Marx’s Theory of the Production and Distribution of Surplus-Value: The Prior Determination of the Total Surplus-Value

All economists share the error of examining *surplus value not as such*, in its pure form, but in the *particular forms of profit and rent*. What theoretical errors must necessarily arise from this will be shown more fully in Chapter III, in the analysis of the greatly changed form which surplus value assumes as profit.¹

When we speak about profit and the rate of profit, then *surplus value* is supposed to be *given*. The influences therefore which determine surplus value have all operated. This is the *presupposition*.²

The capitalists, like *hostile brothers*, divide among themselves the *loot of other people’s labour*, so that on an average one receives the same amount of unpaid labour as another.³

*The general rate of profit is formed through the total surplus value produced being calculated on the total capital of society (the class of capitalists).*⁴

For the *total capital*, however, what has been explained in Chapter I holds good. *In capitalist production, each capital is assumed to be a unit, an aliquot part of the total capital.* Formation of the general rate of profit. *(Competition).*⁵

---

¹ Marx MECW, v. 30, p. 348 [TSV, v. I, p. 40]. A reminder that regular *italics* in quotes were in the original and bold *italics* are added by me. The German word *Mehrwert* is translated in the MECW and in the *Grundrisse* as ‘surplus value’, without the hyphen in between, unlike most other editions of Marx’s works. I will quote the MECW and the *Grundrisse* as is, but will follow the usual convention with the hyphen in my text.


Profit, as we are originally faced with it, is thus the same thing as surplus-value save in a mystified form, though one that necessarily arises from the capitalist mode of production.\textsuperscript{6}

If the limits of value and surplus-value are given, it is easy to perceive how the competition between capitals transforms values into prices of production and still further into commercial prices, transforming surplus-value into average profit. But without these limits, there is absolutely no way of seeing why competition should reduce the general rate of profit to one limit rather than to another, to 15 per cent instead of 1,500 percent.\textsuperscript{7}

Profit (profit of enterprise plus interest) and rent are nothing more than characteristic forms assumed by particular portions of the surplus-value in commodities. The size of the surplus-value sets a quantitative limit for the parts it can be broken down into.\textsuperscript{8}

The best points in my book are: ... 2) the treatment of surplus-value independently of its particular forms as profit, interest, rent, etc. ... The treatment of the particular forms by classical economy, which always mixes them up, is a regular hash.\textsuperscript{9}

This chapter provides substantial textual evidence that Marx's theory is based on two main levels of abstraction – the production of surplus-value and the distribution of surplus-value. The main question at the level of abstraction of the production of surplus-value is the determination of the total amount of surplus-value produced in the economy as a whole, and the main question at the level of abstraction of competition is the division of the total surplus-value into individual parts – first the equalisation of the rate of profit across industries and then the further division of the total surplus-value into commercial profit, interest, and rent. The fundamental premise of this logical structure is that the total surplus-value is determined at the first level of abstraction (the production of surplus-value) and is taken as a predetermined magnitude at the second level of abstraction (distribution of surplus-value), i.e., in the division of this predetermined total surplus-value into individual parts. Thus, there is a strict logical progression from the first level of abstraction to the second level:

\textsuperscript{6} Marx 1981, p. 127.  
\textsuperscript{7} Marx 1981, p. 429.  
\textsuperscript{8} Marx 1981, p. 971.  
\textsuperscript{9} Marx MEGA, v. 42, p. 407.