Chapter Thirty-One: The Genesis of the Industrial Capitalist

1  The Moments of the Genesis of the Industrial Capitalist

The genesis of the capitalist farmer was, as we have just seen, a gradual and historically long-drawn out process. The genesis of the industrial capitalist, as we shall see, stands in this regard in sharp contrast.

There is a prior development. Prior to the commercial requirements of the ‘new world market […] created by the great discoveries at the end of the fifteenth century,’ the path to being a fully-fledged capitalist was the one travelled by those guild-masters, small artisans and wage-labourers who, through the exploitation of wage labour and accumulation, were able to so transform themselves. But this process is anterior in time and secondary in significance to the genesis of the modern capitalist.

The Middle Ages had handed down two forms of capital which predate the era of capitalist production – commercial capital and usurer’s capital. However, the money capital accumulated by these means was prevented from establishing itself as industrial capital by the feudal organisation in the countryside and the guild organisation in the towns.

This all changed with the expropriation of the agricultural population, and the dissolution of the feudal bands of retainers.

The period of the original accumulation of capital was marked by ‘the discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the indigenous population of that continent, the beginnings of the conquest and plunder of India, and the conversion of Africa into a preserve for the commercial hunting of blacksins,’ immediately followed by ‘the war of the European nations, which has the globe as its battlefield.’

The different moments of primitive accumulation can be assigned in particular to Spain, Portugal, Holland, France and England, in more or less chronological order. These different moments are systematically combined together at the end of the seventeenth century in England; the combination embraces the colonies, the national debt, the modern tax system, and the system of protection. These methods […] all employ the power of the state, the concentrated and organised force of society, to hasten […] the process of transformation of the feudal mode of production into the capitalist mode, and to shorten the transition.

2  The Colonial System

‘The colonial system ripened trade and navigation.’ The colonial companies acted as ‘powerful levers for the concentration of capital.’ The colonies supplied a market, with the prospect of advanced and accelerated accumulation as a consequence of the mother country’s monopoly over that market. ‘The treasures captured outside Europe by undisguised looting, enslavement and murder flowed back […] and were turned into capital.’

‘Today, industrial supremacy brings with it commercial supremacy. In the period of manufacture it is the reverse: commercial supremacy produces industrial predominance.’

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1 Where I insert my own subheads they appear, as here, in sans serif type.
2 Karl Marx, Capital vol. 1 (Harmondsworth, 1990) [hereafter C.], p. 914.
3 C., p. 915.
4 C., p. 915.
5 C., pp. 915-6.
6 C., p. 918.
7 C., p. 918.
8 C., p. 918.
3 Public Credit

Although the system of public credit (national debt) originated in the medieval Italian city-states, it takes hold of Europe as a whole in the period of manufacture. “The colonial system, with its maritime trade and its commercial wars, served as a forcing-house for the credit system.”

The system of public debt “endows public money with the power of creation and thus turns into capital,” and, in this way, acts as “one of the most powerful means of primitive accumulation.” Public debt, in addition, through giving rise to joint-stock companies and speculation, gave rise “to stock-exchange gambling and the modern bankocracy.”

Alongside this system of public debt arises the international credit system, by which means capital is lent out from where manufacturing has become weak to where it is strong: from Holland to England in the eighteenth century, from Britain to the United States in the nineteenth.

Along with the national debt there arose an international credit system, which often conceals one of the sources of primitive accumulation in this or that people. Thus the villainies of the Venetian system of robbery formed one of the secret foundations of Holland’s wealth in capital, for Venice in her years of decadence lent large sums of money to Holland. There is a similar relationship between Holland and England. By the beginning of the eighteenth century, Holland’s manufactures had been far outstripped. It had ceased to be the nation preponderant in commerce and industry. One of its main lines of business, therefore, from 1701-1776, was the lending out of enormous amounts of capital, especially to its great rival England. The same thing is going on today between England and the United States. A great deal of capital, which appears today in the United States without any birth-certificate, was yesterday, in England, the capitalised blood of children.

The system of public debt, a system backed by the revenue of the state, demands the development of public taxation.

“The system of protection was an artificial means of manufacturing manufacturers, or expropriating independent workers, of capitalising the national means of production and subsistence, and of forcible cutting short the transition from a mode of production that was out of date to the modern mode of production.” Not only did protection serve as a means of plunder of the domestic population (be it directly through export premiums and indirectly through import premiums), it functioned to uproot competitive industries in dependent countries (Marx cites the Irish woollen industry).

Marx concludes the chapter with the account of the ‘press-ganging’ of child labour into the early industrial system, and of British participation in the slave-trade (an account which terminates with his famous aphorism that ‘capital comes dripping from head to toe, from every pore, with blood and dirt’). But what needs stressing in his overall account is the international dimension of the set of levers of original accumulation (“colonial system, public debts, heavy taxes, protection, commercial wars”): that is fundamentally predicated on what he has already called the ‘revolution in the world market’.

9 C., p. 919.
10 C., p. 919.
11 C., p. 919.
12 C., p. 920.
13 C., pp. 921-2.
14 C., p. 926.
15 C., p. 922.