

definitions above,  $S = S/V$ ,  $Q = C/(C+V)$ , and  $P = S/(C+V)$ , it follows, by simple manipulation, that

$$P = S' (1-Q)$$

From this, it follows that if we assume the rate of surplus value ( $S'$ ) to be constant, the rate of profit ( $P$ ) varies inversely with the organic composition of capital. Since  $Q$  displays a rising trend in the course of capitalist development, there must be at least a tendency for  $P$  to fall. This, very briefly, is the substance of what Marx calls the Theory of the Law (Vol. III, Chapter XIII). He enumerates, however, six 'counteracting causes' which 'thwart and annul' the general law of the falling rate of profit, leaving to it merely the character of a tendency.<sup>5</sup>

This "Theory of the Law," although reduced into a mere tendency, is still very controversial among Marxists. One of the most profound arguments against it is Sweezy's theoretical and empirical demonstration that changes in the rate of surplus value may compensate, or even overcompensate, for the effects of the rising organic composition of capital, hence the possible undermining of the falling tendency of the rate of profit.<sup>6</sup> As Antipode states: "In Monopoly and Capital, Baran and Sweezy have tried to revise Marxism by substituting a "tendency for the surplus to rise" for the classical 'falling tendency of the rate of profit."

Despite the controversy (surrounding more the falling tendency of the rate of profit and less the rising tendency of the organic composition of capital) this "law" remains to be the key for understanding the essentially uneven capitalist development. Unevenness takes the form of class struggle between capital and labor that emerges gradually and inevitably from the rising tendency of the organic composition of capital, without which accumu-