|            | <b>v/MGO</b>                        | 8.0%  | 7.9%  | 8.8%  | 8.1%  | 8.6%  | 9.1%  | 9.0%  | 7.8%  | 8.5%  | 8.6%  | 8.1%  |
|            | <b>NV/PEV</b>                       | 15.9% | 15.6% | 16.3% | 15.9% | 17.8% | 17.7% | 17.2% | 14.8% | 16.8% | 16.4% | 15.8% |
|            | <b>v/SNUL^</b>                      | 36.2% | 35.4% | 39.9% | 35.9% | 38.7% | 40.4% | 40.3% | 34.0% | 37.9% | 37.6% | 35.3% |
| s/C+v      |                                     | 12%   | 12%   | 11%   | 11%   | 13%   | 11%   | 10%   | 9%    | 10%   | 9%    | 9%    |
| s/C+v+SNUL | <b>ARP, Hist</b>                    | 8.3%  | 8.1%  | 7.3%  | 7.5%  | 8.9%  | 7.9%  | 7.3%  | 6.3%  | 7.3%  | 6.8%  | 6.6%  |
| nv/C+SNUL^ | <b>NewValue/Fixed Assets +SNUL^</b> | 22.5% | 21.9% | 22.4% | 20.6% | 23.1% | 22.6% | 21.5% | 17.6% | 20.1% | 19.4% | 18.3% |
|            | <b>Phys ARP</b>                     |       |       |       |       |       |       |       |       |       |       |       |
|            | <b>OCC^</b>                         |       |       |       |       |       |       |       |       |       |       |       |
|            | <b>Phys-Commerce APR</b>            |       |       |       |       |       |       |       |       |       |       |       |
|            | <b>^OCC</b>                         |       |       |       |       |       |       |       |       |       |       |       |
|            | <b>SNUL^ /MGO</b>                   | 22%   | 22%   | 22%   | 23%   | 22%   | 23%   | 22%   | 23%   | 23%   | 23%   | 23%   |



**Core Mage-Smith Marxian Ratios**

|            |                              | 1984  | 1985  | 1986  | 1987  | 1988  | 1989  | 1990  | 1991  | 1992  | 1993  | 1994  |
|------------|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| s/C        | ARP, Current                 | 9.3%  | 8.9%  | 6.6%  | 7.0%  | 8.2%  | 7.1%  | 6.6%  | 6.4%  | 6.9%  | 7.4%  | 8.6%  |
| C/(s+v)    | OCC, Current                 | 5.58  | 5.68  | 6.34  | 6.21  | 6.01  | 6.42  | 6.74  | 6.99  | 6.73  | 6.45  | 5.99  |
| s/C        | ARP, Hist                    | 12.0% | 11.4% | 8.5%  | 9.0%  | 10.5% | 9.1%  | 8.5%  | 8.3%  | 8.9%  | 9.5%  | 10.9% |
| C/(s+v)    | OCC, Hist                    | 3.36  | 3.55  | 4.10  | 4.13  | 4.03  | 4.28  | 4.52  | 4.72  | 4.66  | 4.52  | 4.22  |
| C/v        | VCC, Hist                    | 5.64  | 5.97  | 6.30  | 6.56  | 7.00  | 7.02  | 7.35  | 7.75  | 7.95  | 7.91  | 7.85  |
| s/v        | RSV                          | 67.8% | 68.2% | 53.5% | 58.9% | 73.4% | 64.2% | 62.7% | 64.0% | 70.7% | 75.0% | 86.0% |
|            | VCO (c/f/MGO)                | 84.5% | 84.9% | 86.4% | 86.2% | 86.1% | 87.0% | 87.5% | 87.6% | 87.5% | 87.2% | 86.4% |
|            | s/MGO                        | 6.3%  | 6.1%  | 4.7%  | 5.1%  | 5.9%  | 5.1%  | 4.8%  | 4.8%  | 5.2%  | 5.5%  | 6.3%  |
|            | v/MGO                        | 9.2%  | 9.0%  | 8.9%  | 8.7%  | 8.0%  | 7.9%  | 7.7%  | 7.5%  | 7.3%  | 7.3%  | 7.3%  |
|            | NV/PEV                       | 18.3% | 17.8% | 15.8% | 16.0% | 16.2% | 15.0% | 14.3% | 14.1% | 14.3% | 14.6% | 15.8% |
|            | v/SNUL^                      | 39.9% | 38.6% | 37.3% | 36.4% | 33.1% | 33.3% | 31.9% | 31.2% | 30.0% | 30.5% | 31.0% |
| s/C+v      |                              | 10%   | 10%   | 7%    | 8%    | 9%    | 8%    | 8%    | 7%    | 8%    | 8%    | 10%   |
| s/C+v+SNUl | ARP, Hist                    | 7.4%  | 7.1%  | 5.4%  | 5.7%  | 6.7%  | 5.8%  | 5.5%  | 5.4%  | 5.8%  | 6.2%  | 7.1%  |
| nv/C+SNUl^ | NewValue/Fixed Assets +SNUl^ | 20.6% | 19.7% | 17.1% | 17.1% | 17.3% | 16.4% | 15.5% | 15.0% | 15.1% | 15.6% | 16.8% |
|            | Phys ARP                     |       |       |       |       |       |       |       |       |       |       |       |
|            | OCC^                         |       |       |       |       |       |       |       |       |       |       |       |
|            | Phys-Commerce APR            |       |       |       |       |       |       |       |       |       |       |       |
|            | ^OCC                         |       |       |       |       |       |       |       |       |       |       |       |
|            | SNUL^ /MGO                   | 23%   | 23%   | 24%   | 24%   | 24%   | 24%   | 24%   | 24%   | 24%   | 24%   | 24%   |

**Core Mage-Smith Marxian Ratios**

|            |                              | 1995  | 1996   | 1997   | 1998  | 1999  | 2000  | 2001  | 2002  | 2003  | 2004   | 2005   |
|------------|------------------------------|-------|--------|--------|-------|-------|-------|-------|-------|-------|--------|--------|
| s/C        | ARP, Current                 | 9.2%  | 9.9%   | 10.4%  | 9.6%  | 9.0%  | 7.9%  | 6.5%  | 7.4%  | 8.2%  | 9.8%   | 10.5%  |
| C/(s+v)    | OCC, Current                 | 5.94  | 5.81   | 5.65   | 5.50  | 5.72  | 6.08  | 6.51  | 6.45  | 6.30  | 5.85   | 6.02   |
| s/C        | ARP, Hist                    | 11.7% | 12.5%  | 13.1%  | 12.0% | 11.3% | 9.9%  | 8.1%  | 9.3%  | 10.4% | 12.3%  | 13.3%  |
| C/(s+v)    | OCC, Hist                    | 4.19  | 4.13   | 4.08   | 4.02  | 4.23  | 4.54  | 4.88  | 4.85  | 4.73  | 4.39   | 4.32   |
| C/v        | VCC, Hist                    | 8.18  | 8.53   | 8.75   | 7.73  | 8.07  | 8.22  | 8.03  | 8.80  | 9.29  | 9.57   | 10.09  |
| s/v        | RSV                          | 95.4% | 106.6% | 114.5% | 92.6% | 90.8% | 80.9% | 64.7% | 81.5% | 96.3% | 118.2% | 133.7% |
|            | VCO (c/f/MGO)                | 86.2% | 85.8%  | 85.5%  | 85.1% | 85.7% | 86.6% | 87.0% | 86.6% | 86.5% | 85.9%  | 86.1%  |
|            | s/MGO                        | 6.7%  | 7.3%   | 7.7%   | 7.1%  | 6.8%  | 6.0%  | 5.1%  | 6.0%  | 6.6%  | 7.7%   | 7.9%   |
|            | v/MGO                        | 7.1%  | 6.9%   | 6.7%   | 7.7%  | 7.5%  | 7.4%  | 7.9%  | 7.4%  | 6.9%  | 6.5%   | 5.9%   |
|            | NV/PEV                       | 16.0% | 16.5%  | 16.9%  | 17.5% | 16.6% | 15.4% | 15.0% | 15.5% | 15.7% | 16.4%  | 16.1%  |
|            | v/SNUL^                      | 29.8% | 29.0%  | 28.3%  | 33.1% | 31.8% | 30.9% | 34.2% | 31.7% | 29.7% | 28.1%  | 26.5%  |
| s/C+v      |                              | 10%   | 11%    | 12%    | 11%   | 10%   | 9%    | 7%    | 8%    | 9%    | 11%    | 12%    |
| s/C+v+SNUl | ARP, Hist                    | 7.6%  | 8.2%   | 8.6%   | 7.9%  | 7.4%  | 6.5%  | 5.4%  | 6.3%  | 7.0%  | 8.4%   | 9.0%   |
| nv/C+SNUl^ | NewValue/Fixed Assets +SNUl^ | 16.9% | 17.2%  | 17.5%  | 17.9% | 17.0% | 15.8% | 15.0% | 15.2% | 15.5% | 16.6%  | 16.9%  |
|            | Phys ARP                     |       |        |        |       |       |       |       |       |       |        |        |
|            | OCC^                         |       |        |        |       |       |       |       |       |       |        |        |
|            | Phys-Commerce APR            |       |        |        |       |       |       |       |       |       |        |        |
|            | ^OCC                         |       |        |        |       |       |       |       |       |       |        |        |
|            | SNUL^ /MGO                   | 24%   | 24%    | 24%    | 23%   | 24%   | 24%   | 23%   | 23%   | 23%   | 23%    | 22%    |

# Twilight Capitalism

## Core Mage-Smith Marxian Ratios

|            |                              | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   |
|------------|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| s/C        | ARP, Current                 | 11.4%  | 10.1%  | 9.1%   | 7.5%   | 9.5%   | 9.8%   | 10.6%  | 10.2%  | 10.2%  | 9.8%   |
| C/(s+v)    | OCC, Current                 | 6.05   | 6.78   | 7.39   | 8.84   | 7.38   | 7.04   | 6.79   | 6.71   | 6.66   | 6.79   |
| s/C        | ARP, Hist                    | 14.4%  | 12.8%  | 11.5%  | 9.6%   | 12.1%  | 12.7%  | 13.6%  | 13.1%  | 13.1%  | 12.5%  |
| C/(s+v)    | OCC, Hist                    | 4.16   | 4.55   | 4.98   | 5.90   | 5.18   | 4.93   | 4.71   | 4.70   | 4.68   | 4.80   |
| C/v        | VCC, Hist                    | 10.37  | 10.97  | 11.72  | 13.57  | 13.96  | 13.15  | 13.13  | 12.29  | 12.06  | 12.04  |
| s/v        | RSV                          | 149.5% | 140.8% | 135.3% | 130.0% | 169.6% | 166.5% | 178.8% | 161.5% | 157.5% | 151.1% |
|            | VCO (c/f/MGO)                | 85.8%  | 87.0%  | 87.7%  | 88.7%  | 87.3%  | 86.8%  | 86.2%  | 86.1%  | 86.1%  | 86.3%  |
|            | s/MGO                        | 8.5%   | 7.6%   | 7.0%   | 6.4%   | 8.0%   | 8.2%   | 8.8%   | 8.6%   | 8.5%   | 8.2%   |
|            | v/MGO                        | 5.7%   | 5.4%   | 5.2%   | 4.9%   | 4.7%   | 4.9%   | 4.9%   | 5.3%   | 5.4%   | 5.4%   |
|            | NV/PEV                       | 16.5%  | 14.9%  | 14.0%  | 12.8%  | 14.5%  | 15.2%  | 16.0%  | 16.1%  | 16.2%  | 15.8%  |
|            | v/SNUL^                      | 25.6%  | 24.4%  | 23.7%  | 22.0%  | 21.5%  | 22.8%  | 22.7%  | 25.0%  | 25.4%  | 25.6%  |
| s/C+v      |                              | 13%    | 12%    | 11%    | 9%     | 11%    | 12%    | 13%    | 12%    | 12%    | 12%    |
| s/C+v+SNUL | ARP, Hist                    | 9.8%   | 8.8%   | 8.0%   | 6.8%   | 8.6%   | 9.0%   | 9.6%   | 9.3%   | 9.3%   | 8.9%   |
| nv/C+SNUL^ | NewValue/Fixed Assets +SNUL^ | 17.5%  | 16.0%  | 14.8%  | 12.7%  | 14.5%  | 15.2%  | 15.9%  | 16.1%  | 16.1%  | 15.7%  |
|            | Phys ARP                     |        |        |        |        |        |        |        |        |        |        |
|            | OCC^                         |        |        |        |        |        |        |        |        |        |        |
|            | Phys-Commerce APR            |        |        |        |        |        |        |        |        |        |        |
|            | ^OCC                         |        |        |        |        |        |        |        |        |        |        |
|            | SNUL^ /MGO                   | 22%    | 22%    | 22%    | 22%    | 22%    | 22%    | 22%    | 21%    | 21%    | 21%    |

