



TO-DAY.

No. 32.—AUGUST, 1886.

Ad *Patricius.*

Bid these men speak ! O pale mouths, mad with hate,
What urge ye to avert the vengeance due ?
The bar is fixed and readied—will ye sue
Before it while is time ? or wait ? and wait ?
All Time's dim ghosts are knocking at the gate :
Shall it yet ope as to the fated Jew ?
Are there no lies upon the lips of you ?
O frenzied and made blind ! precipitate
To rend the webs of thought that wise men weave—
As subterranean thunder heard at eve
Sends frightened hearts a sudden shudder through—
Let your swift-coming doom reverberate
Upon your pavid souls or ye shall grieve
As erst those men, our fathers, whom ye s'ew !

IL PASSEUR.



Aristocles of Athens.

I.

HE was leaning against one of the columns of the Basilica Portia in the Forum, looking listlessly at the temple on the Capitoline, as it showed out dark against the golden sky. He would not go back while he could help it.

I had almost written "go home," but it would have been too bitter a mockery to use such a word in his case. Rufus' house was the place where he lived, and in all probability would live for the rest of his days. But—mere form of speech though it might be—he had never brought himself to the point of calling—as other slaves might do—his master's mansion "home."

Yes, he would seize this moment of leisure while he had it, this short respite from the daily torture life was to him. Here, at least, he was alone and quiet; he could refuse, with an effort that was not altogether futile, to think of what was slowly driving him mad—and watch the swallows flitting in and out among the columns, with their short, sharp twitter—

"But thou, O sweetest swallow, that comest in the spring-time," he murmured to himself, and his eyes softened, and his lips curved for a moment to a smile that was not bitter, as he recalled the days when he used to sing that song—"A Boy at Athens."

He was comely enough to look on, as he stood there. He had a grand head, and shapely well-cut features, though his grey eyes burned with a sullen fire, and his ripe Greek lips were contracted into a look of habitual passive resistance, and his fair hair, crisply curly, cut close as became a slave. But he did not look ragged and unkempt. In his darkest misery and despair, he could not quite forget that he was a freeborn Athenian; and Rufus was too particular about the appearance of his household (the ornamental part thereof at any rate) to allow them to be either ill-fed or ill-clad—however he might make their lives a burden to them in other ways.

If this would only last! He did not know exactly what he wished—or try to think, only that he did not want to leave the

spot, that he would like something to happen, he neither knew nor cared what, to prevent his ever returning to that hateful house again. He felt—dimly, vaguely, for he had not put the thought into words, that to-night he had reached the limits of his endurance, that he could bear his life no longer.

It was frightful, this loneliness—not a friend in the whole world—not a man or woman to whom he could turn for a word of sympathy, though his heart was breaking. And he was an open-hearted, sociable Greek, who had hardly been alone for an hour all his life, who had grown up loved, and admired, and caressed, with kinsfolk and friends all round him. He was sunny and light-hearted by nature, he shared his joys willingly with others, and, if he ever had a trouble, he had never known what it was to keep it to himself. And now——

As he strode along the Forum that evening, with clenched hands and set teeth, he was full of a cold, deliberate fury that almost frightened him ; it was so calm and calculating. What was coming to him ? He had never felt so before. He knew that if he were to meet Rufus face to face, just then, he would take him by the throat and strangle him with his bare hands, be the consequences what they might. But as he leaned against the pillar and watched the swallows, his mood grew softer. It was not that he relented towards Rufus, but that Rufus and every one connected with him faded into the background of his consciousness for a time, leaving only a world of blank, helpless misery, without beginning, ending, or object—and in the midst of that world, Aristocles the Athenian—all alone.

Two men approached, walking along arm in arm. He did not see them, nor hear their steps, but, just as they passed him, a voice fell upon his ear that made him start. He could not catch the words distinctly, but he knew that they were Greek, and turned to see who had spoken. He met the two face to face. One was decidedly a Greek—and a philosopher, to judge by his cloak and his beard. Aristocles had seen him once or twice before—not in Rufus's house ; the guests there were of a different stamp—and knew that he had been lecturing in Rome for some time. But the other—? Aristocles had heard no word of his—had never looked on him till that moment ; but as he caught the man's eye, it seemed to him that he had known that face all his life, and would know it till his dying day. And, as in a lightning-flash of consciousness, it came to him that he had all his life, though he never knew it, cherished an unrealised ideal of a friend to trust, and honour, and die for, and that this was the man he had loved without knowing it. Yet to ordinary eyes he was not so especially noticeable. He was not much above the middle height, compact and well-knit, rather than large of frame. He had a low, broad forehead, square at the temples, crisp black hair, well-marked eyebrows,

