

G4971

Price One Penny.

**THE GENESIS
OF CAPITAL.**

TRANSLATED FROM THE FRENCH OF

GABRIEL DEVILLE,

BY B. J.

LONDON :
THE MODERN PRESS, 13, PATERNOSTER ROW, E.C.
1887.

18

OF

GABRIEL DEZOBRI

THE GENESIS OF CAPITAL.



APITAL, considered in its evolution, from its origin to the destined disappearance that the actual conditions of its existence show to be imminent, will be the subject of this series.

Just as nothing remained for chemists since the time of Lavoisier, but to teach that water was formed by the combination of hydrogen and oxygen, so my only aim will be to interpret faithfully the work of the great writer whose profound insight into economic facts first enabled us to understand them clearly.

The glory of having discovered the origin and growth of capital, with the elements of which it is composed, is due to Karl Marx. Now that, thanks to him, we possess the method of analysis, every one may assure himself of the correctness of his deductions, just as every one may verify the composition of water. Being a correct description of the exact truth, the ideas of Marx, as will be quickly seen, may be easily grasped by every reader,

Therefore when we see a theory of his described as "that old story of Marx," without the shadow of argument, or even with the announcement that none will be given—and reason good!—we are pretty sure to be dealing with a blockhead, whose silly and feeble hostility merits nothing more, under the circumstances, than a scornful shrug of the shoulders.

In stating that my analysis will tally with that of Marx, I know that I lay myself open to the regular charge brought against Socialists by bourgeois journalists, the crime of always repeating the same thing; but what of that? We must continue to maintain that two and two make four, and we are unable to transfer the heart to the right side of the body, even to please these gentlemen's whim for change.

Anyhow, if it be true that we seldom change our theories, still less do our adversaries vary their method of attack. Can anything be more monotonous than their milk-and-water criticism of us? It is like the refrain of a wearisome song repeated over and over again. Whenever a Socialist speaks or agitates they instantly seize the opportunity of reiterating the complaint that he has been attacking that "infamous capital." They have found nothing else to say: and this is never varied. I beg their pardon though; I am wrong: some put "infamous capital" in italics, others in inverted commas, but that is the only difference; their imagination has gone no further.

It is not as if the epithet gave a correct impression of the attitude of Socialists towards capital; unfortunately it does not even do that. The expression is not only absent from the Socialist vocabulary, but, moreover, being of bourgeois invention, both in substance and in form, it misrepresents the attitude which it pretends to portray. It misrepresents it by assuming that Socialists criticise the present state of things from a sentimental standpoint, whereas they stand exclusively on scientific ground.

For from the scientific point of view the attitude of goodness or badness, infamy or merit, is due either to our personal material circumstances, or to the particular bent of our character; that is a sufficient criterion for judging the individual; in fact we have only to deal with economic states, evolved according to laws which we have to determine.

If strict obedience to the laws of the physiology of the human frame could lead, by suppressing morbid conditions, to the disappearance of pain, which is the consequence of these conditions, without the feeling of pain having been taken into consideration in the study of physiology, we shall see that in the same way, a complete conformity to the economic laws of the social organism, would result in social health, which would put an end to the sufferings and injustice which are unquestionably crushing the masses to-day, without allowing the burning reality of this last fact to influence the march of events. Therefore our aim should be to arrive at a knowledge of economic laws. It will suffice us to know these laws, but we must know them thoroughly.

Nor does thorough knowledge of these laws—that is to say, of the relations existing between things, and resulting from their nature—consist in confining ourselves to analysing isolated facts, without taking into account their mutual connection, their constant relation to their surroundings, and the endless modifications necessarily resulting therefrom: in confining ourselves to the study of things separately, and in a state of rest, though everything in the universe is always in motion. And what does movement mean but change?

This, however, is what economists do. According to them, there have been economic states which were artificial and temporal, but that at present existing is natural and eternal; in this economists imitate theologians, in whose eyes their particular theory is always of divine origin, while rival religions are merely of human invention.

The means of production and subsistence which embody to-day the idea of capital are continually confounded by economists with their material substance; it is as if they maintained that a negro is naturally a slave. A negro is a negro; it is only in certain definite social conditions that he becomes a slave. A spinning machine is a spinning machine; it only becomes capital under fixed social conditions. The idea of capital is not a natural idea, but purely social; far from being eternal, the capitalist system is only a phase of economic movement.