## Core Mage-Smith Marxian Ratios

|            |                              | 2016   | 2017   | 2018   |
|------------|------------------------------|--------|--------|--------|
| s/C        | ARP, Current                 | 8.9%   | 9.0%   | 9.4%   |
| C/(s+v)    | OCC, Current                 | 7.00   | 6.83   | 6.59   |
| s/C        | ARP, Hist                    | 11.5%  | 11.6%  | 12.1%  |
| C/(s+v)    | OCC, Hist                    | 5.07   | 5.02   | 4.84   |
| C/v        | VCC, Hist                    | 12.11  | 11.97  | 11.67  |
| s/v        | RSV                          | 138.8% | 138.4% | 141.1% |
|            | VCO (c/f/MGO)                | 86.8%  | 86.8%  | 86.5%  |
|            | s/MGO                        | 7.7%   | 7.7%   | 7.9%   |
|            | v/MGO                        | 5.5%   | 5.6%   | 5.6%   |
|            | NV/PEV                       | 15.2%  | 15.3%  | 15.7%  |
|            | v/SNUL^                      | 25.9%  | 26.0%  | 26.3%  |
| s/C+v      |                              | 11%    | 11%    | 11%    |
| s/C+v+SNUL | ARP, Hist                    | 8.2%   | 8.2%   | 8.6%   |
| nv/C+SNUL^ | NewValue/Fixed Assets +SNUL^ | 15.0%  | 15.1%  | 15.6%  |
|            | Phys ARP                     |        |        |        |
|            | OCC^                         |        |        |        |
|            | Phys-Commerce APR            |        |        |        |
|            | ^OCC                         |        |        |        |
|            | SNUL^ /MGO                   | 21%    | 21%    | 21%    |

**Crisis Figures**

Hist cost 3.3ESI - in Bn\$

|  | 1998     | 1999     | 2000     | 2001     | 2002     | 2003     | 2004     | 2005     | 2006     |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Manu 11  | 1584.3   | 1668.8   | 1761.3   | 1839.4   | 1876.2   | 1900.9   | 1934.2   | 1992     | 2066.4   |
| Construction 10  | 118.9    | 135.4    | 146.7    | 152.9    | 160.7    | 164.5    | 175.4    | 187.1    | 200.7    |
| wholesale 33   | 266.7    | 279.7    | 293.8    | 297.5    | 299      | 306.6    | 317.8    | 342.5    | 361.2    |
| retail 34  | 387.1    | 416.7    | 454      | 486.6    | 515.7    | 550.2    | 587.3    | 620.8    | 661.2    |
| transport and warehousing 35                                 | 422.2    | 450.7    | 480.4    | 505.5    | 511.4    | 514      | 524      | 541.4    | 568.1    |
| broadcast and telecommunications 47                          | 628.6    | 682.9    | 762.3    | 815.2    | 825.9    | 830      | 840.2    | 860.6    | 894.2    |
| Fed reserve banks 50   | 6.4      | 7.7      | 8.1      | 8        | 7.5      | 7.2      | 7.1      | 6.8      | 6.8      |
|  |          |          | 1000     |          |          |          |          |          |          |
| <b>PROFITS 6.19 D - had to be converted to Bn\$</b>          |          |          |          |          |          |          |          |          |          |
| consturction 11  | 21.953   | 25.772   | 31.464   | 37.162   | 32.419   | 30.441   | 46.452   | 70.897   | 72.53    |
| Manu 12  | 118.327  | 115.861  | 112.091  | 28.165   | 39.416   | 82.702   | 134.918  | 188.871  | 247.333  |
| Wholesale 34   | 40.172   | 44.109   | 49.626   | 39.474   | 41.642   | 48.21    | 64.336   | 80.529   | 89.753   |
| retail 37  | 44.685   | 43.819   | 35.371   | 51.948   | 60.818   | 66.97    | 72.938   | 94.172   | 100.708  |
| Transportation and warehousing 38                            | 7.031    | 2.908    | 5.391    | -3.273   | -8.425   | 0.88     | 6.553    | 20.496   | 30.508   |
| Broadcasting and telecommunications 50                       | 8.93     | -8.834   | -15.051  | -24.401  | -23.335  | -8.413   | 6.92     | 39.424   | 47.796   |
| Federal Resevre Banks 53                                     | 25.6     | 26.676   | 31.23    | 28.878   | 23.483   | 20.047   | 20.01    | 26.534   | 33.815   |
| Fed banks adjusted   | 0.766    | 0.866    | 0.798    | 0.644    | 0.694    | 0.746    | 0.877    | 0.901    | 0.980    |
|  |          |          |          |          |          |          |          |          |          |
| Physicalist ARP<br>OCC^                                      | 4.66%    | 4.32%    | 4.19%    | 1.70%    | 1.73%    | 3.08%    | 4.95%    | 7.12%    | 8.50%    |
|  |          |          |          |          |          |          |          |          |          |
| Physicalist-Comernce ARP<br>OCC^                             | 4.68%    | 4.07%    | 3.72%    | 2.12%    | 2.32%    | 3.53%    | 5.14%    | 7.35%    | 8.35%    |
|  |          |          |          |          |          |          |          |          |          |
| <b>Wages - will have to be converted</b>                     |          |          | 1000     |          |          |          |          |          |          |
| construction 12  | 211.377  | 233.316  | 256.698  | 272.371  | 274.015  | 278.567  | 296.64   | 321.548  | 354.612  |
| manu 13  | 681.032  | 705.792  | 744.988  | 713.374  | 679.48   | 673.544  | 692.896  | 709.671  | 737.077  |
| whosales 35  | 242.234  | 259.617  | 282.522  | 285.192  | 282.489  | 289.905  | 307.412  | 324.776  | 349.162  |
| retial 38  | 301.906  | 322.387  | 345.491  | 354.158  | 359.186  | 367.015  | 379.939  | 392.783  | 407.212  |
| transport and waerehousing 43                                | 145.689  | 154.664  | 164.605  | 167.572  | 165.221  | 166.842  | 176.699  | 183.725  | 193.95   |
| Broadcasting and telecommunications 55                       | 72.298   | 83.824   | 93.702   | 92.158   | 85.646   | 82.709   | 85.258   | 85.005   | 87.068   |
| Federal Reserve banks, credit intermediation, and related ac | 103.858  | 110.448  | 113.885  | 127.241  | 135.071  | 150.324  | 156.887  | 165.838  | 176.361  |
| TOTAL WAGES AS ^   | 1758.394 | 1870.048 | 2001.891 | 2012.066 | 1981.108 | 2008.906 | 2095.731 | 2183.346 | 2305.442 |



# Twilight Capitalism

## Crisis Figures

### Hist cost 3.3ESI - in Bn\$

|                                     | 2007  | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   |
|-------------------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| Manu 11                             | 2179  | 2295.2 | 2341.3 | 2390.5 | 2472.3 | 2571.1 | 2680.3 | 2785.4 | 2887.7 |
| Construction 10                     | 215.2 | 228.2  | 216.2  | 213.1  | 214.9  | 220.1  | 230.6  | 240.3  | 254.5  |
| wholesale 33                        | 367   | 376.9  | 374.1  | 378.3  | 392.5  | 408.1  | 415.1  | 436.9  | 459.2  |
| retail 34                           | 697.1 | 722.4  | 726.2  | 735    | 752.4  | 770.8  | 787.2  | 811.7  | 836.7  |
| transport and warehousing 35        | 591   | 619.5  | 626.7  | 639.9  | 659.5  | 690.6  | 728.3  | 788.9  | 846.5  |
| broadcast and telecommunications 47 | 937.3 | 976.6  | 997.3  | 1023.5 | 1052.6 | 1082.2 | 1112.1 | 1138.2 | 1168.3 |
| Fed reserve banks 50                | 7     | 6.9    | 6.9    | 6.8    | 6.6    | 6.6    | 6.4    | 6.3    | 6.3    |

### PROFITS 6.19 D - had to be converted to Bn\$

|  |         |         |        |         |         |         |         |         |         |
|--|---------|---------|--------|---------|---------|---------|---------|---------|---------|
| consturction 11                        | 55.326  | 35.049  | 25.016 | 24.731  | 27.96   | 41.4    | 38.442  | 52.133  | 71.657  |
|  | 0       | 0       | 0      | 0       | 0       | 0       | 0       | 0       | 0       |
| Manu 12                                | 223.865 | 168.367 | 89.162 | 216.921 | 236.483 | 300.57  | 327.021 | 330.847 | 264.608 |
|  | 0       | 0       | 0      | 0       | 0       | 0       | 0       | 0       | 0       |
| Wholesale 34                           | 90.804  | 78.8    | 74.005 | 94.216  | 94.398  | 116.531 | 110.082 | 116.039 | 104.556 |
|  | 0       | 0       | 0      | 0       | 0       | 0       | 0       | 0       | 0       |
| retail 37                              | 94.262  | 63.824  | 83.326 | 96.35   | 95.347  | 122.797 | 113.4   | 120.543 | 129.35  |
|  | 0       | 0       | 0      | 0       | 0       | 0       | 0       | 0       | 0       |
| Transportation and warehousing 38      | 17.151  | 20.461  | 18.529 | 38.467  | 24.852  | 44.166  | 33.889  | 42.525  | 47.901  |
|  | 0       | 0       | 0      | 0       | 0       | 0       | 0       | 0       | 0       |
| Broadcasting and telecommunications 50 | 54.079  | 46.028  | 38.721 | 37.839  | 31.622  | 48.698  | 67.202  | 60.995  | 68.471  |
|  | 0       | 0       | 0      | 0       | 0       | 0       | 0       | 0       | 0       |
| Federal Resevre Banks 53               | 35.977  | 35.062  | 47.324 | 71.562  | 75.963  | 71.721  | 79.661  | 103.473 | 100.739 |
| Fed banks adjusted                     | 0.899   | 0.796   | 0.661  | 0.826   | 0.836   | 0.898   | 0.841   | 0.823   | 0.790   |

|                         |       |       |       |       |       |       |       |       |       |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Physicalist ARP<br>OCC^ | 6.87% | 5.03% | 3.05% | 6.37% | 6.36% | 8.15% | 8.09% | 8.20% | 7.07% |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

|                                    |       |       |       |       |       |       |       |       |       |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Physicalist-Commercnce ARP<br>OCC^ | 7.26% | 5.45% | 4.43% | 6.76% | 6.56% | 8.34% | 8.25% | 8.28% | 7.54% |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

### Wages - will have to be converted

|  |          |          |          |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| construction 12  | 369.738  | 364.308  | 306.976  | 284.934  | 289.184  | 304.567  | 322.163  | 349.13   | 380.711  |
|  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| manu 13  | 751.037  | 739.942  | 660.541  | 673.333  | 705.856  | 733.463  | 746.133  | 780.477  | 806.915  |
|  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| whoesales 35   | 371.615  | 376.421  | 349.29   | 354.691  | 373.992  | 393.445  | 401.886  | 420.659  | 438.636  |
|  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| retial 38  | 419.751  | 414.425  | 393.5    | 398.765  | 410.896  | 426.51   | 436.712  | 456.001  | 481.779  |
|  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| transport and waerehousing 43                                | 205.074  | 207.075  | 192.508  | 195.474  | 207.37   | 219.538  | 226.748  | 242.296  | 259.058  |
|  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Broadcasting and telecommunications 55                       | 95.271   | 93.838   | 88.507   | 86.591   | 88.246   | 89.757   | 90.991   | 93.146   | 91.558   |
|  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Federal Reserve banks, credit intermediation, and related ac | 178.385  | 168.068  | 157.4    | 159.446  | 168.075  | 180.402  | 187.069  | 189.856  | 201.814  |
| TOTAL WAGES AS ^   | 2390.871 | 2364.077 | 2148.722 | 2153.234 | 2243.619 | 2347.682 | 2411.702 | 2531.565 | 2660.471 |

**Crisis Figures**

**Hist cost 3.3ESI - in Bn\$**

|                                     | 2016   | 2017   | 2018   |
|-------------------------------------|--------|--------|--------|
| Manu 11                             | 2975.8 | 3062.4 | 3166.7 |
| Construction 10                     | 268.2  | 281.2  | 297.8  |
| wholesale 33                        | 487.1  | 507.8  | 534    |
| retail 34                           | 864.5  | 896.2  | 929.3  |
| transport and warehousing 35        | 890.5  | 932.3  | 984.8  |
| broadcast and telecommunications 47 | 1199.7 | 1237.3 | 1278.7 |
| Fed reserve banks 50                | 6.3    | 6.3    | 6.3    |

**PROFITS 6.19 D - had to be converted to Bn\$**

|  |         |         |         |
|--|---------|---------|---------|
| consturction 11                        | 88.22   | 97.534  | 108.202 |
|  | 0       | 0       | 0       |
| Manu 12                                | 227.865 | 228.961 | 228.278 |
|  | 0       | 0       | 0       |
| Wholesale 34                           | 92.795  | 116.492 | 109.334 |
|  | 0       | 0       | 0       |
| retail 37                              | 131.394 | 149.793 | 136.429 |
|  | 0       | 0       | 0       |
| Transportation and warehousing 38      | 53.769  | 49.402  | 37.473  |
|  | 0       | 0       | 0       |
| Broadcasting and telecommunications 50 | 74.269  | 0       | 0       |
|  | 0       | 0       | 0       |
|  | 0       | 0       | 0       |
| Federal Resevre Banks 53               | 91.952  | 92.001  | 92.1    |
| Fed banks adjusted                     | 0.722   | 0.729   | 0.762   |
|  | est^    | est^    |         |