and dark eyes—large and yet deep set, with the troubled look of a steady sadness in them. His features were good, though not strikingly handsome—perhaps the most remarkable thing about them was the expression of the mouth, which showed at the same time a sort of sad resolution, and a strange, mobile tenderness. In modern times, when perhaps we read more into faces than we find there, we might have set him down as a man sore perplexed with life's problems, and especially sensitive to the sufferings of others. People did not analyse so much in those days. But were the problems non-existent? and did none feel them?

All this Aristocles took in, in that one rapid glance. Not a word had passed between them—only a look—he had not even heard what they were saying to each other. All he knew was that this man spoke Greek, and had a face that he would follow to the end of the world, if he might.

Stay! the philosopher was speaking.

“You were saying, Drusus——”

He heard no more. Drusus! He repeated the name as if it were a charm.

The two passed on, arm in arm, out of hearing.

“That was a Greek,” said Drusus—as though he had not been listening to his companion's speech; “an Athenian, too. Do you know who he is?”

“I think I have seen him before. I heard Rufus had a good-looking Greek, whom he bought after the sack of Athens.”

The dusk was gathering, and he turned his face towards Rufus's house on the Aventine. Who can tell how these things come about? Nothing particular had happened, and yet, somehow, the numbing weight of despair was lightened at his heart.

“Drusus!—Well, I know his name!”

II.

HE was lying, stiff and aching, on the ground in the dark cell that served him for sleeping-room. He had lain there since the day before yesterday—sleepless and feverish and tortured with burning thirst, and now he was beginning to sink into a sort of dull apathy, wherein the pain he felt seemed a thing quite separate from himself, and more and more a matter of indifference. And again and again, as the slow hours wore on, that face he had seen came back to him, and a wild longing pierced through the numbness that was settling down on his whole being.

“If I might only see him once more.”

He had come in late that evening when he lingered in the *Basilica*, and had met Rufus just as he entered the house.

The message he had been sent on was not of great importance—but Rufus was already out of humour from various causes, and the sight of the handsome, scornful face that never moved or changed for any bitter words of his, always roused in him a blind rage of hatred that only waited an outlet. And the quiet defiance, which met his storm of abuse, heightened this rage to madness.

No need to dwell on the details of the savage punishment that followed: neither more nor less than what was suffered by thousands of others, whom none ever thought of pitying. Aristocles was no Spartan, either by birth or training, neither was he a Stoic: he considered pain a decided evil, which his joyous, sensitive, southern nature shrank from; perhaps, under ordinary circumstances, he might have thought it no shame to cry out under it, like Philoctetes on Lemnos. But now a stern pride thrilled through him, as he knew himself stronger than the man they called his owner. Not a word or a cry escaped him, as the lash fell again and again; not a word should they hear—if he died. And soon he began to hope that he would die.

He did not die—he only fainted, after an hour of it, and awoke to find himself alone in the dark. And there he lay, scarcely able to move, during the whole of the next day, and the night that followed. One of the slaves came twice to bring him food and water, but except for this he was alone—alone as in the grave—and was glad of it. The day wore on. The square of light from the low, narrow doorway, moved across the floor till it was nearly straight. There seemed to be an extraordinary stir and bustle about the house; he wondered what was doing. He gathered his cramped and bruised limbs together, and sat up, but he was so weak, and his head swam so that he did not try to rise to his feet.

A shadow darkened the doorway, and a bent old woman hobbled in, with a plate in one hand, and a jar in the other:—

“Here!” she said, quickly, in broad Sicilian Doric, “Drink, make haste! They’re all so busy, no one saw me go out of the kitchen with it!”

He took the jar, but she could see, even by the faint light, that his hands were unsteady, and held it to his lips. Even as he drank, the wine revived him.

“You’ll have to take it out of the amphora—I couldn’t carry anything else. Holy Demeter! how white he looks! Poor boy! I thought you were killed. Why *did* you answer Rufus at all? You know it makes him ten times worse to speak to him when he’s in one of his rages!”

“I wanted him to kill me, and have it over!” he muttered, half to himself.