After demonstrating that it has not always existed, I shall show that it is the necessary result of certain historical events. The "Genesis of Capital" shall be the title of this first treatise.

With all economists alike, as the "Dictionary of Political Economy" declares, "the idea of reproduction is firmly allied with that of capital;" by common consent the term "capital" does not only imply "acquired wealth," but essentially wealth endowed with the "faculty of reproduction." Value, "which multiplies continually," as the economist

Sismondi says; "the insatiable greed for gain," according to one of the shining lights of bourgeois economy, MacCulloch; gain for the sake of gain; realized gain producing more; this is what is generally implied by capital.

Therefore the products of labour, as funds which may be used in industrial employment, owing to this single fact, under the present normal conditions increase periodically by a certain sum. From this sum, from this profit, the landlord draws his means of consumption; if he does not consume all, that which he does not consume is used in its turn in industrial employment, and in its turn preserves its character by giving interest; the excess of income over consumption becoming the source of profit. This produce of labour, these funds, in virtue of this power of renewing themselves, have the character of capital. On the contrary the produce of labour which could not be used in industrial enterprise, which, though suitable for consumption, would remain idle if not consumed, would not have this character.

This being admitted, we read the following remarks in the "Dictionary of Political Economy," already quoted:—"There is no difference of opinion, among economists, concerning the necessity of capital as auxiliary to labour. From Adam Smith to Rossi, all agree on this point, that, without the assistance of capital in the work of production, man can do nothing. . . . Capital is the companion, the necessary auxiliary to labour, so much so, that we may safely say that without capital there is no labour. This is true, even with regard to the savage state, as has always been recognised, where man never hunts without bow and arrow, or some similar implement."

Here, then, we have before us two opinions on which, as their dictionary declares, all economists agree: one explains what is understood by capital, the other proves the existence of capital ever since the savage state, and also in that state itself. Socialists admit the first of these, but they deny that this thing, described by everybody in the same way, makes its appearance "in the work of production" before modern times, and they deny it on the grounds of its own specific character.

As we have had the savage and his bow given us as an example, let us examine the bow of the savage. Here is an implement of labour which helps its owner to support himself, to gain his living; but the quality of capital is missing; the wealth of the savage, viz., the means of subsistence acquired by his bow, being devoid of all reproductive properties; he can kill as much game as he pleases, but its excess will only serve to give him indigestion. But further. Let us imagine a Pangloss of political economy, possessed of a bow, entering into communication with a savage in a forest near that country of Eldorado, visited by Candide, where the pebbles are gold. It is very probable that the savage would consent to give gold to possess the bow. Furnished with this gold, under whose worshipped form capital first presents itself, our economist will shortly see the necessity of social surroundings other than those of the savage, in order that the result of his exchange may act as capital, and become productive. And, if he cannot escape from the economic conditions of the savage, he will not be long regretting his bargain; for under these conditions a bow enables him, at least, to try to get something to eat, whereas gold is useless.

From the savage state let us pass to ancient communities, before slavery had become an organised method of production. Founded on

common property, these communities consumed the provisions produced by their labour, and this produce, divided among their members, was enough for all. But even when they exchanged products with the neighbouring communities, this exchange, which only played an inferior part in their economy, had simply the satisfaction of their needs in view. Neither their products nor their means of labour or subsistence, ever appear as begetters of interest; so that here again the character of capital is missing.