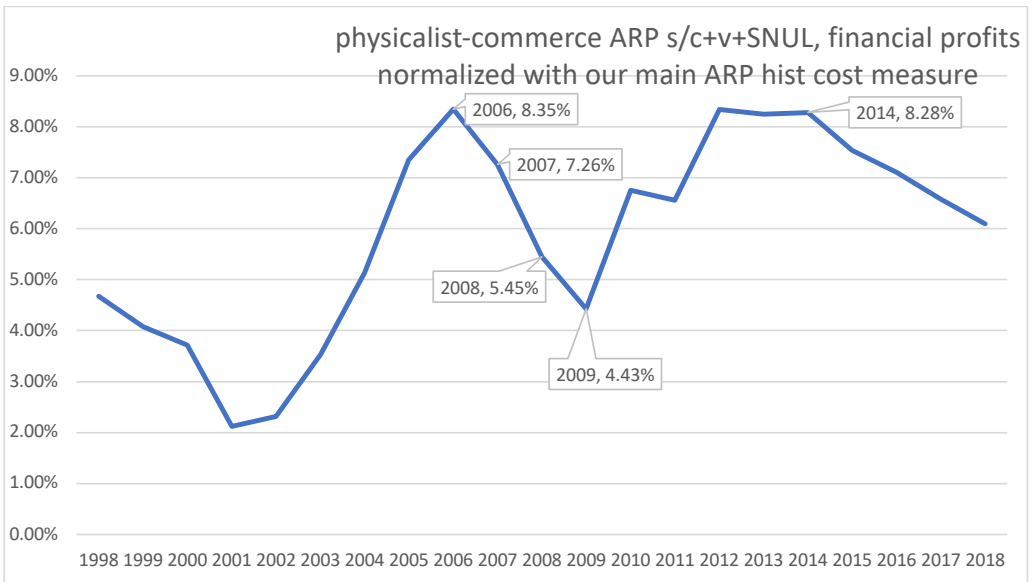
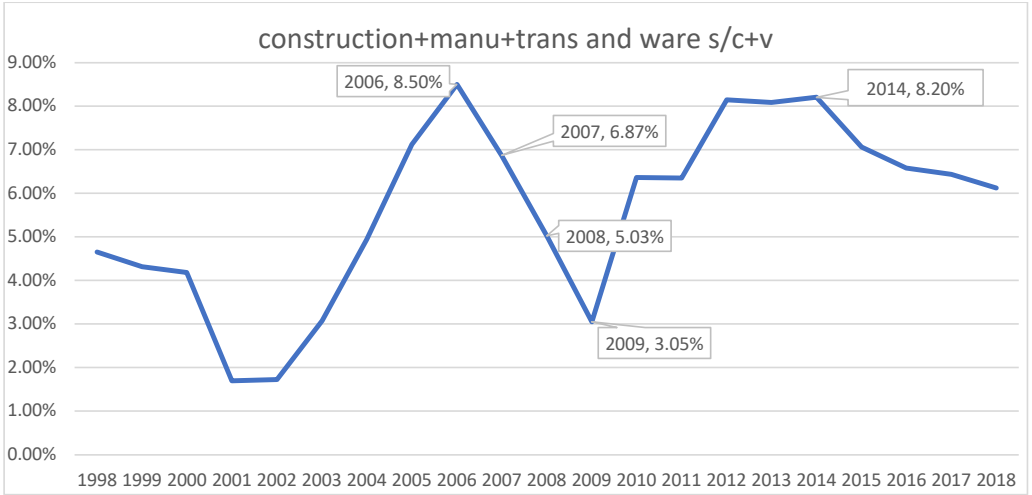
|                         |       |       |       |
|-------------------------|-------|-------|-------|
| Physicalist ARP<br>OCC^ | 6.58% | 6.43% | 6.12% |
|-------------------------|-------|-------|-------|

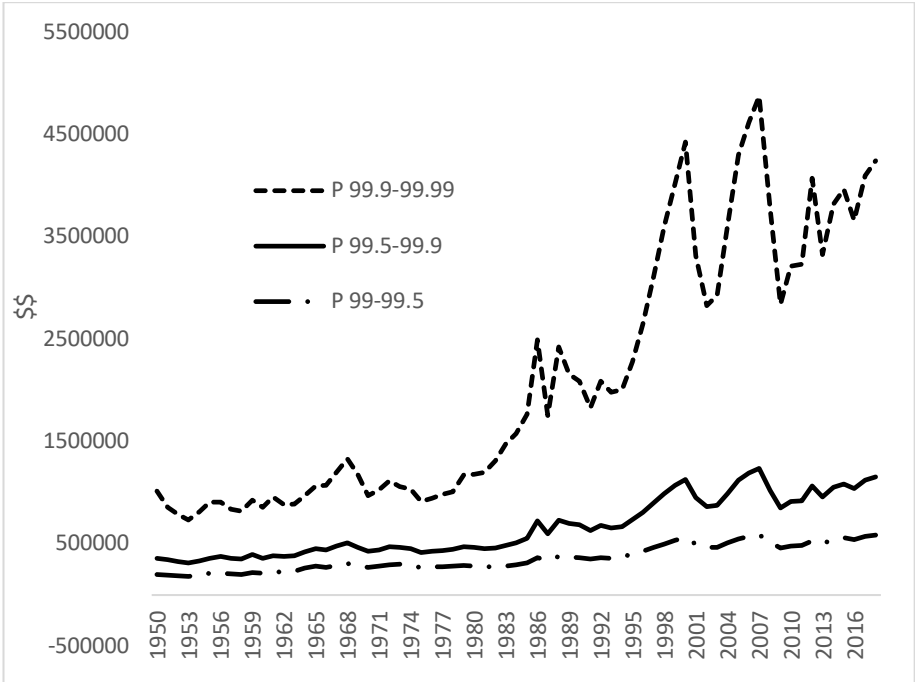
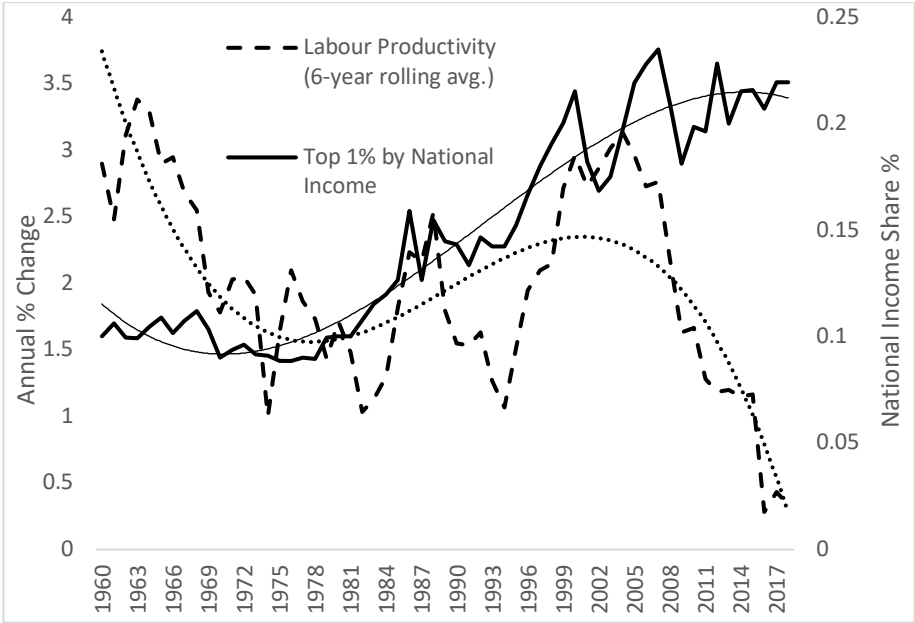
|                                  |       |       |       |
|----------------------------------|-------|-------|-------|
| Physicalist-Commerce ARP<br>OCC^ | 7.10% | 6.58% | 6.10% |
|----------------------------------|-------|-------|-------|

**Wages - will have to be converted**

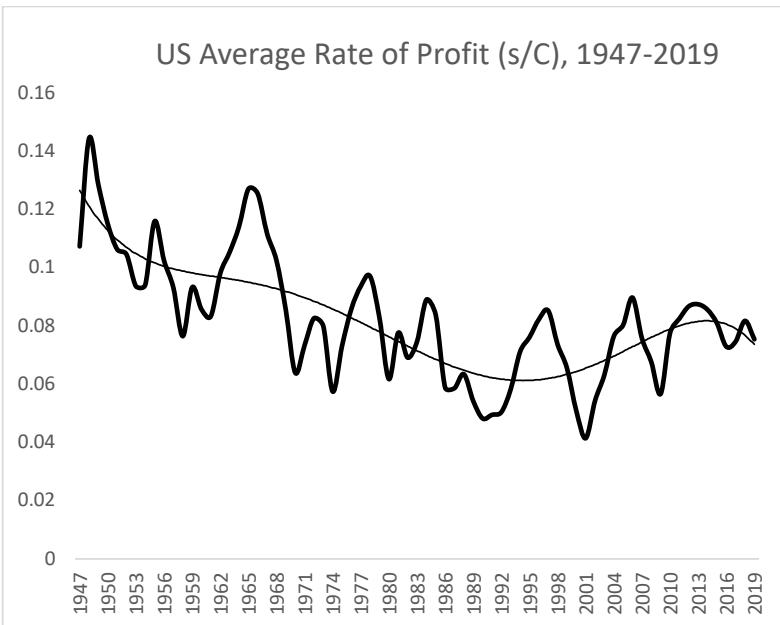
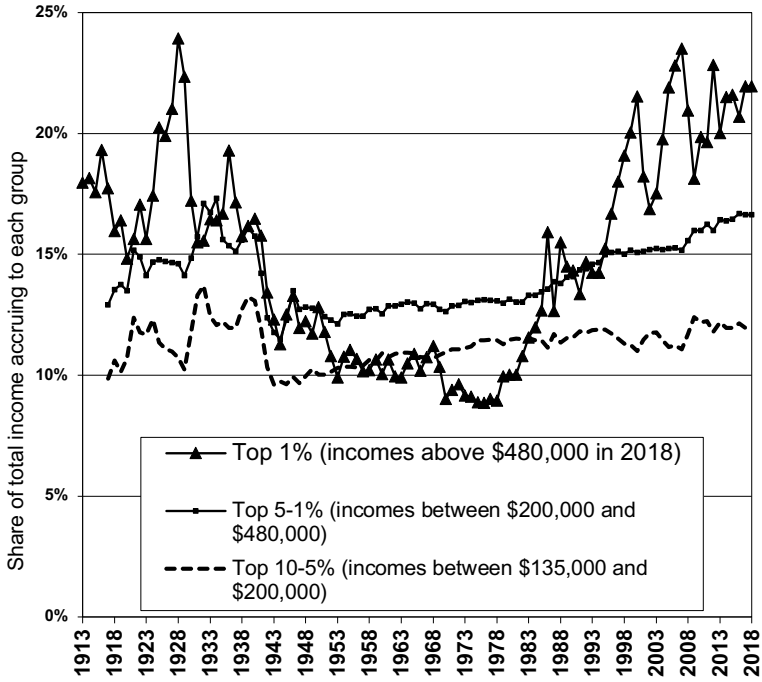
|  |          |         |          |
|--|----------|---------|----------|
| construction 12  | 407.498  | 437.14  | 470.446  |
|  | 0        | 0       | 0        |
| manu 13  | 813.773  | 845.564 | 883.221  |
|  | 0        | 0       | 0        |
| whoesales 35   | 441.311  | 457.269 | 465.601  |
|  | 0        | 0       | 0        |
| retial 38  | 494.579  | 510.852 | 527.48   |
|  | 0        | 0       | 0        |
| transport and waerehousing 43                                | 267.289  | 283.765 | 305.82   |
|  | 0        | 0       | 0        |
| Broadcasting and telecommunications 55                       | 93.298   | 93.191  | 93.422   |
|  | 0        | 0       | 0        |
| Federal Reserve banks, credit intermediation, and related ac | 211.69   | 224.308 | 232.458  |
| TOTAL WAGES AS ^   | 2729.438 | 2852.09 | 2978.448 |

