

I. THE ORIGINS AND DEVELOPMENT OF CAPITALISM

From the serfs of the Middle Ages sprang the chartered burghers of the earliest towns. From these bourgeois the first elements of the bourgeoisie were developed.

The discovery of America, the rounding of the Cape, opened up fresh ground for the rising bourgeoisie. The East-Indian and Chinese markets, the colonization of America, trade with the colonies, the increase in the means of exchange and in commodities generally, gave to commerce, to navigation, to industry, an impulse never before known, and thereby, to the revolutionary element in the tottering feudal society, a rapid development.

The feudal system of industry, in which industrial production was monopolized by closed guilds, now no longer sufficed for the growing wants of the new markets. The manufacturing system took its place. The guild-masters were pushed on one side by the manufacturing middle class; division of labour between the different corporate guilds vanished in the face of division of labour in each single workshop.

Meantime the markets kept ever growing, the demand ever rising. Even manufacture no longer sufficed. Thereupon, steam and machinery revolutionized industrial production. The place of manufacture was taken by the giant, modern industry, the place of the industrial middle class by industrial millionaires, the leaders of whole industrial armies, the modern bourgeois.

Modern industry has established the world market, for which the discovery of America paved the way. This market has given an immense development to commerce, to navigation, to communication by land. This development has, in its turn, reacted on the extension of industry;

and in proportion as industry, commerce, navigation, railways, extended, in the same proportion the bourgeoisie developed, increased its capital, and pushed into the background every class handed down from the Middle Ages.

We see, therefore, how the modern bourgeoisie is itself the product of a long course of development, of a series of revolutions in the modes of production and of exchange.

Each step in the development of the bourgeoisie was accompanied by a corresponding political advance of that class. An oppressed class under the sway of the feudal nobility, an armed and self-governing association in the mediæval commune; here independent urban republic (as in Italy and Germany), there taxable "third estate" of the monarchy (as in France); afterwards, in the period of manufacture proper, serving either the semi-feudal or the absolute monarchy as a counterpoise against the nobility, and, in fact, cornerstone of the great monarchies in general—the bourgeoisie has at last, since the establishment of modern industry and of the world market, conquered for itself, in the modern representative State, exclusive political sway. The executive of the modern State is but a committee for managing the common affairs of the whole bourgeoisie.

CM (1848)

MEGA I/6, pp. 526-8

An indispensable condition for the establishment of manufacturing industry was the accumulation of capital, facilitated by the discovery of America and the importation of its precious metals.

It has been sufficiently proved that the increase in the means of exchange resulted, on the one hand, in a reduction of wages and rents, and on the other hand, in an increase in industrial profits. In other words, to the extent that the landowners and workers, the feudal lords and the common people, fell, so the capitalist class, the bourgeoisie, rose.

There were other circumstances which contributed at the same time to the development of manufacturing industry; the increase in the volume of goods put into circulation as trade reached the East Indies by way of the Cape of Good Hope, the colonial system, and the development of maritime trade.

Another point which has not received enough attention in the history of manufacturing industry is the disbanding of the numerous retainers of the feudal lords. The lower grades of these retainers became vagabonds before going into the workshops. The creation of workshops was preceded, in the fifteenth and sixteenth centuries, by almost universal vagabondage. Another powerful aid to the workshops was provided by the large numbers of peasants who, driven from the land by the conversion of fields into pastures, and by the progress of agriculture which reduced the number of hands needed for cultivation, flocked into the towns during whole centuries.

The expansion of the market, the accumulation of capital, the changes in the social position of different classes, a multitude of people who found themselves deprived of their source of income: these were so many historical conditions for the establishment of manufacture.