The producing power of man was originally very small. So long as he could not produce more than enough for his needs, one half of society could not live on the labour of the other half, and slavery could not become established. How could a man work gratuitously for others, when he could barely procure his own means of subsistence? Under pressure of physical wants, man's faculties slowly developed. As the result of such development labour acquired a productiveness, owing to which it was able to provide for everyone over and above the simple necessities of life: and, since that time, a certain number have been able to live on the labour of others. As soon as it became possible for a privileged class to exist, a possibility depending from the first upon the productiveness of labour, this class began to organise itself—and this always by force—as for instance after a war or a conquest, or the forceable subjection of one colony by another, and with the increase of productiveness this class has increased. It is because slavery depends, to a certain extent, on the productiveness of labour, that we meet with it only in southern regions, while it loses its importance as we approach the north, where it only appears, when it appears at all, in a modified form; for this productiveness depends, more especially in the earliest stage of civilisation, upon natural conditions, the fertility of the soil, the profusion of the means of subsistence, etc., and all the surroundings of the labourer; and the north being less well endowed in these respects than the south, slaves produce less and cost more to keep. In the work of production, under the slave-owning system, we see the implements of labour, and the means of consumption and of enjoyment, but no capital. The aim of production was the satisfaction of wants: this satisfaction was secured to the master by the absolute possession of slaves, whom he employed according to their number and the resources at his command, in cultivating the ground, or, it may be, in working mines, and in various domestic services. What he gained from the labour of his slaves, he consumed by living more or less grandly, more or less luxuriously; but this wealth, which was fitted to be an abundant source of enjoyment, was nothing else; it could be consumed, but it had no inherent power of increase; therefore it was not capital.

This holds good, too, in cases relatively less frequent, where the master made his slaves work to sell the produce. Instead of being directly manufactured, his objects of consumption were produced in the shape of flutes, let us say, which were exchanged for other objects of consumption, or for money, the means of procuring these objects. In one way or another it was in the means of consumption and enjoyment that the fruits of production were used.

Under the Roman empire, which embraced the world one may say, a system of production existed differing from the preceding system based on slavery. The central authority absorbed nearly everything, confiscating private fortunes, monopolising implements of labour, directing

trades, regulating all kinds of labour. In this instance of administrative communism, where the labourer was drilled into brigades, it is evident that there could have been no room for the capitalist, but only for officers.

At the same time various causes combined to diminish slavery. Experience having proved that the slave who had the opportunity of saving money with the hope of freeing himself by means of a third person, who should first buy him, and to whom he should pay back the purchase price, worked better, and produced more, the masters' own interests led them to facilitate this saving of money, which became a kind of patrimony for the slave. In this way masters profited by the increased productiveness of labour, and by the purchase price which they received. Enfranchisement of slaves also became more common. On another side the laws relating to the distribution of provisions rather encouraged such enfranchisements, the masters having thus discovered a means of obtaining part of the provisions accorded by these laws to freed slaves; and we must not forget that the latter continued to be bound to their patrons for certain services.

In the country, in order to stimulate production and to satisfy the exigencies of the exchequer, the profits of agriculture contributed to turn the slaves into settlers, who cultivated the soil and paid a certain rent. These settlers, neither free men nor slaves, but between the two, were not allowed to leave the settlement. At length invasions of barbaric tribes, by encouraging the revolt and escape of slaves, and by making the security of proprietors doubtful, made this transformation general. The masters found it to their advantage to parcel out their ground to their slaves, who were turned into settlers, or serfs, performing certain prescribed duties.

We can now realise the absurdity of those who persist in maintaining that the abolition of slavery is due to Christianity. It is due to economic causes which have gradually led to its disappearance, and replaced it by serfdom. Neither religion nor fraternity have had anything to do with it.

In the middle ages, when serfdom prevailed, we find all social relations based on a system of personal dependence, in virtue of which men stood in various degrees of bondage to other men, with different obligations to perform, particular duties and services. Beside the serfs of the glebe, who represented part of the property, the cultivation of the lands of the lord of the manor was secured by the *corvée* of beasts and men, to which the peasants were bound for a variable number of days. As for industrial labour, it was accomplished by artisan serfs. There was no kind of service that serfs, peasants, or liege men of the town were not obliged to render to the lord of the manor, who would not be satisfied with any special duty incumbent on one or more inhabitants of the domain under his sovereignty. The master could lead an enjoyable life, thanks to all the things provided for him, and all the services rendered; but there was not a trace of capital here, all these means of enjoyment which he could consume at pleasure being incapable of multiplying themselves.

Not being content with burdening the town artisans with taxes of all kinds for their own profit, the barons and their retainers had a habit of taking things out of the shops whenever they liked. Constant pillaging went on. Tired of useless complaints, the victims formed a kind of

mutual help society against these robberies. Whenever the men from the castle entered any shop, all the townsmen following the same trade were bound by an oath to lend their aid. Constant struggles resulted, till at last the different trade corporations of a town united for defence. Owing to this steady resistance, the towns ceased to be attacked. These energetic risings of the people, occasionally crowned with success, and the interests of the lords of the soil, led them gradually to agree to barter for sums of money all their rights and claims.

