

CHAPTER IV

The Theory of Profit

1. THE IMPORTANCE OF THE PROBLEM OF DISTRIBUTION; FORMULATION OF THE QUESTION.
 2. THE CONCEPT OF CAPITAL. "CAPITAL" AND "PROFIT" IN THE "SOCIALIST STATE".
 3. GENERAL DESCRIPTION OF THE CAPITALIST PRODUCTION PROCESS; THE ORIGIN OF PROFIT.
1. *The Importance of the Problem of Distribution; Formulation of the Question.*

WE may observe in any specific branch of political economy the peculiarity that it will be developed in a direction depending on who it is that works the field; this is particularly true of the theory of distribution, and more particularly of the theory of profit. For this problem is too closely concerned with the "practice" of struggling classes; it touches their interests too strongly, and we shall naturally expect to find here a more or less crude or delicate—as the case may be—apology for the modern order of society, an apology which it is impossible to conceal. No doubt great importance must be assigned, from the standpoint of logic, to the question of distribution, which Ricardo termed one of the most essential problems of political economy. (David Ricardo: *Principles of Political Economy and Taxation*, Preface.) It is impossible to understand the laws of social evolution—as far as modern society is concerned—without undertaking an analysis of the process of reproduction of social capital. One of the very first attempts to grasp the motion of capital—we refer to Quesnay's famous economic table—necessarily devoted considerable space to the plan of distribution. But even aside from the problem of grasping the mechanism of the entire capitalist production in all its compass, in its "complete social measure", the problem of distribution as such is of immense theoretical interest. What are