PP (1847)

MEGA I/6, pp. 199-200

There is no doubt—and it is precisely this fact which has led to many wrong conceptions—that the great revolutions which took place in commerce in the sixteenth and seventeenth centuries, concurrently with the geographical discoveries, and which stimulated the development of commercial capital, were among the principal factors in the transition from feudal to capitalist production. The sudden expansion of the world market, the multiplication of circulating commodities, the zeal displayed among the European

nations in the race after the products of Asia and the treasures of America, the colonial system, all materially contributed to the destruction of the feudal barriers of production. Nevertheless, the modern mode of production, in its first period, the manufacturing period, developed only in places where the conditions for it had already been created in the Middle Ages. Compare, for instance, Holland with Portugal. When in the sixteenth, and to some extent still in the seventeenth, century, the sudden expansion of commerce and the creation of a new world market had an overwhelming influence on the overthrow of the old mode of production and on the rise of the capitalist one, this occurred on the basis of the already created capitalist mode of production. . . .

The transition from the feudal mode of production may take two different paths. The producer may become a merchant and capitalist, in opposition to agricultural natural economy and to the guild organized handicrafts of medieval town industry. This is the really revolutionary way. Or the merchant may take possession of production directly. While this way serves historically as a mode of transition—for example, the English clothier of the seventeenth century, who brings the weavers under his control, although they remain independent workers, by selling wool to them and buying cloth from them—nevertheless it cannot by itself do much for the overthrow of the old mode of production, which it rather preserves and uses as its basis. . . . This method is everywhere an obstacle to a real capitalist mode of production and declines with the development of the latter.

Capital III
VA III/1, pp. 364-6

For the conversion of his money into capital, therefore, the owner of money must find in the commodity market a free

labourer, free in the double sense, that as a free man he can dispose of his labour-power as his own commodity, and that on the other hand he has no other commodity for sale, and lacks everything necessary for the realization of his labour-power.

The question why this free labourer confronts him in the market, has no interest for the owner of money, who regards the labour market as a branch of the general market for commodities. And for the present it interests us just as little. We observe the fact theoretically, as he does practically. One thing, however, is clear—Nature does not produce on the one side owners of money or commodities, and on the other men possessing nothing but their own labour-power. This relation has no natural basis, nor is its social basis one that is common to all historical periods. It is clearly the result of a past historical development, the product of many economic revolutions, of the extinction of a whole series of older forms of social production.

So, too, the economic categories, which we have already discussed, bear the stamp of history. Definite historical conditions are necessary that a product may become a commodity. It must not be produced as the immediate means of subsistence of the producer himself. Had we gone further, and inquired under what circumstances all, or even the majority of products take the form of commodities, we should have found that this can only happen with production of a very specific kind, capitalist production. Such an inquiry, however, would have been foreign to the analysis of commodities. The production and circulation of commodities can take place, although the great mass of the objects produced are intended for the immediate requirements of their producers, and are not turned into commodities, and although, therefore, social production is as yet a long way from being entirely dominated by exchange-value. The appearance of products as commodities pre-

supposes such a development of the social division of labour, that the separation of use-value from exchange-value, a separation which first begins with barter, must already have been completed. But such a stage of development is common to many forms of society, which in other respects present the most varied historical features.

On the other hand, if we consider money, its existence implies a definite stage in the exchange of commodities. The particular functions of money, either as the mere equivalent of commodities, or as means of circulation, or means of payment, as hoard or as universal money, point, according to the extent and relative preponderance of the one function or the other, to very different stages in the process of social production. Yet we know by experience that a moderate degree of development of the circulation of commodities suffices for the appearance of all these functions. It is otherwise with capital. The historical conditions of its existence are by no means given with the mere circulation of money and commodities. It arises only when the owner of the means of production and subsistence meets in the market with the free labourer selling his labour-power. And this one historical condition comprises a whole stage of history. Capital, therefore, announces from its first appearance a new epoch in the process of social production.