This money, spent in means of enjoyment, could not by any means fructify "in the work of production," or become, in a word, capital; there was no possibility of investment of this kind.

The forming of trades into corporations, at first with a view to mutual protection, had led to practices, customs, and statutes, which, collected and codified, became the substance of royal ordinances, and thus produced the laws of corporations. These had their limitations, and detailed directions of methods to be used, and rules to be followed; they fixed salaries, and prices, and conditions of apprenticeship; regulated the quality of products, etc., and all this under severe penalties, which even went so far as the amputation of a hand.

Every master—who was one because his father was one before him; or because he had fulfilled the various rules laid down by the statutes in order to become one; or, lastly, because he had bought his freedom—every master was one of a privileged class: it was in virtue of a special prerogative that he followed his trade, that he was enabled to produce. But though he was thus privileged, masters of others trades enjoyed similar privileges, whence the impossibility for a master to enlarge his production by joining another branch of industry to his own, however alike the two might be. Again, in his own particular trade he found himself confronted with masters having exactly the same prerogatives as himself; thus each master was prevented from employing more than a certain number of hands. How, then, could the result of production be made to fructify?

Supposing one master to gain more than the others, he could not use his surplus money in producing more for himself, because he could not increase the number of his hands: for the same reason, that which he could not do himself he could not do through the agency of another. It was impossible to increase a sum by investing it in any other master's concern, simply because the same limitation of employed producers, and, consequently, of manufactured products, existed for all.

So, then, production in the middle ages did not allow wealth to multiply itself in any way, *i.e.*, to become capital. In that sphere of production, money, excellent for supplying comforts, did not increase if not consumed, it was heaped up in view of future consumption, whence the custom of treasuries so frequent at that time. From this investigation it becomes sufficiently evident that that which is, according to all economists, the specific form of capital, did not appear "in the work of production" before the modern era. That which they all agree to be the characteristic of capital is the "power of reproducing," and I think I have just shown that this reproductive power is not met with in the production of the savage state, nor in that of early communities, neither in the production of early ages by means of slavery, nor in that of the middle ages by means of serfdom; it is, therefore, a peculiar feature of the production of to-day, contrary to the opinion, always unanimous, of

economists who, in their universal love of harmony, would do well to harmonise their own contradictory doctrines.

The quotation given above from the "Dictionary of Political Economy," which sums up the general opinion of economists, only considered capital employed (this is the exact expression) "in the work of production:" in my criticism I have done the same, for studying capital in the sphere of production is the same thing as studying it in its fundamental form, production being the source of all wealth.

Capitalist production dates from the sixteenth century. In consequence of historical changes which I shall speak of presently, production, as it was carried on in the traditional small work-shop of the master of the corporation, could no longer suffice to keep pace with the growing demands of a daily expanding market, this work-shop must be enlarged; and this enlarging of the corporate work-shop is the starting point of capitalist production. As the result of circumstances which abolished the Feudal system, the system of capitalist production follows as an historical sequence in the development of productive forces. That it might become established, it was indispensable to have at the outset an accumulation of wealth. To develop production it was necessary to have the means for developing it. The masters of corporations certainly might have followed the course of events, and become capitalists, only the general poverty of their means did not allow of their keeping up at all with the requirements of the new market. But there were two forms of capital which could not be used, which appeared under the most varied economic systems, and which before the modern epoch alone represented capital, being the only forms in which, before this epoch, wealth could increase. I mean commercial capital and loan capital. Although they appear in history before the fundamental form of capital, yet these two forms are derived forms of capital. This, at first sight, may appear strange; and, in order that it may be clearly understood, I will give an example.

Let us imagine a peasant family cultivating for themselves their bit of ground, gaining their livelihood by their labour. We have here neither capital nor capitalist: the means of labour for this family are only the means of using their productive activity in view of the satisfaction of their personal wants. But some useful articles they do not produce, and must therefore buy, and in some cases they need advances, and they borrow. They sell some of their products towards purchasing, and paying their debts. Their production has only one aim, that of satisfying their wants, and these are satisfied whether directly by their own produce, or indirectly by the help of part of their produce exchanged for money, which to them is simply a means of buying useful articles. So capital in its fundamental form, capital in production, does not exist here. But the merchant to whom the peasant producer went, the lender with whom he had transactions, will make the money received from him fructify, and will turn it into capital. We see then how commercial capital and loan capital may be derived from a production where the form of capital has not yet appeared.