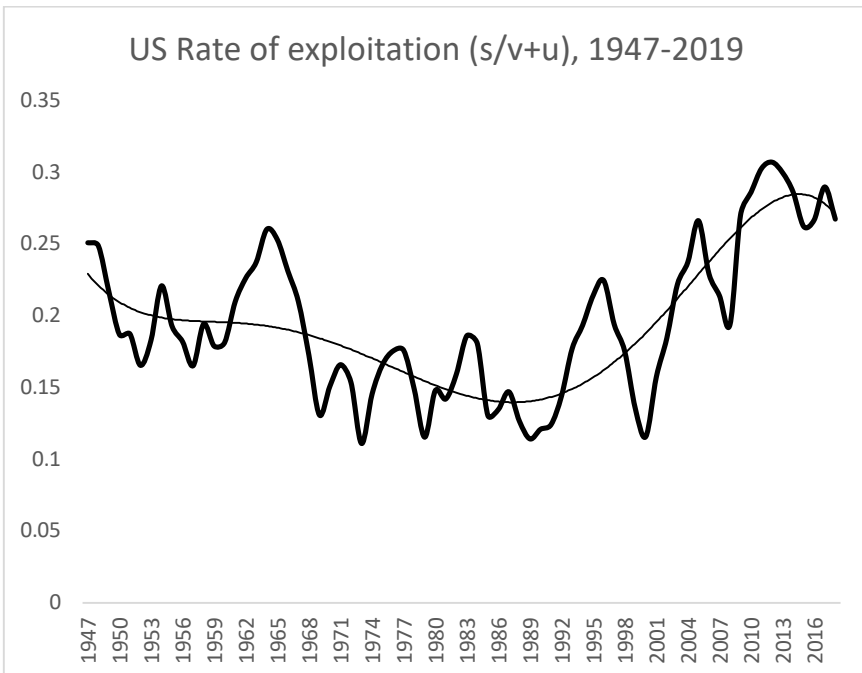
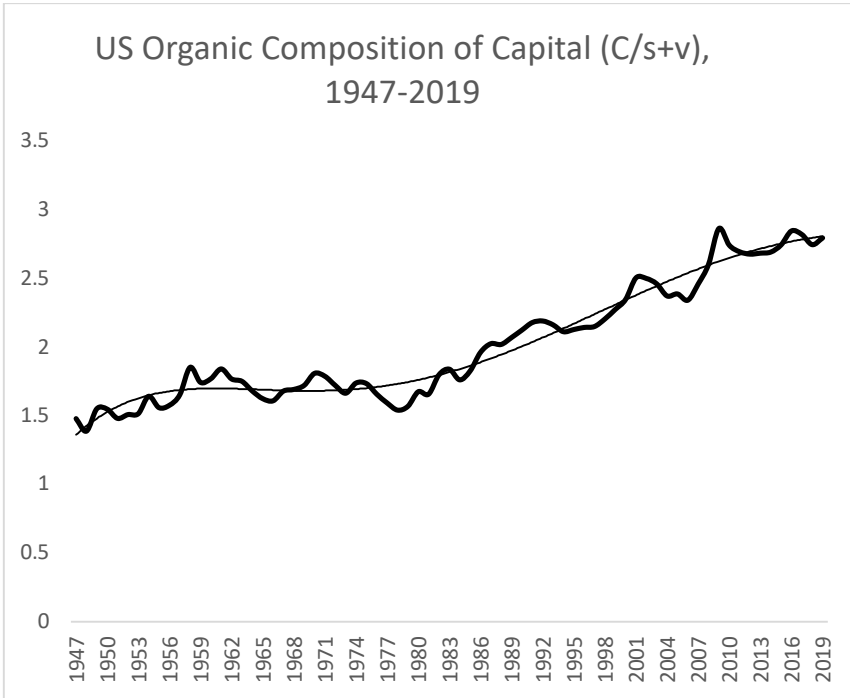
# Twilight Capitalism



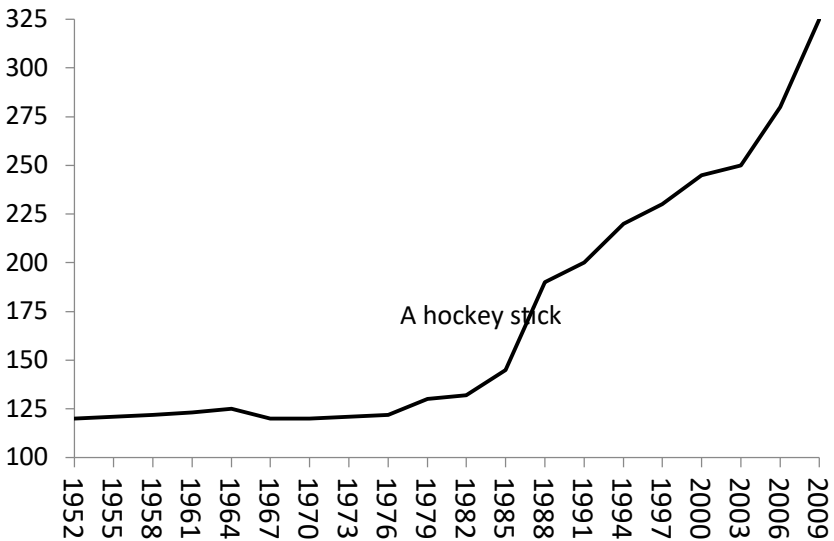
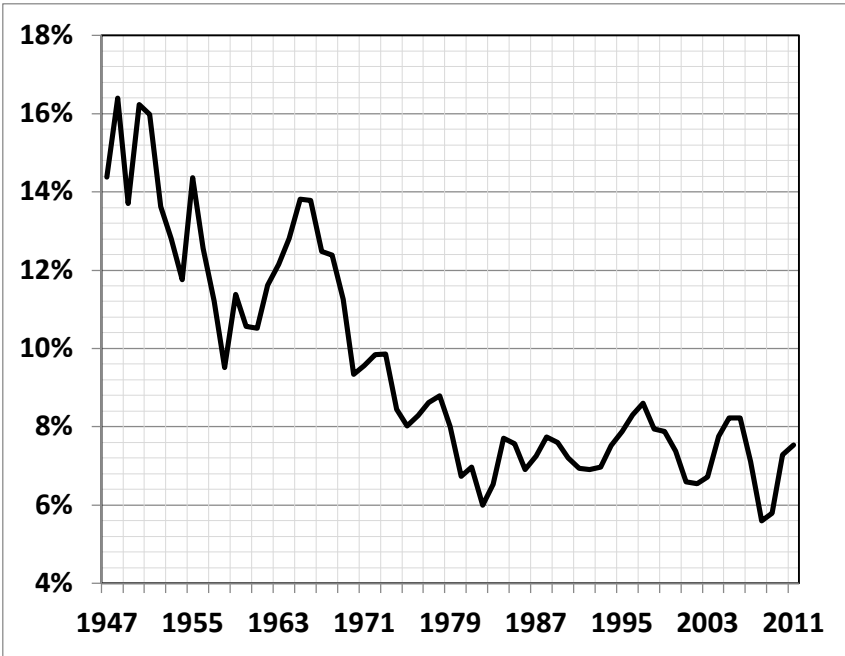


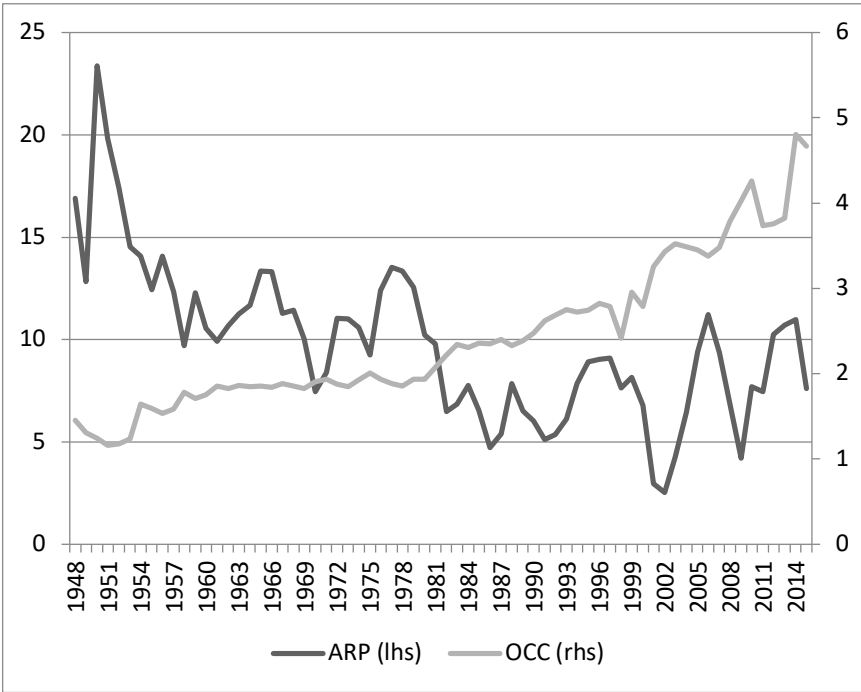
## Twilight Capitalism



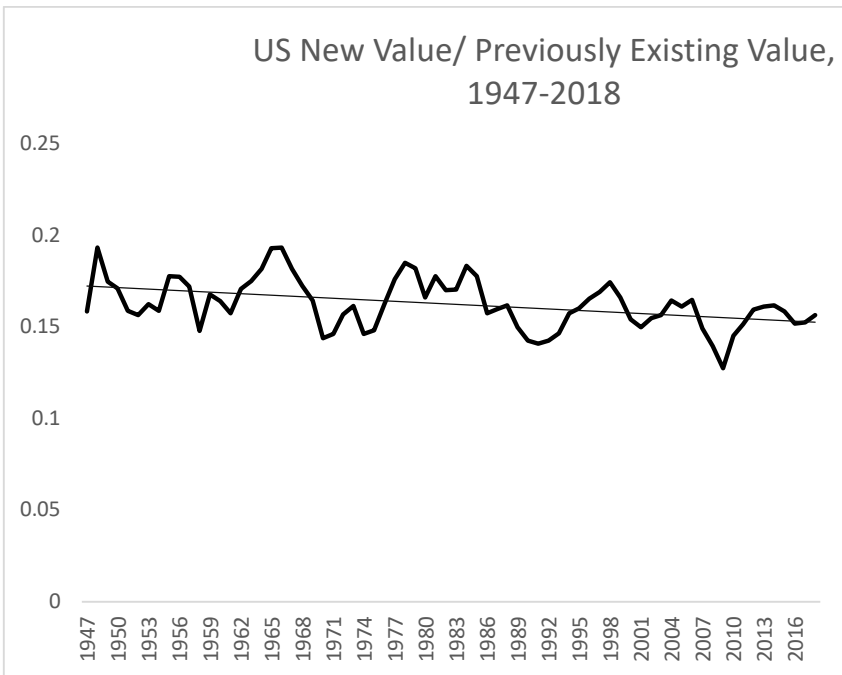


Chapter 5 Outside Charts



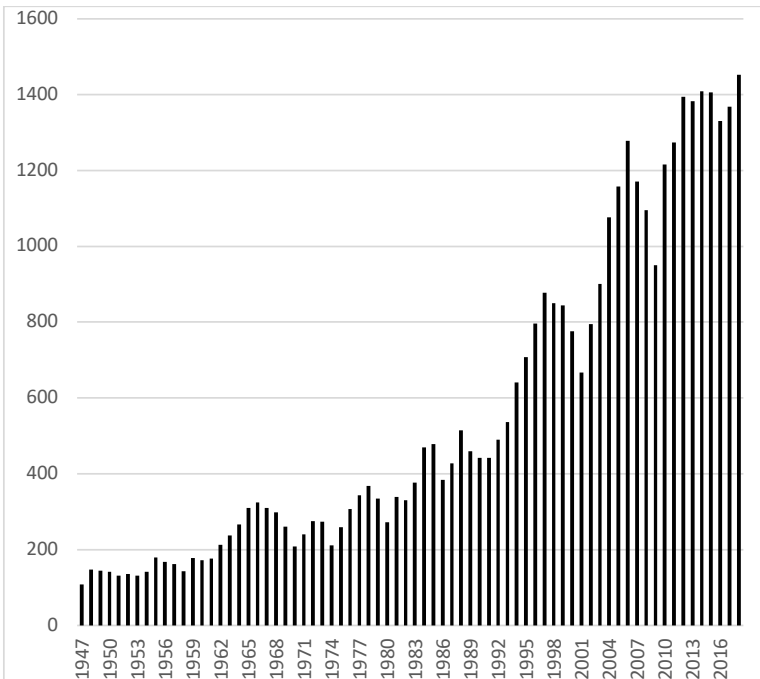
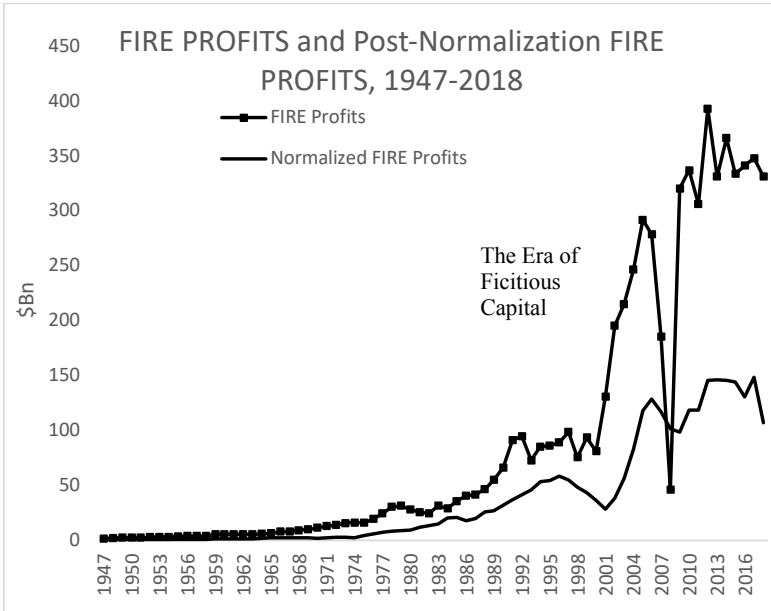