Capital I (1867)
Vol. I, pp. 176-8

In themselves, money and commodities are no more capital than are the means of production and of subsistence. They have to be transformed into capital. But this transformation itself can only take place under certain circumstances, whose essential features are, that two very different kinds of commodity-possessors must come into contact; on the one hand, the owners of money, means of production, and means of subsistence, who are eager to increase the

sum of values they possess, by buying other people's labour-power; on the other hand, free labourers, the sellers of their own labour-power, and therefore the sellers of labour. Free labourers, in the double sense that they themselves do not form part and parcel of the means of production, as in the case of slaves, bondsmen, etc., and that the means of production do not belong to them, as in the case of peasant-proprietors; they are, therefore, free from, unencumbered by, any means of production of their own. With this polarization of the market for commodities, the fundamental conditions of capitalist production are given. The capitalist system presupposes the complete separation of the labourers from all property in the means by which they can realize their labour. As soon as capitalist production is firmly established, it not only maintains this separation, but reproduces it on a continually extending scale. The process, therefore, that clears the way for the capitalist system, can be none other than the process which takes away from the labourer the possession of his means of production; a process that transforms, on the one hand, the social means of subsistence and of production into capital, on the other, the immediate producers into wage-labourers. The so-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production. It appears as primitive because it forms the prehistoric stage of capital and of the mode of production corresponding with it.

The economic structure of capitalist society has grown out of the economic structure of feudal society. The solution of the latter set free the elements of the former. The immediate producer, the labourer, could only dispose of his own person after he had ceased to be attached to the soil and ceased to be the slave, serf, or bondsman of another. To become a free seller of labour-power, who carries his commodity wherever he finds a market,

have escaped from the dominion of the guilds, from their rules for apprentices and journeymen, and from the impediments of their labour regulations. Hence, the historical movement which changes the producers into wage-workers, appears, on the one hand, as their emancipation from serfdom and from the fetters of the guilds, and this side alone exists for our bourgeois historians. But, on the other hand, these new freedmen became sellers of themselves only after they had been robbed of all their own means of production, and of all the guarantees of existence afforded by the old feudal arrangements. And the history of this, their expropriation, is written in the annals of mankind in letters of blood and fire.

The industrial capitalists, these new potentates, had on their part not only to displace the guild masters, but also the feudal lords, the possessors of the sources of wealth. In this aspect their conquest of social power appears as the fruit of a victorious struggle both against feudal lordship and its outrageous prerogatives, and against the guilds and the fetters they laid on the free development of production and the free exploitation of man by man. The knights of industry, however, only succeeded in supplanting the knights of the sword by making use of events for which they themselves were not responsible. They have risen by means as vile as those by which the Roman freed-man once made himself the master of his *patronus*.

The starting-point of the development that gave rise to the wage-labourer as well as to the capitalist, was the servitude of the labourer. The advance consisted in a change of form of this servitude, in the transformation of feudal exploitation into capitalist exploitation. To understand its course, we need not go back very far. Although we come across the first beginnings of capitalist production as early as the fourteenth or fifteenth century, sporadically, in certain towns of the Mediterranean, the capitalist era

dates from the sixteenth century. Wherever it appears, the abolition of serfdom has been long effected, and the crowning glory of the Middle Ages, the sovereign self-governing towns, has long been on the wane.

In the history of primitive accumulation, all revolutions are epoch-making that act as levers for the capitalist class in course of formation; but, above all, those moments when great masses of men are suddenly and forcibly torn from their means of subsistence, and hurled as free and "unattached" proletarians on the labour market. The expropriation of the agricultural producer, of the peasant, his separation from the soil, is the basis of the whole process. The history of this expropriation, in different countries, assumes different aspects, and runs through its various phases in different orders of succession, and at different periods. In England alone, which we take as our example, has it the classical form.