Not to leave this brief survey of the origin of capital too incomplete, I shall point out the principal phases of the evolution of its first forms from the time, when, amassed by the means of commerce and usury, it helped the birth of capitalist production.

When capital is studied historically from its first appearance, it is

always in the shape of money that we first see it arise; and this phenomenon is equally observable to-day; at least, it is in this shape that every new form of capital appears in the market. When it first appears on the scene at its source of production, where it is exchanged as the direct product of labour for some other product, money represents in the hands of its possessors the price of an article sold; they must have sold to possess the money; so there must have been circulation of merchandise. Circulation of merchandise is the starting point of capital. Certain historical conditions are necessary in order that the produce of labour may be transformed into merchandise, and that production may be carried on, not with a view to consumption or use, but to exchange.

With members of primitive communities their products were not merchandise, for, though they were divided amongst themselves, still there was no exchange. Exchange began in the relations of one community with another. Different communities found in their own particular centre different means of production and subsistence, whence the difference in their conditions of life, and in their produce; and the intercourse established between the communities led to the exchange of their mutual products. The foreign articles acquired by exchange, at first accidentally, ended by becoming necessary; the exchange was repeated, and the habit became a regular custom; certain things were produced solely with a view to exchange, and things which, in dealings of the community with outsiders, had acquired the character of merchandise, kept this character in dealings of the community with one another.

The number of products which were capable of exchange slowly increased. To measure their respective quantities, the two forms of merchandise to be exchanged were referred to a third. The form of the standard of value, represented by this third merchandise, vanished with the social circumstances which produced it; and thus, sometimes one commodity was used, sometimes another, until, when trade had reached a certain point, one especial species of merchandise was used, and this became money.

From this time commerce grew. It was especially maritime commerce that produced accumulation of wealth in ancient times; this commerce was centred in certain towns favoured by their geographical position, to which they were indebted for monopolies which brought them wealth, and thus enabled them to increase their traffic. I will give as an example the far-famed commercial city of ancient times, Tyre, called the queen of the seas. Her shores abounded in those shells from which the best purple was prepared, and we know the estimation attached to purple by the ancients. Owing to this natural monopoly riches flowed into Tyre; and this enabled her to multiply her maritime and commercial transactions, to found prosperous colonies, and to fetch from a distance the coveted products of foreign lands, the sale of which, thus becoming also her exclusive privilege, contributed still more to her wealth.

All that the masters drew from the labour of their slaves was, as we have seen, the means of consumption and enjoyment; but a good many of them, after having consumed all the profits of this labour, borrowed, to indulge their expensive tastes and extravagant habits, and so swelled the fortunes of traffickers in merchandise and gold. As a witness to this fact that the ancients borrowed with a view to consumption I may quote Plutarch: "If people would content themselves with what was necessary, there would be no more usurers than there are centaurs."

I should add that in Rome owing to peculiar circumstances the chief reason for loans was to obtain necessaries. The citizens were soldiers; in times of war the lands of the rich continued to be cultivated by their slaves, while the poor man was obliged to leave his field untilled. The campaign over, patricians holding commissions in the army came back loaded with the spoils of the conquered, which they had bestowed upon themselves, to find their lands well cultivated, and in full bearing; the plebeian found his piece of ground lying waste and useless; and ruined in this way through military service, he was forced to borrow in order to live, and be able to begin cultivating over again.

These debts became so heavy that insurrections followed, and struggles constantly renewed between creditors and debtors. In the early part of the middle ages, after the incursions of tribes out of Central Asia and Germany, production was very limited, the business of transporting small amounts of products was perilous owing to the difficulty of communication, aggravated by constant plunder. Each district organised itself as much as possible for the production of its own necessaries, and exchange was only carried on in a narrow circle. To effect exchanges with outsiders certain centres were chosen, whither the people repaired in numbers at fixed periods; this was the origin of fairs, sprung from the material conditions of life at that time.