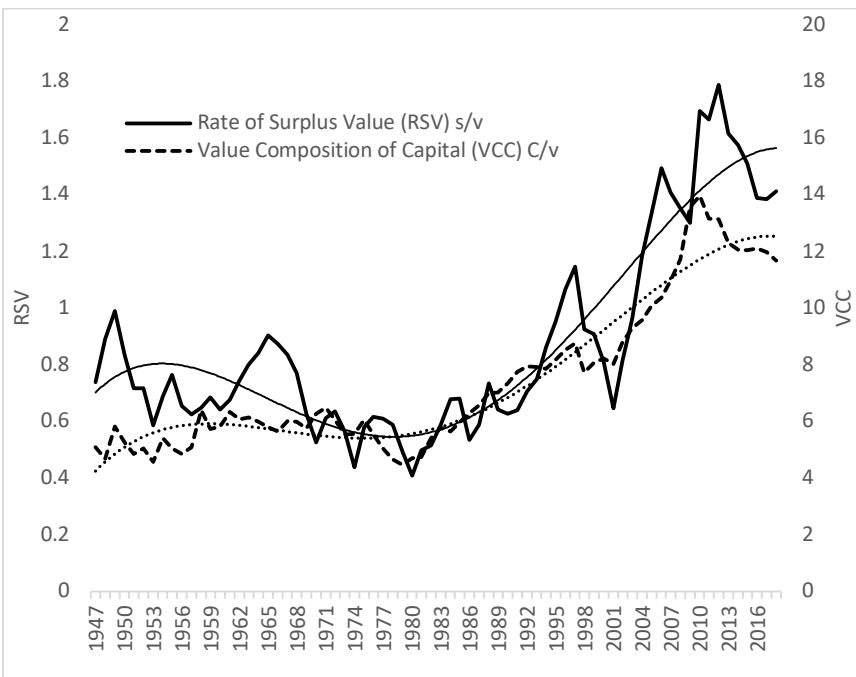
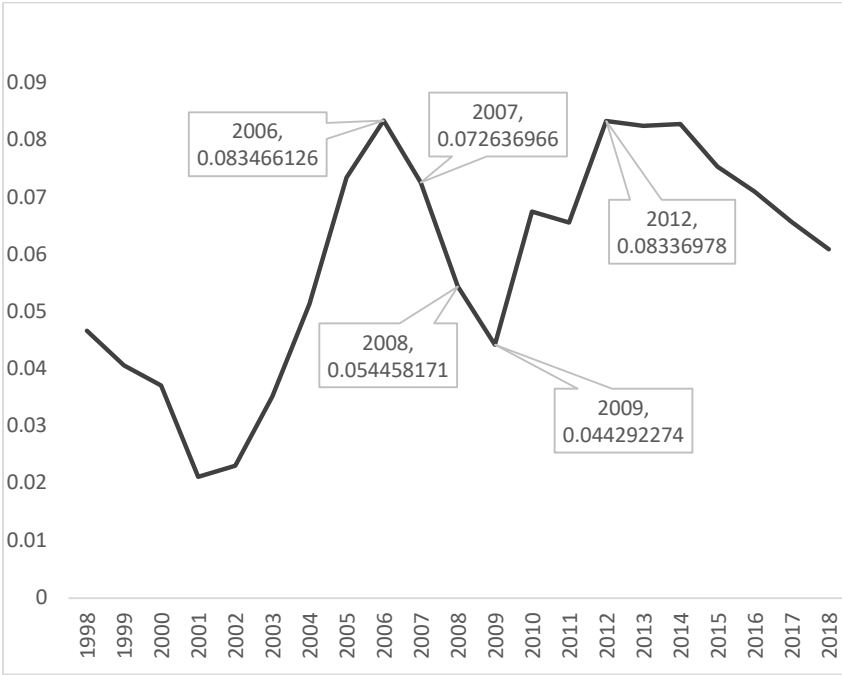
Chapter 5 Charts





# Twilight Capitalism





# APPENDIX II : LEON TROTSKY SPEAKS

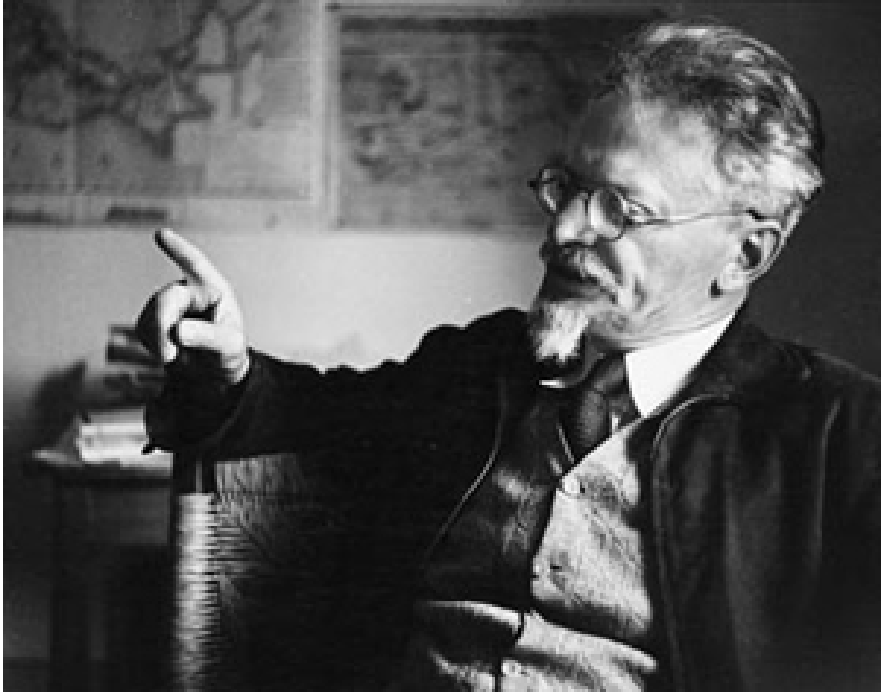
## Burying Stalinism & Defending Socialism

*Conceived, Edited & Introduced by  
Murray E.G. Smith, August 2011*

### INTRODUCTORY NOTE

The collapse of the Soviet bloc, beginning in 1989 and culminating in late August 1991 with Boris Yeltsin's seizure of power on behalf of a coalition of capitalist-restorationist forces in the Soviet Union, offered a veritable propaganda bonanza for anti-socialist ideologues and social forces throughout the world. The determination of the mass media to draw and disseminate only the most simple-minded, pro-capitalist lessons from the demise of Soviet-style "actually existing socialism" guaranteed the superficial and deeply reactionary character of most commentaries. Predictably, the failure of the "socialist ideal" in the erstwhile Communist countries was attributed to the invidiousness and inherent corruptibility of human nature. At the same time, the systemic crisis of Soviet-type societies was explained in no less shallow and tendentious terms: planned economies don't work; socialism kills human motivation and individual initiative; only capitalism can accommodate the popular appetite for democracy; and (perhaps most absurdly of all) the saintly leaders of the "free market" West wished only to be the democratic benefactors of the Soviet-bloc peoples! After decades of mismanagement by corrupt and incompetent bureaucratic oligarchies that had repeatedly sabotaged revolutionary opportunities throughout the world in the name of peaceful coexistence with world capitalism, a weak and decrepit caricature of socialism finally imploded. Grotesquely, that defeat was then adduced by the capitalist propaganda mills to establish the indubitable superiority of capitalism over socialism, confirming once again that in the battle of ideas, as in so many other conflicts, "might makes right" — at least for those inclined to support the mighty.

Three features of the ideological offensive of world capitalism in the face of the "fall of Communism" were particularly noteworthy: 1) the



relentlessness with which bureaucratic rule (that is, Stalinism) was identified with socialism/communism; 2) the determination with which a single “correct interpretation” of the crisis of Stalinism was promulgated – one that absolved Western imperialism of all responsibility for the malaise and final demise of the Soviet system, even as U.S. President George H.W. Bush crowed that “Communism didn’t just fall – it was pushed”; and 3) the consistency with which authentically socialist positions and analyses hostile to Stalinism were ignored or suppressed.

Today, twenty years after the fall of the Soviet Union (USSR), the ideological triumphalism of the capitalist class has been eclipsed by the seemingly inexorable descent of global capitalism into a new version of the Great Depression of the 1930s. The bleak future facing the overwhelming majority of the world’s population as a result of the decay of the “free market” profit system may now, at long last, create an opening for a more serious assessment of what transpired between 1989 and 1991. Although the contemporary Marxist left lacks an authoritative, high-profile voice to offer such an assessment, there is an outstanding, albeit controversial, figure from the past who spoke eloquently and in a remarkably resonant

fashion about many of the problems and dilemmas posed by the collapse of Stalinism in the former Soviet bloc. That figure is Leon Trotsky (1879-1940), one of the central leaders of the Russian socialist revolution of 1917, an intransigent revolutionary Marxist, and Stalinism's most implacable communist opponent.

To give Trotsky a serious hearing at this juncture is to open a perspective on the events of 1989 to 1991 that the capitalists and their ideological agents have done their best to foreclose. What's more, it affords a timely opportunity to consider an authentically Marxist-socialist alternative to Stalinism in response to the mounting irrationality of global capitalism. In this era of fading capitalist "triumph" over the fatally distorted "concrete embodiment" of the socialist idea, what could be more appropriate than to ask the opinion of the man who defended that idea more vigorously than perhaps any other in the twentieth century? Who better to comment on the fall of Soviet-bloc Stalinism than the chairman of the St. Petersburg Soviet during the Russian revolution of 1905; the organizer of the Bolshevik-led insurrection of 1917, and the co-founder with Vladimir Lenin of the Soviet state and the Communist International; the architect of the Red Army and the mastermind of the Soviet victory in the Civil War of 1918-20; the man with whom an ailing Lenin sought an alliance against the growing influence of the arch-bureaucrat Joseph Stalin in 1923; the leader of the Left Opposition within the Communist Party of the Soviet Union and the most powerful critic of Stalin's ruthless bureaucratic dictatorship; the theorist of "permanent revolution" who waged a tireless struggle against the disastrous policies of the official Communist parties following his exile from the USSR in 1929; the foremost champion of proletarian-socialist democracy in the 1930s and founder, in 1938, of the Fourth International, the "world party of socialist revolution."

Leon Trotsky's voice was silenced in 1940; a Stalinist assassin saw to that. Yet his writings remain fresh, his analysis incisive and to the point. To questions that might be posed to him by a contemporary socialist in August 2011, the twentieth anniversary of the fall of the Soviet Union, Trotsky's observations are surprisingly relevant. Indeed, they provide a remarkably profound counterpoint to the relentless ideological campaign by capital against the fundamental ideas of Marxist socialism.

### **Editorial Note**

All of Trotsky's "answers" in the contrived interview below are taken

from his own writings. His words have been altered only to support the illusion that he is speaking in 2011. Altered words and phrases – mainly involving changes of tense – are indicated by square brackets.

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**Contemporary Socialist (CS):** The social phenomenon of bureaucratic-oligarchic rule on the basis of collectivized property forms – what you called Stalinism, and which survived in the USSR (not to mention Eastern Europe, China, Vietnam, etc.) long after the death of the tyrant Joseph Stalin – was obviously beset by profound contradictions and seemed destined to fail. But was the failure of Stalinism also the failure of Marxist socialism? Should Stalinism be regarded as the logical result of the magnificent ideals of Karl Marx – the inevitable and tragic consequence of a quixotic attempt by Lenin and the Bolsheviks to realize those ideals in the real world?

**Leon Trotsky (LT):** The state built up by the Bolsheviks [reflected] not only the thought and will of Bolshevism but also the cultural level of the country, the social composition of the population, the pressure of a barbaric past and no less barbaric world imperialism. To represent the process of degeneration of the Soviet state as the evolution of pure Bolshevism is to ignore social reality in the name of one of its elements, isolated by pure logic.... Bolshevism considered itself as one of the factors of history, the “conscious” factor – a very important but not the decisive one. We never sinned in historical subjectivism. We saw the decisive factor – on the existing basis of productive forces – in the class struggle, not only on a national but on an international scale.... Having taken over the state, the [Bolshevik] party [was] able, certainly, to influence the development of society with a power inaccessible to it before; but in return it [submitted] itself to a ten times greater influence from all other elements of society....

[So] certainly Stalinism “grew out” of Bolshevism, not logically, however, but dialectically; not as a revolutionary affirmation but as a Thermidorian negation. [1937a:13, 14, 15]

**CS:** It is certainly true that the program of Marxism was only one element in an objective situation that was far from favourable to the realization of the sort of socialism envisaged by Marx – a socialism which was to be more not less productive than advanced capitalism, and incomparably more democratic than any capitalist regime. Are you of the opinion, then, that the program of Marxian socialism could not have been fully achieved within the borders of the relatively backward Soviet workers’ state?