“Want to have it over! Now, how old are you? Wait till you come to be sixty-six, like me! Ah! well—well!—

We've just got to put up with things. Some were born to be slaves, and some rich men, like Damophilus—and nobody knows why! You're just like a brother I had once—not like him to look at, I mean—he had black hair, such curls! and such eyes! and he couldn't bear a word from any one, and the bailiff said something he didn't like, and he just took him by the throat and threw him down. . . . Strong! he had the strength of an ox and they sent him to the crows, for all as strong and as comely as he was . . . there on the cliff above Tauromenium and sometimes we would slip out of a night, and go up there where the crows stand, and cry—Simaetha and I there, there—never mind me—I don't know what makes me talk like this! Eat something, child, you want it—and have some more wine—it will strengthen you!"

"Was Simaetha your sister?" he asked, hardly knowing why. He was wondering what moved this poor old creature to show him kindness. He had never spoken to her, that he remembered; indeed, he had rather withdrawn himself from his fellow-slaves in bitter contempt for people who found servitude tolerable—perhaps congenial.

"No, she—they loved each other. She threw herself over the cliff a little while after, when they told her the master was going to give her to another man I had sisters too—I don't know what's become of them—I was sold away from the place before I was sixteen, and after that I've heard they killed Damophilus—I don't know whether it's true or not—and Megallis too, and serve her right, if they did! for she was worse than the master! There, if you've done, I must go—they'll be wanting me in the kitchen!"

"What's the matter to-day?"

"Oh! don't you know? No, of course, how should you? there's a great dinner-party. Rufus has Bibulus coming, and Caius Verres, and Scaurus, and Sextus Drusus—the rich man that he can't abide, only they say he has to be civil to him, because he owes him money"

"Sextus Drusus!"

"Queen Hera! What's the matter? How you started!"

His thoughts were hardly following the old woman's inconsequent chatter when that name struck his ear.

"Who is he? Have you ever seen him?

"Yes—he has a handsome face enough, but he always looks sad. He's very rich, they say, but he has no wife or kinsfolk of his own. He always goes about with a Greek rhetor they call Alciphron. . . . He's a strange man. I've heard tell he's very kind to his slaves, and they're always cheating him. He never had one flogged but once, and that was for ill-using another. They say he wants to free them all one day, and kill

the consuls and make himself tyrant. . . . There—I must go!"

"Mother Gorgo!"

"Yes, lad!"

"Get me another tunic, will you? and a little oil, and——"

"Cora preserve us! What's he going to do?"

"Never mind just now—do try!"

"All right, all right, only you'll have to wait a bit; I can't try it all at once—you must tell me the rest afterwards," and Gorgo hurried away.

III.

HE had slipped out of the cell, giddy and dazed at first with the air and sunshine, and went towards the kitchen, intending to mingle unperceived with the throng of slaves who were hurrying hither and thither, and so get a chance of going up to the dining-room. He had not to wait long. Presently a rough voice at his ear asked what he was doing, idling about there, and he found a dish thrust into his hands. He felt a sudden dizziness come over him as he stood at the door. He dared not look, for a moment, for fear of missing the face he most wished to see. At last the mist cleared from his eyes, and he raised his head.

There they were—nine of them—lying on the purple-cushioned brazen couches round the table—Rufus and friends of his, whom Aristocles had often seen before: rich speculators, coarse, bronzed, hard-drinking prefects of Sulla's army—ex-proconsuls, wearing the plunder of half a province in the shoulder clasp of a gown. His eye took in the hard, repulsive faces at a glance. None of them——

Yes, who was that? on the middle couch—not in the seat of honour, though—that was reserved for Caius Verres, one day to win renown in Sicily. That man in the crimson robe, with head thrown back, and a smile of amused contempt on his lips, as his eye glanced round the tables. Surely it was the same—there could be but one like him—but how that look changed his face! But hark! one of the guests is telling a story—P. Calpurnius Bestia—quæstor in Africa last year.

No need to repeat it; those who list can read plenty such, told in curt, pregnant Latin, in the Roman Annals. It was a tale of gold and greed and blood, and brutal passion, re'ated with an evident enjoyment which made up for want of narrative skill.

It was received with shouts of coarse laughter. Rufus smiled grimly and nodded approval. Aristocles, standing behind the left-hand couch, stopped, with the dish in his hand, to watch that man's face.

He saw him flush deep red to the roots of his hair : he saw that he kept his eyes fixed on the table before him, and his right hand clenched till the nails must have gone deep into the palm, till the shameful story was done. And then Sextus Drusus looked up, and said, in a cold cutting tone—

“ You must excuse me if I have no taste for such things. Evidently I am out of place here. I should call the man who did that a beast, not a man.”