Capital I (1867)

VA I, pp. 753-4

Whatever may be the social mode of production, workers and means of production always remain its principal elements. But so long as they remain separated, they are only potentially such elements. For production to take place at all they must be brought together. The particular way in which they are brought together, is the distinguishing feature of different economic periods in the organization of society. In the present case, the separation of the free worker from his means of production is the datum from which we begin, and we have seen in what manner, and under what conditions, these two elements have been brought together in the hands of the capitalist, namely, as the productive mode of existence of his capital. The actual process which combines the personal and material elements in commodities, the process of production, thus

becomes itself a function of capital, a capitalist process of production, whose nature was analysed in detail in the first volume of this work. Every process of commodity production is at the same time a process of exploitation of labour power, but the capitalist mode of commodity production is the first to become an epoch-making mode of exploitation, which in the course of its historical development, by its organization of labour and its stupendous technical progress, transforms the whole economic structure of society and far surpasses all earlier periods.

Capital II
V/4 II, pp. 34-5

The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country. To the great chagrin of reactionaries, it has drawn from under the feet of industry the national ground on which it stood. All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilized nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the production of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations. And as in material, so also in intellectual production. The intellectual creations of individual nations become common property. National one-sidedness and narrow-mindedness become more and more impossible, and

from the numerous national and local literatures there arises a world literature.

The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian nations, into civilization. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e. to become bourgeois themselves. In one word, it creates a world after its own image.

The bourgeoisie has subjected the country to the rule of the towns. It has created enormous cities, has greatly increased the urban population as compared with the rural, and has thus rescued a considerable part of the population from the idiocy of rural life. Just as it has made the country dependent on the towns, so it has made barbarian and semi-barbarian countries dependent on the civilized ones, nations of peasants on nations of bourgeois, the East on the West.

The bourgeoisie keeps more and more doing away with the scattered state of the population, of the means of production, and of property. It has agglomerated population, centralized means of production, and has concentrated property in a few hands. The necessary consequence of this was political centralization. Independent, or but loosely connected provinces, with separate interests, laws, governments and systems of taxation, became lumped together into one nation, with one government, one code of laws, one national class interest, one frontier and one customs tariff.

The bourgeoisie, during its rule of scarce one hundred

years, has created more massive and more colossal productive forces than have all preceding generations together. Subjection of Nature's forces to man, machinery, application of chemistry to industry and agriculture, steam navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground—what earlier century had even a presentiment that such productive forces slumbered in the lap of social labour?

We see then: the means of production and of exchange, on whose foundation the bourgeoisie built itself up, were generated in feudal society. At a certain stage in the development of these means of production and of exchange, the conditions under which feudal society produced and exchanged, the feudal organization of agriculture and manufacturing industry, in one word, the feudal relations of property became no longer compatible with the already developed productive forces; they became so many fetters. They had to be burst asunder; they were burst asunder.

Into their place stepped free competition, accompanied by a social and political constitution adapted to it, and by the economic and political sway of the bourgeois class.

A similar movement is going on before our own eyes. Modern bourgeois society with its relations of production, of exchange and of property, a society that has conjured up such gigantic means of production and of exchange, is like the sorcerer who is no longer able to control the powers of the nether world whom he has called up by his spells. For many a decade past the history of industry and commerce is but the history of the revolt of modern productive forces against modern conditions of production, against the property relations that are the conditions for the existence of the bourgeoisie and of its rule.

CM (1848)

MEGA I/6, pp. 529-31

What does the primitive accumulation of capital, i.e. its historical genesis, resolve itself into? In so far as it is not a direct transformation of slaves and serfs into wage-labourers, and therefore a mere change of form, it only means the expropriation of the immediate producers, i.e. the dissolution of private property based on the labour of its owner.