**LT:** Two years before *The Communist Manifesto*, young Marx wrote [in *The German Ideology* – ed.]: “A development of the productive forces is the absolutely necessary practical premise [of communism], because without it want is generalized, and with want the struggle for necessities begins again, and that means that the old crap must revive.” This thought Marx never directly developed, and for no accidental reason: he never foresaw a proletarian revolution in a backward country. Lenin also never dwelt upon it, and this too was not accidental. He did not foresee so prolonged an isolation of the Soviet state. Nevertheless, the citation, merely an abstract construction with Marx, an inference from the opposite, provides an indispensable theoretical key to the wholly concrete difficulties and sicknesses of the Soviet regime. On the historic basis of destitution, aggravated by the destruction of the imperialist and civil wars, the “struggle for individual existence” not only did not disappear the day after the overthrow of the bourgeoisie, and not only did not abate in the succeeding years, but on the contrary, assumed at times an unheard of ferocity. Need we recall that certain regions of the country twice [went] to the point of cannibalism? ... In the most favourable conditions – that is, in the absence of inner disturbances and external catastrophes – it would [have required] several more five-year periods [after the mid-1930s] before the Soviet Union could [have] fully [assimilated] those economic and educative

achievements upon which the first-born nations of capitalist civilization have expended centuries. The application of socialist methods for the solution of pre-socialist problems – that [was] the very essence of the ... economic and cultural work in the Soviet Union. [1937b:56-57]

**CS:** Your critique of Stalin's claim to have built "socialism in one country" is one of the cornerstones of your indictment of Stalinism. In hindsight, especially, it's clear that the Stalinism-socialism identity did enormous damage to the very idea of socialism. By describing Soviet society as "socialist" the Stalinists abetted the efforts of anti-communist ideologues who insist that socialism equals "generalized want" and that communism means a restricted human freedom, not a greater freedom, as both Marx and Lenin maintained.

**LT:** The theory of socialism in one country inexorably [led] to an underestimation of the difficulties which [had to] be overcome and to an exaggeration of the achievements gained. One could not find a more anti-socialist and anti-revolutionary assertion than Stalin's statement [in 1926] to the effect that "socialism has already been 90 per cent realized in the USSR." This statement seems to [have been] especially meant for a smug bureaucrat. In this way one [could] hopelessly discredit the idea of a socialist society in the eyes of the toiling masses.... We [needed to] tell [the Soviet people] that we [would] enter on the path of real socialist construction only when the proletariat of the most advanced countries [had] captured power; that it [was] necessary to work unremittingly for this, using both levers – the short lever of our internal economic efforts and the long lever of the international proletarian struggle. [1928:66]

**CS:** If the Soviet Union was too infertile a field in which to plant the seed of socialism, what then was the historical justification for your socialist revolution of October 1917? Isn't your perspective of "permanent revolution" premised on the idea that the proletarian revolution (and hence socialist construction) may well begin first in economically underdeveloped countries?

**LT:** [My theory of permanent revolution] pointed out that the



democratic tasks of the backward bourgeois nations lead directly, in our epoch, to the dictatorship of the proletariat and that the dictatorship of the proletariat puts socialist tasks on the order of the day.... The socialist revolution begins on national foundations – but it cannot be completed within these foundations. The maintenance of the proletarian revolution within a national framework can only be a provisional state of affairs, even though, as the experience of the Soviet Union [showed], one of long duration. In an isolated proletarian dictatorship, the internal and external contradictions grow inevitably along with the successes achieved. If it remains isolated, the proletarian state must finally fall victim to these contradictions. The way out for it lies only in the victory of the proletariat of the advanced countries. [1929:132-133]

**CS:** To avoid possible misunderstandings, perhaps we should make it clear that when Marxists speak of the “dictatorship of the proletariat” they are referring, at a minimum, to a state committed to property forms that serve the historic interests of the working class. Just as the “dictatorship of the bourgeoisie” can assume different forms (for example, a parliamentary democracy, fascism, or the rule of a military junta), history has shown that this is true for the dictatorship of the proletariat as well. In the early days of the Soviet Union, in your view, the rule of workers’ councils – the soviets – was predominant. But within a few years, this rule was usurped by Stalin’s bureaucratic clique.

**LT:** The dictatorship of the proletariat in no way signifies the dictatorship of the revolutionary organization over the proletariat, but a dictatorship over the whole society through the proletariat. [1905:24]... [In the Soviet degenerated workers’ state], the bureaucracy replaced the soviets as class organs with the fiction of universal electoral rights – in the style of Hitler-Goebbels. It [was] necessary to return to the soviets not only their free democratic form but also their class content.... Democratization of the soviets [was] impossible without the legalization of soviet parties. [1938:65]

**CS:** And when you refer to “our epoch,” I take it you mean what Lenin called the imperialist epoch, in which the possibility of a

progressive capitalist development in those countries that are latecomers to “capitalist civilization” is obstructed and in which, in general, even the elementary tasks of modernization and “democratic” revolution can only be achieved by entering onto the road of socialist revolution under working-class leadership.

**LT:** Disproportion of development [between countries] brought tremendous benefits to the advanced countries, which, although in varying degrees, continued to develop at the expense of the backward ones, by exploiting them, by converting them into colonies, or, at least, by making it impossible for them to get in among the capitalist aristocracy. The fortunes of Spain, Holland, England, France were obtained not only from the surplus labour of their own proletariats, not only by devastating their own petit-bourgeoisie, but also through the systematic pillage of their overseas possessions. The exploitation of classes was supplemented, and its potency increased, by the exploitation of nations. [1939:47-48]

**CS:** If the idea of building socialism in a single country was wrong in a relatively backward country like Russia in the 1920s and 1930s, is it any more feasible in more technologically and culturally advanced countries?

**LT:** Marxism takes its point of departure from world economy, not as a sum of national parts but as a mighty and independent reality which has been created by the international division of labour and the world market, and which in our epoch imperiously dominates the national markets. The productive forces of capitalist society have long ago outgrown the national boundaries.... In respect of the techniques of production, socialist society must represent a higher stage than capitalism. To aim at building a nationally isolated socialist society means, in spite of all passing successes, to pull the productive forces backward even as compared with capitalism. To attempt ... to realize a shut-off proportionality of all the branches of economy within a national framework, means to pursue a reactionary utopia. [1929:146]

**CS:** It seems that you are suggesting that the international division of labour must itself be regarded as one of the elements of

the “productive forces,” as one of the “techniques of production” which socialist society must incorporate in order to register an historic advance over capitalism.

**LT:** Insofar as capitalism has created a world market, a world division of labour and world productive forces, it has also prepared world economy as a whole for socialist transformation. Different countries will go through this process at different tempos. Backward countries may, under certain conditions, arrive at the dictatorship of the proletariat sooner than advanced countries, but they will come later than the latter to socialism. [1929:279]

**CS:** Yet the essential problem is surely that the advanced countries have so far remained capitalist. Your strategic perspective of “permanent revolution” – the passing over from the bourgeois-democratic to the proletarian-socialist revolution – was clearly realized in Russia in 1917. But your theory of permanent revolution also maintained that a socialist revolution in backward Russia would have to be a prologue to a world revolution in order to survive. In fact, the world revolution didn’t triumph as you’d expected, and yet some of the conquests of the October socialist revolution did survive, if only on a “national” basis. On this much, both you and the Stalinists could agree. What do you say to those who argue that this amounted to an experiment in building “socialism in one country” even if such an experiment was never envisaged by Marx?

**LT:** The inevitability of socialism flows historically from the fact that the present productive forces of humanity have become incompatible not only with private property in the means of production but also with present national boundaries, especially in Europe. Just as medieval particularism hindered the development of capitalism in its youth, so now at the peak of its development capitalism is strangling in the limits set by the nation states. Socialism cannot confine productive forces in the procrustean bed of national states. The socialist economy will develop on the basis of an international division of labour, the mighty foundations of which have been laid down by capitalism. The Soviet industrial construction is, in my view, a part of a future

European, Asiatic, and worldwide socialist structure, and not an independent national whole. [1932a: 45-46]

**CS:** But does not the continuing domination of the world economy by capitalism due to the failure of the working class to carry through revolutions in the advanced countries mean that “socialist construction” can only occur on the national terrains of those countries that have managed to delink themselves from world capitalism? And what of the achievements of the workers in the USSR, who earnestly dedicated themselves to building “socialism in one country”?

**LT:** In the course of a number of years state institutions for centralized management of the economy were created and put into operation. Great creative work was performed.... Grandiose enterprises [were] created, new industries, entire branches of industry. The capacity of the proletariat organized into a state to direct the economy by new methods and to create material values in tempos previously unheard-of [were] demonstrated in life.... Socialism, as a system, for the first time, demonstrated its title to historic victory, not in the pages of [Marx’s] *Capital*, but by the praxis of hydroelectric plants and blast furnaces. [1932b: 260]

**CS:** Yet these earlier achievements of “socialist methods” – of a planned and collectivized economy – gave way over time to declining productivity, gross economic mismanagement, and finally the economic stagnation of the 1980s. How do you explain this?

**LT:** [The] basic mechanism of socialist construction – the adaptable and elastic system of Soviet democracy – was liquidated. Face to face with the economic reality and its difficulties, the bureaucracy turned out to be armed only with the twisted and collapsed carcass of the plan, with its own administrative will also considerably deflated. [1932b:277]... Beyond the shadow of a doubt, the Soviet regime gave a mighty impulse to economy. But the source of this impulse was the nationalization of the means of production and the planned beginnings, and by no means the fact that the bureaucracy usurped command over the economy. On the contrary, bureaucratism, as a system, became the worst brake

on the technical and cultural development of the country. This was veiled for a certain time by the fact that the Soviet economy was occupied for ... decades with transplanting and assimilating the technology and organization of production in advanced capitalist countries. The period of borrowing and imitation still could, for better or for worse, be accommodated to bureaucratic automatism, i.e., the suffocation of all initiative and all creative urge. But the higher the economy rose, the more complex its requirements became, all the more unbearable became the obstacle of the bureaucratic regime. [1939-40:6-7]... [By] squandering an ever-bigger portion of the national income and by disrupting the basic proportions of the economy ... the bureaucracy [retarded] the economic and cultural growth of the country. [1933:115]... Each day added to [the bureaucracy's] domination [helped] rot the foundations of the socialist elements of [the] economy and [increased] the chances for capitalist restoration. [1938:64]

**CS:** So this is why you consider that the collapse of “actually existing socialism” in the Soviet bloc was not an indictment of “socialist methods” in general.

**LT:** The continuing privations of the masses in the USSR, the omnipotence of the privileged caste, which [had] lifted itself above the nation and its misery, finally, the rampant club-law of the bureaucrats [were] not consequences of the socialist method of economy but of the isolation and backwardness of the USSR caught in the ring of capitalist encirclement. The wonder is that under such exceptionally unfavourable conditions planned economy ... managed to demonstrate its insuperable benefits. [1939:41]

**CS:** If the USSR was never really socialist, while possessing some crucial elements of a socialist economy, how would you characterize it?

**LT:** It [was] the most transitional country in our transitional epoch.... The present condition of world economy makes it possible to say without hesitation: Capitalism has come far closer to the proletarian revolution than the Soviet Union [ever did] to socialism. The fate of the first workers' state [was] inseparably

bound up with the fate of the liberating movement in the west and east. [1932c:386]... The Soviet Union [was] a contradictory society halfway between capitalism and socialism, in which: a) the productive forces [were] still far from adequate to give the state property a socialist character; b) the tendency toward primitive accumulation created by want [broke] out through the innumerable pores of the planned economy; c) norms of distribution preserving a bourgeois character [formed] the basis of a new differentiation of society; d) the economic growth, while slowly bettering the situation of the toilers, [promoted] a swift formation of privileged strata; e) exploiting the social antagonisms, a bureaucracy [had] converted itself into an uncontrolled caste alien to socialism; f) the social revolution, betrayed by the ruling party, still [existed] in property relations and in the consciousness of the toiling masses; g) a further development of the accumulating contradictions [might just] as well [have led] to socialism as back to capitalism; h) on the road to capitalism, the counterrevolution [had] to [break] the resistance of the workers; i) on the road to socialism, the workers would have [had] to overthrow the bureaucracy. In the last analysis, the question [had to] be decided by a struggle of living social forces, both on the national and the world arena. [1937b:255]

**CS:** Your characterization of the Soviet state as a “workers’ state,” albeit a “bureaucratically degenerated” one, has been frequently criticized on the grounds that it suggested that the working class was at once a “ruling” and an “oppressed” class within Soviet society. Is this not an obvious contradiction?

**LT:** One can with full justification say that the proletariat, ruling in one backward and isolated country, still remains an oppressed class. The source of oppression is world imperialism; the mechanism of transmission of the oppression – the bureaucracy. If in the words “a ruling and at the same time an oppressed class” there is a contradiction, then it flows not from mistakes of thought but from the contradiction in the very situation of the USSR. It is precisely because of this that we reject the theory of socialism in one country. [1937c:94]

**CS:** Capitalist ideologues would likely argue that it is unreasonable to blame the oppression of the Soviet working class on world capitalism rather than the state created by the revolution of 1917.