The narrator sat staring round him in perfect mental bewilderment—one or two of the more self-possessed sneered in stage asides at the “Greek Philosopher,” who had gone mad with much learning. Rufus looked round for the nearest slave, who might serve as a safety-valve for his wrath. He did not want to quarrel with Drusus just then. So it happened that he saw Aristocles standing there, with eyes fixed on Drusus’ face, seemingly oblivious of all else, as indeed he was for the moment.

“ How dare you come before my sight ? What do you mean by showing yourself here ? To the crows with you !”

Aristocles hardly understood a word of this, but it recalled him to his senses with a start ; and weak, confused, unsteady, as he felt, it was enough to make him drop the dish he held on the floor.

It was all Rufus wanted. He had been keeping himself in hand pretty well, but he felt that he could not do so much longer, and here was a convenient opportunity.

“ Here,” he cried, with a torrent of curses and abuse, “ Demo ! Syrno ! Enclio ! Take him away—give it him well this time ; see that he doesn’t get up after it !”

For one short moment he looked round him in a dazed, helpless way, then a glad light leapt into his eyes, and he smiled—not bitterly this time, but with a quiet, infinite disdain, as he folded his arms, and looked Rufus full in the face, waiting for the slaves to come up. He knew that Sextus Drusus’ eye was on him, and that he was going to die. He saw Drusus bend forward to speak to Rufus, and Rufus answer quietly, with a smile that was like the grin of a tiger—and then they seized him, and began to bind him.

(To be continued).





“Cowards Democracy.”

A NOTE ON EDWARD CARPENTER.

THE British public, and especially that section of it known as “the general reader,” suffers much contumely at the hands of those smart persons who write reviews. Doubtless it often merits scornful ridicule, but sometimes we are tempted to think that it is evilly entreated beyond its deserts. It is, for example, really much to its credit to have so far appreciated Mr. Carpenter’s remarkable, but hardly attractive work, that it has called for a second and vastly enlarged edition. The style and the contents of this book are so eminently peculiar, that a specially cultivated, perhaps even an artificial, taste is required for its due appreciation. The state of affairs is this:—The author wants to find language for a new set of ideas, and to give expression to feelings hitherto vague and formless; and, in order to effect this, he must of necessity create a new style, and a fresh method of combining words. Any old established and well-worn style or form of writing acquires emotional associations which unfit it to be the vehicle of other and fresh emotions. Hence every really original writer must forge for himself a new metre, a new form of poem, or a new manner of arranging words in order rightly to express his new view of the universe. He does not do it consciously. The ideas are new, and therefore the embodiment of them in words will take a new form of its own, unlike anything that has previously existed. No two faces are alike, because each has been moulded by a different set of thoughts, and a different combination of emotions. And as usually original and powerful characters are legibly written in strongly marked features and lines, so original and strenuous thought will shape itself in language which startles and often repels the reader by its novelty and seeming eccentricity.

In the course of years we become familiar with the fresh development of style; it is used by the tribe of imitators and copyists; the old ideas are worked up into fresh combinations, and it is recognised that they are most fitly expressed in the

method first chosen by their original author. Then, as the world moves on, the time comes when original thought must seek fresh expansion in other directions, and another thinker and poet will arise who will give expression to the new vague aspirations of his age in some fresh form of words. So it must always be. For the true poet is he who looks forward to the golden age that is coming, who sees clearer than the rest the hopes and ideals of the living men around him, who, starting confidently from the things of to-day, from the actual working world before him, shows us truly and clearly whither we are tending, and what, in our inmost souls, we are yearning for. It is the smaller poets, the second-rate men who find their inspiration in the past, who idealise what has long gone by, never to return. The theme of a true poet is sometimes a past age, a heroic time when men spake with the gods face to face. But that is a detail: the substance of his message must be the future, the ideal towards which we are striving, for which we are ever hoping. The idle singers of an empty day have their place and their use, but they must not be ranked beside the men whose part it is to express the highest aspirations of the wisest, the truest, spirits of the age.