Private property, as the antithesis to social, collective property, exists only where the means of labour and external conditions of labour belong to private individuals. But according as these private individuals are labourers or not labourers, private property has a different character. The innumerable shades, that it at first sight presents, correspond to the intermediate stages lying between these two extremes. The private property of the labourer in his means of production is the foundation of petty industry, and petty industry is an essential condition for the development of social production and of the free individuality of the labourer himself. Of course, this petty mode of production exists also under slavery, serfdom, and other states of dependence. But it flourishes, it lets loose its whole energy, it attains its full classical form, only where the labourer is the private owner of the means of labour which he uses; the peasant of the land which he cultivates, the artisan of the tool which he handles as a virtuoso. This mode of production presupposes parcelling out of the soil, and of the other means of production. As it excludes the concentration of these means of production, so also it excludes co-operation, division of labour within each separate process of production, the control over, and the productive application of, the forces of Nature by society, and the free development of the social productive powers. It is only compatible with a primitive and limited society and system of production. To perpetuate it would be, as Pecqueur rightly says, "to decree universal mediocrity." At a certain stage of develop-

ment it brings forth the material agencies for its own dissolution. From that moment new forces and new passions spring up in the bosom of society; but the old social organization fetters them and keeps them down. It must be annihilated; it is annihilated. Its annihilation, the transformation of the individualized and scattered means of production into socially concentrated ones, of the pigmy property of the many into the huge property of the few, the expropriation of the great mass of the people from the soil, from the means of subsistence, and from the means of labour, this fearful and painful expropriation of the mass of the people forms the prelude to the history of capital. It comprises a series of forcible measures, of which we have passed in review only those that have been epoch-making as methods of the primitive accumulation of capital. The expropriation of the immediate producers was accomplished with merciless vandalism, and under the stimulus of the most infamous, sordid, petty, and odious passions. Self-earned private property that is based, so to say, on the fusing together of the isolated, independent labouring-individual with the conditions of his labour, is supplanted by capitalist private property, which rests on exploitation of the nominally free labour of others.

As soon as this process of transformation has sufficiently decomposed the old society from top to bottom, as soon as the labourers are turned into proletarians, and their means of labour into capital, as soon as the capitalist mode of production stands on its own feet, then the further socialization of labour and further transformation of the land and other means of production into socially exploited and, therefore, common means of production, as well as the further expropriation of private proprietors, takes a new form. That which is now to be expropriated is no longer the labourer working for himself, but the capitalist exploiting many labourers. This expropriation is accomplished by the

action of the immanent laws of capitalist production itself, by the centralization of capital. One capitalist always kills many. Hand in hand with this centralization, this expropriation of many capitalists by few, develop, on an ever-extending scale, the co-operative form of the labour process, the conscious application of science, the planned exploitation of the earth, the transformation of the instruments of labour into instruments which can only be used in co-operative work, the economizing of all means of production by their use as the means of production of combined, socialized labour, the entanglement of all peoples in the net of the world-market, and with this, the international character of the capitalist system. Along with the constantly diminishing number of the magnates of capital, who usurp and monopolize all the advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, and exploitation; but with this too grows the revolt of the working-class, a class always increasing in numbers, and disciplined, united, organized by the mechanism of the process of capitalist production itself. The monopoly of capital becomes a fetter upon the mode of production, which has sprung up and flourished along with, and under it. Centralization of the means of production and socialization of labour at last reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.

The capitalist mode of appropriation, the result of the capitalist mode of production, produces capitalist private property. This is the first negation of individual private property, as founded on the labour of the proprietor. But capitalist production begets, with the inexorability of a law of Nature, its own negation. It is the negation of negation. This does not re-establish private property for the producer, but gives him individual property based on the acquisitions

of the capitalist era: i.e., on co-operation and the possession in common of the land and of the means of production which are produced by labour.

The transformation of scattered private property, arising from individual labour, into capitalist private property is, of course, a process incomparably more protracted, violent, and difficult, than the transformation of capitalist private property, which already is in fact based upon socialized production, into socialized property. In the former case, we had the expropriation of the mass of the people by a few usurpers; in the latter, we have the expropriation of a few usurpers by the mass of the people.