**LT:** The rule of the proletariat, already maimed by the backwardness and poverty of the country, [was] doubly and triply deformed under the pressure of world imperialism. The organ of the rule of the proletariat – the state – [became] an organ for the pressure from imperialism (diplomacy, army, foreign trade, ideas, and customs). The struggle for domination, considered on an historical scale, [was] not between the proletariat and the bureaucracy, but between the proletariat and the world bourgeoisie. [1937c:93]

**CS:** You say the Stalinist oligarchy – the party-state bureaucracy that “usurped” power from the working class – shouldn’t have been considered a “new ruling class” that directly exploited and oppressed the Soviet working class. How could the Soviet state have been a workers’ state in any meaningful sense if the bureaucratic oligarchy had all the political power and appropriated a disproportionately large share of the social wealth?

**LT:** A class is defined not by its participation in the distribution of the national income alone, but by its independent role in the general structure of the economy and by its independent roots in the economic foundation of society. Each class ... works out its own special forms of property. The bureaucracy [lacked] all these social traits. It [had] no independent position in the process of production and distribution. It [had] no independent property roots. Its functions [related] basically to the political technique of class rule.... The frightful difficulties of socialist construction in an isolated and backward country coupled with the false policies of the leadership – which, in the last analysis, also [reflected] the pressure of backwardness and isolation – ... led to the result that the bureaucracy ... expropriated the proletariat politically in order to guard its social conquests with its own methods... [The] bureaucracy ... [turned] out to be not an independent class but an excrescence upon the proletariat. A tumor can grow to tremendous size and even strangle the living organism, but a tumor can never become an independent organism. [1933:112, 104, 115]

**CS:** You speak of the proletariat's "social conquests" (collectivized property, central planning, state monopoly of foreign trade, etc.); but what about the bureaucracy's privileges? Surely those stood in stark opposition to the interests of the working class.

**LT:** [The] privileges of the bureaucracy by themselves [did] not change the bases of the Soviet state, because the bureaucracy [derived] its privileges not from any special property relations peculiar to it as a "class," but from those property relations that [had] been created by the October Revolution and that are fundamentally adequate for the dictatorship of the proletariat. To put it plainly, insofar as the bureaucracy [robbed] the people (and this is done in various ways by every bureaucracy), we [were dealing] not with class exploitation, in the scientific sense of the word, but with social parasitism, although on a very large scale. [1933:114]

**CS:** You characterized the bureaucratic oligarchy as a parasite or a tumor and suggested that it was sociologically "superfluous." Doesn't this imply that it had no real function?

**LT:** [We] can and must say that the Soviet bureaucracy [had] all the vices of a possessing class without any of its "virtues" (organic stability, certain moral norms, etc.). [1937c:88]

**CS:** In the absence of a functioning "soviet democracy" the party-state bureaucracy performed tasks that were necessary, and even indispensable: it administered the economy, for example, from top to bottom. Yet, it's also true that the bureaucratic ruling group was not synonymous with the entire administrative apparatus; and it was that narrower group – the bureaucratic oligarchy – that enjoyed the greatest privileges and wielded real power. Are you saying that this group performed no "function"? What justified its existence?

**LT:** The function of [the Stalinist oligarchy, like that of a trade union official in a bureaucratized union, had] a dual character. [It served] the bureaucracy and thus the world bourgeoisie; but [it couldn't] serve the bureaucracy without defending that social function [e.g., planning] which the bureaucracy [exploited] in its own interests. To that extent [did the Stalinist oligarchy] defend



nationalized property from imperialist attacks and from the too impatient and avaricious layers of this very bureaucracy. However, [it carried] through this defence with methods that [prepared] the general destruction of Soviet society. It [was] exactly because of this that the Stalinist clique [needed to] be overthrown. But it [was] the revolutionary proletariat who [had to] overthrow it. [1937d:92]

**CS:** The oligarchy's methods did indeed ultimately result in the "general destruction" of the Soviet system, as the events of 1989-91 attest. But if Stalinism represents a major departure from Marx's and Lenin's conception of the "dictatorship of the proletariat," a conception that most closely corresponded to the period of the rule of the workers councils in 1917-18, what was the genesis of this bureaucratic deformation – this truly despotic deviation from "the Marxist norm"?

**LT:** We ... defined the Soviet Thermidor as a triumph of the bureaucracy over the masses. We ... tried to disclose the historic conditions of this triumph. The revolutionary vanguard of the proletariat was in part devoured by the administrative apparatus and gradually demoralized, in part annihilated in the civil war, and in part thrown out and crushed. The tired and disappointed masses were indifferent to what was happening on the summits. These conditions, however, important as they may have been in themselves, are inadequate to explain why the bureaucracy succeeded in raising itself above society and getting its fate firmly into its own hands. Its own will to this would in any case [have been] inadequate; the arising of a new ruling stratum must have deep social causes.... The basis of bureaucratic rule [was] the poverty of society in objects of consumption, with the resulting struggle of each against all. When there is enough goods in a store, the purchasers can come whenever they want to. When there is little goods, the purchasers are compelled to stand in line. When the lines are very long, it is necessary to appoint a policeman to keep order. Such [was] the starting point of the power of the Soviet bureaucracy. It ["knew"] who [was] to get something and who [had] to wait.... [The bureaucracy] arose in the beginning as the bourgeois organ of a workers' state. In establishing and

defending the advantages of a minority, it of course [drew] off the cream for its own use. Nobody who has wealth to distribute ever omits himself. Thus, out of social necessity there ... developed an organ which ... far [outgrew] its socially necessary function, and [became] an independent factor and therewith the source of great danger for the whole social organism. [1937b:112-113]

**CS:** What did you mean by characterizing the bureaucracy as a “bourgeois organ of a workers’ state”?

**LT:** [Even] the most revolutionary bureaucracy is to a certain degree a bourgeois organ in the workers’ state. [The workers’ state, as a state, is necessary exactly because the bourgeois norms of distribution remain in force: “from each according to his ability, to each according to his contribution,” instead of the communist norm “from each according to his ability, to each according to his needs.”] Of course, the degree of this bourgeoisification and the general tendency of development bear decisive significance.... However, so long as that contradiction [did] not [pass] from the sphere of distribution into the sphere of production, and [did not blow up] nationalized property and planned economy, the state [remained] a workers’ state. [1937d:93]

**CS:** But you defend the view that the Soviet case was by no means a typical representation of the “general tendency of development” of a society transitional between capitalism and socialism.

**LT:** In the bureaucratic degeneration of the Soviet state it [was] not the general laws of modern society from capitalism to socialism which [found] expression but a special, exceptional and temporary refraction of those laws under the conditions of a backward revolutionary country in a capitalist environment. The scarcity in consumer goods and the universal struggle to obtain them [generated] a policeman who [arrogated] to himself the function of distribution. Hostile pressure from without [imposed] on the policeman the role of “defender” of the country, [endowed] him with national authority, and [permitted] him doubly to plunder the country... [The triumph of] world revolution [would have done] away with the danger from without as a supplementary cause of bureaucratization. The elimination of the need to expend

an enormous share of the national income on armaments would [have raised] even higher the living and cultural level of the masses. In these conditions, the need for a policeman-distributor would [have fallen] away by itself. [1939-40:7]

**CS:** Bourgeois ideologists point to the Soviet experience of “socialist construction” as evidence that socialized property forms do not lead to social equality – i.e., to the creation of a classless society. One of the most reliable general indices of social progress of a given society is the position of women within it. In your view, what does the Soviet experience tell us about the social and material conditions necessary for the emancipation of women?

**LT:** The October revolution honestly fulfilled its obligations in relation to woman. The young government not only gave her all political and legal rights in equality with man, but, what is more important, did all that it could, and in any case incomparably more than any other government ever did, actually to secure her access to all forms of economic and cultural work.... The revolution made a heroic effort to destroy the so-called “family hearth” - that archaic, stuffy and stagnant institution in which the woman of the toiling classes performs galley labour from childhood to death.... The place of the family as a shut-in petty enterprise was to be occupied, according to the plans, by a finished system of social care and accommodation: maternity houses, crèches, kindergartens, schools, social dining rooms, social laundries, first-aid stations, hospitals, sanatoria, athletic organizations, moving-picture theatres, etc. The complete absorption of the housekeeping functions of the family by institutions of the socialist society, uniting all generations in solidarity and mutual aid, was to bring to woman, and thereby to the loving couple, a real liberation from the thousand-year-old fetters. [In the end] this problem of problems [was never] solved. [1937b:144-145]

**CS:** Why not?

**LT:** Unfortunately society proved too poor and little cultured. The real resources of the state did not correspond to the plans and intentions of the Communist Party. You cannot “abolish” the family; you have to replace it. The actual liberation of women is

unrealizable on a basis of “generalized want.” Experience soon proved this austere truth which Marx had formulated eighty years before. [1937b:145]

**CS:** But Stalin’s political counterrevolution attacked women’s most basic rights, not just the hopes and aspirations of the early Bolshevik state. The prohibition of abortion in the 1930s is a striking example.

**LT:** Having revealed its inability to serve women who are compelled to resort to abortion with the necessary medical aid and sanitation, the state [made] a sharp change of course, and [took] the road of prohibition. And just as in other situations, the bureaucracy [made] a virtue of necessity.... These gentlemen ... completely [forgot] that socialism was to remove the cause which impels woman to abortion, and not force her into the “joys of motherhood” with the help of a foul police interference in what is to every woman the most intimate sphere of life.... The genuinely socialist family, from which society will remove the daily vexation of unbearable and humiliating cares, will have no need of any regimentation, and the very idea of laws about abortion and divorce will sound no better within its walls than the recollection of houses of prostitution or human sacrifices. The October legislation took a bold step in the direction of such a family. Economic and cultural backwardness has produced a cruel reaction. [1937b:150, 151, 157]

**CS:** Your analysis of Stalinism poses many important questions. One of the most crucial is why did the Soviet workers themselves not settle accounts with the Stalinist rulers?

**LT:** [The] workers [feared] that they [would] clear the field for the class enemy if they [overthrew] the bureaucracy. The interrelations between the bureaucracy and the class [were] really much more complex than they [appeared] to the frothy “democrats.” The Soviet workers would have settled accounts with the despotism of the apparatus had other perspectives opened up before them, had the Western horizon flamed not with the brown colour of fascism but with the red of revolution. [1933:105]

**CS:** In posing the call for “proletarian political revolution” you were always careful to link the revolutionary overthrow of the bureaucracy with the defence of the “gains of October,” of the workers’ state.

**LT:** [The] question of the overthrowing of the Soviet bureaucracy [was] for us subordinate to the question of preserving state property in the means of production in the USSR; [the] question of preserving state property in the means of production in the USSR [was] subordinate for us to the question of the world proletarian revolution. [1939-40:21]

**CS:** Would the political revolution against the bureaucracy have necessarily meant a civil war?

**LT:** A real civil war could [have developed] not between the Stalinist bureaucracy and the resurgent proletariat but between the proletariat and the active forces of the counterrevolution. In the event of an open clash between the two mass camps, there [could not have been] talk of the bureaucracy playing an independent role. Its polar flanks would [have been] flung to the different sides of the barricade. [1933:117-118]... While analyzing and exposing the growing political independence of the bureaucracy from the proletariat, we ... never lost sight of the objective social boundaries of this “independence”; namely, nationalized property supplemented by the monopoly of foreign trade. [1939-40:119]

**CS:** Your analysis was substantially vindicated by the disintegration of the USSR in 1991. The bureaucracy did indeed reveal itself to be a brittle and heterogeneous phenomenon. That very fragility, as you suggested, was a major reason why it had to resort to police-state tactics to secure its position. But a social counterrevolution did unfold in 1991, a movement toward the restoration of capitalism, spearheaded by Boris Yeltsin and other “ex-bureaucrats” who had thrown in their lot, quite openly, with Western imperialism. And yet the so-called hardliners who staged a coup against the last Soviet premier, Mikhail Gorbachev, in August of 1991 were themselves by no means firmly committed to defending the workers’ state. Even prior to Yeltsin’s counter-coup against these

“hardliners,” which was the decisive event that brought about the triumph of capitalist counterrevolution in the USSR, virtually the entire bureaucracy had accepted the proposition that there was no viable alternative to a “free market” perestroika involving extensive privatization.

**LT:** The contradictions can become so acute [within a bureaucratized workers’ state] that the bureaucracy, in order to protect itself, may have to revert to [private] property relations. It may have to strike at the roots of the present social system. [1936:648]

**CS:** That seemed to be what was underway. But Yeltsin’s openly pro-imperialist coalition of “ex-bureaucrats,” entrepreneurs, “co-operativists,” “democratic” intellectuals and nationalists (none of whom had any interest in protecting the prerogatives of the CPSU) seized the opportunity when it presented itself. There was no indication that any section of the bureaucracy could have been won to the program of proletarian political revolution, although this was hardly surprising given that no significant section of the working class mobilized as an independent force to fight for a socialist program of “restructuring.” Those workers who showed some willingness to defend state property, the state monopoly of foreign trade, and other elements of the existing order that you said served the proletariat’s historic interests obeyed the instructions of the “hardliners” and failed to confront the Yeltsinites. What orientation should Marxists have taken in this situation?