Whitman often refers to this, the true function of the poet: the following passage from one of his brightest poems, the "Song of the Exposition," puts his view of the matter very clearly:—

Come muse migrate⁴ from Greece and Ionia
 Cross out, please, those immensely overpaid accounts
 That matter of Troy, and Achilles' wrath, and Æneas' Odysseus'
 wanderings
 Placard "Removed" and "To Let" on the rocks of your snowy
 Parnassus
 Repeat at Jerusalem, place the notice high on Jaffa's gate and on Mount
 Moriah,
 The same on the walls of your German, French, and Spanish castles, and
 Italian collections,
 For know a better, fresher, busier sphere, a wide untried domain awaits,
 demands you.

* * * * *

I say I see, my friends, if you do not, the illustrious emigré (having it is
 true in her day, although the same, changed, journeyed considerable,)
 Making directly for this rendezvous, vigorously clearing a path for
 herself, striding through the confusion,
 By thud of machinery and shrill steam whistle undismayed,
 Bluffed not a bit of drain-pipe, gasometers, artificial fertilizers,
 Smiling, pleased, with palpable intent to stay,
 She's here, install'd amongst the kitchen ware !

So says the great American: and in the spirit of these lines Mr. Carpenter has written. Every line of his work is modern, entirely modern, grandly modern. He is not dismayed by the thud of machinery, nor, even by an obstacle so unmanageable as

the technical terms of Political Economy. The old school told of young lovers who died for love, and old sinners whose mad career the lightning flash arrested. Mr. Carpenter's young persons fall victims to “Supply and Demand,” and perish from other men's greed for money. It sounds prosy, but, after all, it is the stuff of which the truest poetry is made.

It is therefore amongst the poets of this, the highest order, that we rank Mr. Carpenter, although the place he will occupy in the estimation of posterity is not the foremost one. For he is the disciple, the first and the only disciple of Walt Whitman, that great American, whose poems were the subject of a paper in a recent number of this magazine.

The author of “Towards Democracy” cannot therefore claim the merit, if merit it be, of creating a new style of literary work. He derives this from his master, and he copies, not only his general method of construction, but various idiosyncracies and mannerisms, which are a stumbling-block to the novice, and a puzzle to the critic. Of these we will speak later: our first duty is to consider the most serious objection to the new style, viz., that it invariably and immediately arouses that very perplexing question, “What is poetry?” The question “Do you like Walt Whitman's poems?” is never answered by a direct affirmative or negative. The discussion turns instantly upon the nature of poetry, and whether Whitman's writings are poetry or prose. We have devoted many hours and much mental energy to the solution of the problem, and have arrived at the profound conclusion that there is nothing to solve. We feel like Darwin who, seeking the origin of species, found at length that species, as a distinct thing, does not exist. Our conclusion is the same. Poetry is a quality which is found, more or less, in all forms of literature: it does not exist in a pure state anywhere, and therefore it is inaccurate to speak of some writings as poetry, whilst others are called prose. We might as well attempt to divide literature into books religious, and books secular; or into alliterative and non-alliterative writings. The common use of the word poetry, as equivalent to metrical arrangements of words, is obviously inadequate, since it would include the doggerel in the poet's corner of every country newspaper, and would exclude the book of Job and the Psalms of David. As a handy phrase for designating things, it is convenient to speak of poetry and prose, just as it is convenient to consider primroses and cowslips as separate species. But as a matter of fact there is, in each case, no inherent, ultimate distinction, which we can ascertain by logic or by the microscope.

We have therefore resolved that, since the writings of Mr. Carpenter contain much poetry, they are, and hereinafter shall be, classed as poems, because it is our pleasure to do so. But

if any of our readers prefer to regard them as prose, he shall be permitted to do so without let or hindrance.

“ *Towards Democracy* ” is the title of a long poem, the precise purport of which we cannot undertake to explain. It is a note of the new style that the poems do not begin or end anywhere particularly, or mean anything precisely, or narrate anything exactly. Perhaps Nature will provide us with a fresh development in due course which shall combine the advantages of grammatical and logical construction with those of insight and foresight. We esteem both as precious, but of the two we can best dispense with the grammar and logic. Or another explanation of these peculiarities may be that the poets of the new style are too far ahead of their critics and of the ordinary reader : the student can discover the general drift, and sometimes the grammar, and, in Mr. Carpenter’s works at any rate, the words are almost always familiar. But it is reserved for essayists of the 20th century to discourse on the motive and structure of the poems as a whole, and to elucidate by emendations, or otherwise, the especially obscure passages. A good plan in cases of this sort has been adopted by the Browning Society. They first discuss and debate the precise meaning of some passage or poem of their master, as revealed by critical study, and then a delegate rises and informs the meeting what Mr. Browning himself says it means. When we have a Whitman or a Carpenter Society we can adopt this method, but as things are the solitary critic is obliged to proceed by his own unaided lights.