By degrees came intervals of peace in the life of these war-like people; conflicts became less frequent, without ceasing altogether, and disorder no longer reigned supreme. Unoccupied in their domains during these intervals of relative calm, the cavaliers devoted themselves to all kinds of warlike games, jousts, and tournaments. Every one wished to excel in them; luxury in armour, jewels, texture, etc., grew; wants multiplied; town industries were developed; with this larger production commerce widened, and its progress reacted on production, and hastened its development.

At the fall of the Roman Empire the results of the ancient order of things were found to survive most successfully in Italy. She inherited the legacy of the old civilisations; and having been longer trained in their customs, she retained their memory the longest. Her products felt the effects of this; they were better, and in consequence more in demand; they were exported by way of the sea more safely than by the land, which was infested with pillaging armies; thus her commerce enriched chiefly her towns in the Mediterranean, whose maritime situation was the reason that permanent fairs were held there. The beginnings of social revival also first appeared in these towns. Pisa, Naples, Amalfi, formed free communities when the rest of Europe was under the yoke of tyranny, and during the darkest years of the middle ages their vessels furrowed all seas, owing chiefly to the compass, which, though it had been discovered some time, was not in general use in Europe till this period. Other cities followed in their footsteps. Venice and Genoa also enriched themselves by conveying pilgrims and crusaders. While the crusaders relieved the country of a large number of robbers and highwaymen, they helped to free the cities, the communities, and the serfs by means of financial operations, the barons turning everything into money and pledging even their estates to procure the funds indispensable to these distant expeditions. On the other hand they brought these rude nobles into contact with Eastern manners, and refined their taste, they brought back notions of niceness, ignored till then, and ideas

of costly elegance. On their return they were more than ever dependent on the Italian cities, whose ships went to fetch from Egyptian ports and from the shores of the Black Sea, spices, perfumes, gems, costly stuffs, and all the merchandise in fashion in the Levant. Money—money which their commerce rapidly increased—flowed into those cities which united industrial supremacy with their commercial and maritime power. To the enormous gains of their world-wide commerce, their chief merchants and bankers added the profits of usury, they lent to the kings of Europe; by means of their wealth they reigned in the retirement of their counting-houses; from one of these merchant families two sons were raised to the Papacy, Leo X. and Clement VII., and two daughters became Queens of France, Catherine and Marie de Medicis.

Among the causes of this extraordinary accumulation of capital in Italy we must mention the Papacy, which by its fraudulent trade in indulgences and dispensations, and by its Peter's Pence* procured an enormous revenue.

And what helps to support the economic materialism of Marx, and shows that the material conditions of life are the cause of the different social phenomena, is the fact that this prosperity of Italy† gave birth to the Renaissance of art, and its imperishable *chefs d'œuvre*. In the midst of this magnificence intellectual power ripened into wonderful perfection. But this prosperity excited envy; her riches and the enjoyments of life which they allowed, made Italy a tempting prey, upon which the European monarchies threw themselves in their passion for wealth.

Nevertheless it was not these political events that deprived Italy of her capitalist supremacy, however important may have been their consequences. The taking of Constantinople by the Turks, in 1453, dealt a terrible blow to the dominion of Venice, at that time the first commercial city of Italy, and indeed of the world. Italy retired from the Bosphorus to the Adriatic, and her downfall, which was signified by this retreat, was to be completed by the two great discoveries at the end of the 15th century.

By doubling the Cape of Good Hope in 1497 Vasco di Gama opened a new way to commerce; and in 1492 and 1498 Christopher Columbus gave it a new world; but Italy found herself thenceforth out of the run of fortune. The centre of activity was changed, and passed from the towns on the Mediterranean to the towns of the Atlantic.

The new openings in the East and in America, the forming of colonies and the increase of merchandise gave considerable scope to commerce and navigation. Fresh opportunities of exchange were the result, which led on the one hand to the depreciation of the land revenues of the nobles, and on the other increased the wealth of the bourgeoisie; the commercial and industrial class, the bourgeois element, became more and more developed, at the expense of the old Feudal system which it replaced. The nobles on their side hurried on this work of dissolution. They had

* "Peter's Pence" was a tax levied on all families possessed of thirty pence yearly rent in land, out of which they paid one penny, and was so called because paid on the feast of St. Peter. It was claimed by the Popes as a tribute from England, and regularly collected till suppressed by Henry VIII. It had been originally presented for the endowment of an English College in Rome.