Capital I (1867)
V4, pp. 801-4

It is enough to mention the commercial crises that by their periodical return put on its trial, each time more threateningly, the existence of the entire bourgeois society. In these crises a great part not only of the existing products, but also of the previously created productive forces, are periodically destroyed. In these crises there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity—the epidemic of over-production. Society suddenly finds itself put back into a state of momentary barbarism; it appears as if a famine, a universal war of devastation had cut off the supply of every means of subsistence; industry and commerce seem to be destroyed. And why? Because there is too much civilization, too much means of subsistence, too much industry, too much commerce. The productive forces at the disposal of society no longer tend to further the development of the conditions of bourgeois property; on the contrary, they have become too powerful for these conditions, by which they are fettered, and so soon as they overcome these fetters, they bring disorder into the whole of bourgeois society, endanger the existence of bourgeois

property. The conditions of bourgeois society are too narrow to comprise the wealth created by them. And how does the bourgeoisie get over these crises? On the one hand, by enforced destruction of a mass of productive forces; on the other, by the conquest of new markets, and by the more thorough exploitation of the old ones. That is to say, by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented.

CM (1848)
MEGA I/6, pp. 531-2

It is not the case that too much wealth is produced. But it is true that there is periodical over-production of wealth in its capitalist and self-contradictory form.

The limitations of the capitalist mode of production become apparent:

1. In the fact that the development of the productive power of labour establishes, in the falling rate of profit, a law which becomes, at a certain point, hostile to this mode of production itself and which can only be overcome by periodical crises.
2. In the fact that the expansion or contraction of production is decided by the appropriation of unpaid labour and by the proportion of this unpaid labour to materialized labour in general, or in the language of the capitalists, by profit and by the proportion of this profit to the employed capital, by a definite rate of profit, instead of being determined by the relation of production to social needs, to the needs of socially developed human beings. Consequently, the capitalist mode of production reaches its limits at a level of production which would be wholly inadequate in terms of

the second presupposition (production for needs). It comes to a standstill at a point determined by the production and realization of profit, not by the satisfaction of human needs.

Capital III

VA III/1, pp. 287-8

The real limitation upon capitalist production is *capital itself*. It is the fact that capital and its self-expansion are the beginning and end, the motive and aim of production; that production is regarded as production for *capital*, instead of the means of production being considered simply as means for extending the conditions of human life for the benefit of the *society* of producers. The limits within which the preservation and augmentation of the value of capital, which is based upon the expropriation and pauperization of the great mass of producers, must take place, are always conflicting with the methods of production which capital must employ to attain its ends. These methods lead directly towards an unlimited expansion of production, towards production for its own sake, towards an unconditional development of the productive forces of society. The means, the unconditional development of the productive forces of society, enter continually into conflict with the limited end, the self-expansion of the existing capital. Thus while the capitalist mode of production is one of the historical means by which the material forces of production are developed and by which the world market which they imply is created, it represents at the same time a perpetual contradiction between this historical task and the social relations of production which it establishes.

Capital III

VA III/1, pp. 278-9

The three principal aspects of capitalist production are:

1. The concentration of means of production into a few hands, as a result of which they are no longer the property of the direct producers but are transformed into social powers of production. It is true that they become, at first, the private property of capitalists. These are the trustees of bourgeois society, but they pocket the proceeds of their trusteeship.
2. The organization of labour itself as social labour, by co-operation, division of labour, and the union of labour with the natural sciences.
From both sides the capitalist mode of production abolishes private property and private (individual) labour, though it does so in an antagonistic form.
3. The creation of a world market.

The immense productive power, relative to population, which develops under the capitalist mode of production and the increase, though not in the same proportion, of capital values (not only their material substance), which grow much more rapidly than the population, are in contradiction with the basis of this immense productive power, a basis which is always shrinking in comparison with the growing mass of wealth. They are in contradiction also with the conditions under which capital increases its value. This is the cause of crises.

Capital III

VA III/1, pp. 295-6

The ultimate cause of all real crises is always the poverty and restricted consumption of the masses, in contrast with the tendency of capitalist production to develop the productive forces in such a way that only the absolute power of consumption of society would be their limit.

Capital III

VA III/2, p. 528