**LT:** It is the duty of revolutionists to defend every conquest of the working class even though it may be distorted by the pressures of hostile forces. Those who cannot defend old positions will never conquer new ones. [1939-40:178] ... [Among] the surviving conquests of the October revolution [were] the nationalized industry and the collectivized Soviet economy. Upon this foundation, workers’ soviets [could have built] a new and happier society. This foundation [should not have been] surrendered by us to the world bourgeoisie under any conditions. It is the duty of revolutionists to defend tooth and nail every position gained by the working class, whether it involves democratic rights, wage scales, or so colossal a conquest of mankind as the nationalization

of the means of production and planned economy. [1940:166]  
... If the proletariat [had driven] out the Soviet bureaucracy in time, then it [would still have found] the nationalized means of production and the basic elements of planned economy after its victory. This [would have meant] that it [did not have] to begin at the beginning. That [would have been] a tremendous advantage. [1937d:93-4]

**CS:** But the Stalinist bureaucracy was driven out – and by pro-imperialist, counterrevolutionary forces, not by the workers. Even so, some of those who identify with your views have argued that the fact that the counterrevolution of 1991 didn't immediately liquidate the entire nationalized economy signified that Yeltsin and his capitalist-restorationist supporters still headed a workers' state of some sort (albeit one undergoing rapid disintegration). What would you say to such people?

**LT:** In the first months of Soviet rule the proletariat reigned on the basis of a bourgeois economy.... [With] a bourgeois counter-revolution [succeeding] in the USSR, the new government for a lengthy period [had] to base itself upon the nationalized economy. But what [did] such a type of temporary conflict between the economy and the state mean? It [meant] a revolution or a counter-revolution. [1937d: 91]

**CS:** What did you anticipate a counterrevolution would look like in the USSR?

**LT:** In *The Revolution Betrayed*, I wrote: "If ... a bourgeois party were to overthrow the ruling Soviet caste, it would find no small number of ready servants among the present bureaucrats, administrators, technicians, directors, party secretaries and privileged upper circles in general. A purgation of the state apparatus would, of course, be necessary.... But a bourgeois restoration would probably have to clean out fewer people than a revolutionary party. The chief task of the new power would be to restore private property in the means of production. First of all, it would be necessary to create conditions for the development of strong farmers from the weak collective farms, and for converting the strong collectives into producers' co-operatives of the bourgeois

type – into agricultural stock companies. In the sphere of industry, denationalization would begin with the light industries and those producing food. The planning principle would be converted for the transitional period into a series of compromises between state power and individual ‘corporations’ – potential proprietors, that is, among the Soviet captains of industry, the émigré former proprietors and foreign capitalists.” [1937b:253]

**CS:** Many Western socialists believed that the call for “workers’ self-management” of industry was on the order of the day in 1990-91, that the discredited structures of central planning should not, or could not, have been transformed and democratized by an empowered working class, and that instead the only viable option was some sort of decentralized “market socialism” administered by atomized self-managing collectivities. What do you think would have been the result of such a “market-socialist” course?

**LT:** The trusts and individual factories [would have begun] living an independent life. Not a trace [would have been] left of the planned beginnings.... The economic struggle of the workers [would have acquired] a scope unrestricted save by the relation of forces. The state ownership of the means of production [would have been] first transformed into a juridical fiction, and later on, even the latter [would have been] swept away. [1928:300]

**CS:** Just another road to capitalist restoration, in other words. What were some of the key elements of your own program of socialist renewal, of proletarian political revolution?

**LT:** In my Transitional Program of 1938, I wrote that: “The struggle for the freedom of the trade unions and the factory committees, for the right of assembly and freedom of the press, will unfold in the struggle for the regeneration and development of Soviet democracy.... In the soviets there is room only for representatives of the workers, rank-and-file collective farmers, peasants and Red Army men. Democratization of the soviets is impossible without legalization of soviet parties. The workers and peasants themselves by their own free vote will indicate what parties they recognize as soviet parties. A revision of planned economy from the top to bottom in the interests of producers



and consumers! Factory committees should be returned the right to control production. A democratically organized consumers' cooperative should control the quality and price of products. Reorganization of the collective farms in accordance with the will and in the interests of the workers there engaged! The reactionary international policy of the bureaucracy should be replaced by the policy of proletarian internationalism." [1938:65]

**CS:** You have repeatedly stressed the important link between the success of workers' struggles internationally and the possibility of the development of a genuinely socialist system in the USSR. Some leftists have pointed out that the crimes of Stalinism were at least one factor in dissuading the working classes of other countries, in particular those of the advanced capitalist West, from seeing socialist revolution as a viable solution to their problems.

**LT:** If Soviet economic life had been conducted in the interests of the people; if the bureaucracy had not devoured and vainly wasted the major portion of the national income; if the bureaucracy had not trampled underfoot the vital interests of the population, then the USSR would have been a great magnetic pole of attraction for the toilers of the world and the inviolability of the Soviet Union would have been assured. But the infamous oppressive regime of [the Stalinists] ... deprived the USSR of its attractive power. [1940:166]

**CS:** You also stressed the counterrevolutionary international policy of the Stalinist oligarchy: its willingness to derail workers' revolutions in the interests of achieving temporary pacts with imperialist powers. It has been suggested that this strategy, which was presented as a practical way of safeguarding the immediate interests of the USSR, was also intended to ensure the quiescence of the Soviet working class, which was encouraged to think that there was no potential for revolution in the advanced capitalist countries.

**LT:** The bureaucracy which became a reactionary force in the USSR [could not] play a revolutionary role on the world arena. [1938:66]... Having strangled independence and initiative in the lower ranks of the people at home, [the Soviet bureaucracy]

naturally [could not] provoke critical thought and revolutionary daring on the world arena. Moreover, as a ruling and privileged stratum, it [valued] infinitely more the help and friendship of those who [were] kin to it in social type in the West – bourgeois radicals, reformist parliamentarians, trade-union bureaucrats – than of the rank-and-file workers who [were] separated from it by social chasms.... The fact is that in its capacity as leader of the Communist International, the nationally limited and conservative, ignorant and irresponsible Soviet bureaucracy [brought] nothing but misfortunes to the workers' movement of the world. As though in historic justice, the ... international position of the Soviet Union [was] determined to a far higher degree by the consequences of the defeat of the world proletariat, than by the successes of an isolated Socialist construction. [1937b:191]

**CS:** Your faith in the principle of socialist central planning seems undiminished despite the wastefulness and incompetence of Stalinist-style “planned economy” and the latter’s long-term inability (despite impressive initial accomplishments) to compete with the West in raising labour productivity. What accounts for this failure in your view?

**LT:** The progressive role of the Soviet bureaucracy [coincided] with the period devoted to introducing into the Soviet Union the most important elements of capitalist technique. The rough work of borrowing, imitating, transplanting and grafting was accomplished on the bases laid down by the revolution. There was ... no question of any new word in the sphere of technique, science or art. It [was] possible to build gigantic factories according to a ready-made Western pattern by bureaucratic command – although, to be sure, at triple the normal cost. But the farther [it went], the more the economy [ran] into the problem of quality, which [slipped] out of the hands of a bureaucracy like a shadow. The Soviet products [were] as though branded with the gray label of indifference. Under a nationalized economy, quality demands a democracy of producers and consumers, freedom of criticism and initiative – conditions incompatible with a totalitarian regime of fear, lies and flattery. [1937b:276]

**CS:** What role do you see “workers’ democracy” playing in the period of transition from a capitalist economic system to a socialist one?

**LT:** Only the interaction of three elements, of state planning, of the market, and of Soviet democracy can provide the country with correct leadership in the transitional epoch...The problem of the proportionality of the elements of production and the branches of the economy constitutes the very heart of socialist economy....The innumerable living participants in the economy, collective and individual, must serve notice of their needs and of their relative strength not only through the statistical determinations of plan commissions but by the direct pressure of supply and demand. The plan is checked and, to a considerable degree, realized through the market. The regulation of the market itself must depend upon the tendencies that are brought out through its mechanism. The blueprints produced by the departments must demonstrate their efficacy through commercial calculation. [1932b:275, 265, 274]

**CS:** Is there not a risk that reliance upon the market, albeit a “socialized” one, and upon forces of supply and demand, could represent a retreat from the vision of a society in which human beings consciously regulate their economic relations on the basis of a plan instead of allowing money and “exchange value” to play a dominant, mediating role?

**LT:** The art of socialist planning does not drop from heaven nor is it presented full-blown into one’s hands with the conquest of power. This art may be mastered only by struggle, step by step, not by a few but by millions, as a component part of the new economy and culture. [1932b: 260]... [A] successful socialist construction is unthinkable without including in the planned system the direct personal interests of the producer and consumer, their egoism, which in its turn may reveal itself fruitfully only if it has in its service the customary reliable and flexible instrument, money. The raising of the productivity of labour and bettering of the quality of its products is quite unattainable without an accurate measure freely penetrating into all the cells

of industry – that is, without a stable unit of currency.... For the regulation and application of plans two levers are needed: the political lever, in the form of a real participation in leadership of the interested masses themselves, a thing which is unthinkable without Soviet democracy; and a financial lever, in the form of a real testing out of a priori calculations with the help of a universal equivalent, a thing which is unthinkable without a stable money system. [1937b:67-68]

**CS:** Upon what would such a stable money system be based?

**LT:** [It] is clear that in the transitional economy, as also under capitalism, the sole authentic money is that based upon gold.... Deprived of an independent basis – that is, a gold basis – the money system of the Soviet Union, like that of a number of capitalist countries, [had] necessarily a shut-in character. For the world market the ruble [did] not exist. If the Soviet Union [was able to] endure the adverse aspects of this money system more easily than [other countries], it [was] only in part due to the [state] monopoly of foreign trade. Chiefly it [was] due to the natural wealth of the country. Only this [made] it possible not to strangle in the clutches of autarky. The historic task, however, is not merely to avoid strangling, but to create face to face with the highest achievements of the world market a powerful economy, rational through and through, which will guarantee the greatest saving of time and consequently the highest flowering of culture. [1937b:68]

**CS:** Much has been made of the failure of the Stalinists to defuse nationalist sentiment and ethnic conflicts in the various republics of the former USSR. You were always highly critical of the embrace and promotion of “great Russian chauvinism” by the Soviet bureaucracy. What approach would a healthy socialist regime take toward creating a satisfactory framework for resolving national conflicts?

**LT:** The right of national self-determination is, of course, a democratic and not a socialist principle. But genuinely democratic principles are supported and realized in our era only by the revolutionary proletariat; it is for this very reason that they

interlace with socialist tasks. [1939b:45]

**CS:** Some ostensible revolutionary socialists supported national independence movements within the USSR led by pro-capitalist, pro-imperialist elements. During the 1930s you sought to counter the Ukrainian separatist slogan “For an Independent Ukraine” with the call for an “Independent Soviet Ukraine.” Evidently you meant to drive a class wedge into the Ukrainian national movement.

**LT:** The national problem separate and apart from class correlations is a fiction, a lie, a strangler’s noose for the proletariat.... National self-determination is one of the elements of democracy. The struggle for national self-determination, like the struggle for democracy in general, plays an enormous role in the lives of the peoples, particularly in the life of the proletariat. He is a poor revolutionist who does not know how to utilize democratic institutions and forms, including parliamentarism, in the interests of the proletariat. But from the proletarian standpoint, neither democracy as a whole nor national self-determination as an integral part of it stands above the classes; nor does either of them supply the highest criterion of revolutionary policy. [1929:264-65]

**CS:** We are now witnessing a major offensive by capital against labour on a world scale. The identification of Stalinism with socialism contributed decisively to a disarming of the international workers’ movement and, at least initially, was seen to create historic opportunities for a reinvigorated social democracy. But the social democrats were the original authors of the doctrine of building “socialism in one country.” Their historic accommodation with capitalism was reflected, above all, in an anti-internationalist political perspective which was at best limited to the “national interests” of the “British working class,” “the French working class,” “the Swedish working class,” etc. (and to hell with Marx’s “workers of the world!”). Twenty years after the Soviet collapse, the social democrats are now scarcely distinguishable from the openly capitalist parties with whom they vie in parliamentary elections. Their “national reformism” has led them, in an era of capitalist globalization and intensified

economic crisis, into complete prostration before the interests and requirements of their own national bourgeoisies. Any final thoughts?

**LT:** Marxism has always taught the workers that even their struggle for higher wages and shorter hours cannot be successful unless waged as an international struggle. [1928:71]... The working class is powerless against imperialism as long as its great organizations stand by their old opportunist tactics. The working class will be all-powerful against imperialism when it takes to the battlefield of Social Revolution. The methods of national-parliamentary opposition not only fail to produce practical results, but also cease to make an appeal to the labouring masses, because the workers find that, behind the backs of the parliamentarians, imperialism, by armed force, reduces the wages and the very lives of the workers to ever greater dependence on its successes in the world market. [1915:69]... [The] crisis of the proletarian leadership, having become the crisis in mankind's culture, can be resolved only by the Fourth International. The strategic task of the next period – a pre-revolutionary period of agitation, propaganda and organization – consists in overcoming the contradiction between the maturity of the objective revolutionary conditions and the immaturity of the proletariat and its vanguard (the confusion and disappointment of the older generation; the inexperience of the younger generation). It is necessary to help the masses in the process of the daily struggle to find the bridge between present demands and the socialist program of the revolution. This bridge should include a system of transitional demands, stemming from today's conditions and from today's consciousness of wide layers of the working class and unalterably leading to one final conclusion: the conquest of power by the proletariat. [1938:36]

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