† But compare page 17 of the "Summary of the Principles of Socialism," by H. M. Hyndman and William Morris.—Ed.

begun to pledge their estates at the time of the crusades, and their unbridled love of luxury, fine horses, splendid armour, sumptuous houses, brilliant fêtes, and amusements of all kinds, led them to continue this system, and they cared less and less to liberate their pledged property ; while usury was carried on at their expense by Jews and Lombards, under the form of pawnbroking and mortgaging. In short from the 14th century they gradually alienated their estates, and at length the extensive importation of precious metals from America depreciated still more landed fortunes, and contributed to the ruin of the feudal debtor, whose political power declined as the economic basis which had supported it became feebler, for it was based upon landed property, involving personal relations of domination and dependence.

We must not forget that the use of gunpowder and firearms had dealt a serious blow to the feudal system by taking away its social function. Supported by his serfs and liege men, the noble fought to defend them against the extortions of strangers ; with the invention of artillery the cavaliers cased in iron ceased to be a necessary rampart ; the art of war changed, and consequently the corporation of the nobility lost its usefulness, and its ancient power was undermined.

All discoveries, all changes, which involved expansion of the market and lessening the costs of transport, immeasurably accelerated production. Production must be increased to keep pace with growing wants, and from this increase, occasioned by the creation of the market of the two worlds in the 16th century, dates the history of capitalist production, of which only the first faint beginnings had been traced in some of the Italian towns.

But that production might increase, pecuniary means were necessary ; and the feudal constitution of the country, and the corporate régime of the towns were opposed to the transformation of capital in money form, amassed by the twofold practice of commerce and usury, into industrial capital. These barriers, becoming less solid with the relaxation of feudal ties, caused by the phenomena shortly stated above, yielded in many points to the force of necessity.

Kings multiplied pretexts, not altogether disinterestedly, for the creation of masters in the corporations ; they granted privileges to individuals for the purchase and sale of certain products ; they suppressed various charges which burdened commerce, etc., and thus surmounted the obstacles which the organisation of craft-guilds held out to the extension of production. It was in this way that commercial capital and capital by usury were developed, and in this way they prepared the way for the capitalist era, properly speaking. To wind up my sketch of the evolution of these two forms of capital, I must add a few words.

Commercial and maritime supremacy passed at first from Italy to Portugal, to whom the way to India, discovered by Vasco di Gama, promised splendid possessions in Africa, and still more in Asia. Portugal overflowed with riches, but it was quickly supplanted by Spain, to whom Christopher Columbus had given America ; in 1580, Portugal became a province of Spain.

In revolt against Philip II, who had crowned himself king of Portugal, the Dutch established themselves with complete success upon the ruins of the power of the Portuguese and Spaniards. These had founded their dominion upon conquest : Holland was the first nation which developed industrial capital simultaneously with commerce and navigation, and she became the most opulent power of the world.

When William III, Prince of Orange, was raised to the throne of England in 1689, the Dutch nation with its capital and its men turned towards this last country, and economic supremacy passed with them to England who has since retained it.

The United States of America imagine they will subordinate her to the office to which she has subordinated Holland, of being simply the distributor of American products; whether they will succeed or not the future will show.

We have now examined the growth of capital in its fundamental form, and the growth of bourgeois industrialism, which necessarily arose in the historical evolution, in order to develop the means of production, and adapt them to the supply of a larger market: for the small work-shop of the master of the corporation had to be enlarged, and at first the difference was merely in quantity. We have seen whence came the funds indispensable to this enlargement, but other conditions were necessary, before the larger work-shops could be used: for besides the means of labour, labourers must be forthcoming. I shall examine in my next sketch, the historical movement which changed the immediate producers into the proletariat, I shall then touch on the different phases of capitalist production, co-operation, social machinery, and associated labour; and I shall thus arrive at the present time, where the forces of production are tending to destroy the economic conditions which produced them.

Once more, after studying the creation of the class destined to carry into effect the means of operation of which I have traced the origin, I shall take our method of production from the point where I leave it to-day, at its birth. I shall trace it in its evolution, prove that it is approaching its dissolution, and show, by means of the very symptoms which foretells its end, that its dissolution will evolve the constitutive elements of a superior social organisation, where the means of production, being socialised, will no longer be clothed in this form of capital, which they began to assume nearly 400 years ago.

The continual change in the development of productive forces necessarily brings with it modifications in the relations of production, that is to say, in the manner of living; and the social relations depending upon this must, evidently, be transformed that they may be adapted to the changes in the relations of production: they are, consequently, bound to change at the same time as the change in the productive forces. Socialisation of the means of production, collective appropriation, which is the basis of our theory, presents itself therefore, not as the original conception of brains impassioned for justice, but as the scientific definition of the end towards which economic phenomena are taking us whether we will or no. As long as the state of the powers of production was such that the material conditions demanded by the new society had not yet appeared, those whose dream has been to remedy the misery of the lower classes have been reduced to extemporising systems, and have fallen into utopianism; but the producing forces of to-day have attained a development which substitutes for the generous but unscientific speculations of the mind, the study of the changes in progress and the relations which depend upon them. Collective superintendence of production and exchange, formerly the ideal of certain brains, an institution with no foundation, is at present an historical necessity, material facts tending inevitably towards its realisation.

Between the social conditions reserved for us by its realisation, and

the actual conditions of to-day, there stands nothing but the denseness of bourgeois stupidity; the obstacle is enormous I admit, but it is not insurmountable. Were the bourgeois class aware of their true interests, they would facilitate a transformation, by retarding which they are ruining their own supports, and exhausting, as Marx has it, the two sources from which all wealth springs, the soil and the labourer. In this the bourgeois class resemble the animal mentioned by our great prose writer, Gustave Flaubert, in his "Temptation of St. Anthony," which was so supremely stupid, that it devoured its own paws without being aware of it.



The ...
 Socialism ...
 The ... Exposed ...
 What ...
 Social ...
 The ...
 International ...

Socialism and Soldiering; with some comments on the Army Enlistment Fraud. By George Bateman (Late 23rd Regiment), with Portrait. With an introduction by H. H. Champion (Late Royal Artillery). Price One Penny.

The Working Man's Programme (Arbeiter Programm). By Ferdinand Lassalle. Translated from the German by Edward Peters. Crown 8-vo., paper cover, price 6d.

The Robbery of the Poor. By W. H. P. Campbell. Demy 8-vo., paper cover, price 6d.

The Appeal to the Young. By Prince Peter Kropotkin. Translated from the French by H. M. Hyndman and reprinted from *Justice*. Royal 8-vo., 16-pp. Price one penny.

The most eloquent and noble appeal to the generous emotions ever penned by a scientific man. Its author has just suffered five years' imprisonment at the hands of the French Republic for advocating the cause of the workers

Wage-Labour and Capital. From the German of Karl Marx translated by J. L. Joynes and reprinted from *Justice*. New and cheaper edition, Royal 8-vo., price 1d.

By Edward Carpenter—Social Progress and Individual Effort; Desirable Mansions; and Co-operative Production. One penny each.

The Man with the Red Flag: Being John Burns' Speech at the Old Bailey, when tried for Seditious Conspiracy, on April 9th, 1886. (From the Verbatim Notes of the official shorthand reporter.) With Portrait. Price threepence.

The Socialist Catechism. By J. L. Joynes. Reprinted with additions from *Justice*. Demy 8-vo., price 1d. 20th thousand.

Socialism and Slavery. By H. M. Hyndman. (In reply to Mr. Herbert Spencer's article on "The Coming Slavery.") New Edition, with portrait. 16 pp. Royal 8-vo., price one penny.

The Emigration Fraud Exposed. By H. M. Hyndman. With a Portrait of the Author. Reprinted by permission from the *Nineteenth Century* for February, 1885. Crown 8-vo., price one penny.

What an Eight Hours Bill Means. By T. Mann (Amalgamated Engineers). New edition with portrait. Sixth Thousand. Price one penny.

Socialism and the Worker. By F. A. Sorge. Price 1d.

An explanation in the simplest language of the main idea of Socialism.

The Chicago Riots and the Class War in the United States. By H. M. Hyndman. Reprinted from *Time*, June, 1886. Price one penny.

International Trade Union Congress, held at Paris, August, 1886. Report by Adolphe Smith. 24-pp., Royal 8-vo. Price Three-Halfpence.