Sir Henry Maine, in his recent remarkable but by no means cogent work, “ *Popular Government*,” quotes some passages from “ *Towards Democracy*,” as an illustration of the inflated and sentimental notions which are current about what he defines as merely a method of Government. Herein, to our thinking, lies the fatal flaw in Sir Henry Maine’s argument. Democracy is not a method of Government, it is a system, a scheme of life. Democratic rule is merely the most obvious and necessary, but at the same time the crudest and most imperfect realisation of a vast and all-embracing idea. We doubt if Sir Henry Maine can quote any passages from poets, or discourses of essayists, or even many glowing phrases from political orators, which prove that great things are expected from the rule of the people by their delegates. It is necessary that we should rule ourselves ; we can do it better than any despot however paternal, any aristocracy however enlightened, or any plutocracy however liberal. But no sane person expects that the millennium will be inaugurated in the House of Commons, or that the chosen of the Caucuses will discover the secret of universal happiness. No, those whose faith for the future is in Democracy mean by it something very different from a system of Government.

Some of them indeed look forward to the time when Government shall be no longer, when each of us shall be a law unto himself, and shall need no other authority. Mr. Carpenter, we know, has much sympathy with Anarchism, and it is therefore rather too bad to accuse him of wild rhapsodies over the blessings and joys of a method of government.

The following lines, from the early part of the poem, indicate the author's ideas of the millennium :—

“Freedom ! the deep breath ! the word heard for centuries and centuries beforehand : the soul singing low and passionate to itself. Joy, joy ! Not as in a dream. The earth remains, and daily life remains, and the scrubbing of doorsteps, and the house, and the care of the house remains ; but joy fills it, fills the house full, and swells to the sky, and reaches the stars : all joy ! O, freed soul ; soul that has completed its relation to the body ! O, soaring happy beyond words, into other realms passing, salutations to you, freed, redeemed soul ! What is certain, and not this ? What is solid ?—the rocks ? the mountains ? destiny ? The gates are thrown wide open all through the universe. I go to and fro—through the heights and depths I go and I return ; all is well. I conceive the purport of all suffering. The blear-eyed boy famished in brain, famished in body, shivering there in his rags by the angle of the house, is become divine before me ; I hold him long and silently by the hand, and pray to him. I conceive a millennium on earth—a millennium not of riches, nor of mechanical facilities, nor of intellectual facilities, nor absolutely of immunity from disease, nor absolutely of immunity from pain ; but a time when men and women all over the earth shall ascend and enter into relation with their bodies, shall attain freedom and joy ; And men and women of that time looking back with something like envy to the life of to-day that they, too, might have borne a part in its travail, and throes of birth.”

That is something more than a system of Government. What Mr. Carpenter thinks of this system, in its more immediate aspect may be gathered from another passage :—

“This is poison ! do not touch it ; the black brew of the cauldron out of which Democracy ficks its horned and shameless head. O, disreputable Democracy, I love you. No white angelic spirit are you now, but a black and horned Ethiopian—your great grinning lips and teeth, and powerful brow and huge limbs please me well. Where you go about the garden, there are great footmarks and an uncanny smell ; the borders are trampled, and I see where you have lain and rolled in a great bed of lilies, bruising the sweetness out of them.”

That is a bold description of Democracy as it is now, and from one point of view there is truth in it. None the less the poet rightly loves Democracy, loves it for its truth, for its destruction of sham and convention, for its promise of justice and happiness to come.

Here is another passage which throws light on the author's conception of Democracy ; it is, with a few omissions, the whole of Canto 30 :—

“ Curious how much—and the disentangling of self depends on Ideals ! Who is this, for instance, easy with open shirt and brown neck and face—the whites of his eyes just seen in the sultry twilight—thro’ the city garden swinging ? The fountain plashes cool in its basin, and mixes its murmur with the sound of feet going to and fro upon gravelled walks ; The massed foliage above catches the evening light, catches the rising wind, and sways like the sea on a calm day ; the voices of children are heard—but who is this ? Who, anyhow, is he that is simple and free and without afterthought ? Who passes amongst his fellows without constraint and without encroachment, without embarrassment, and without grimaces, and does not act from motives ? Who is ignorant or careless of what is termed politeness ? Who makes life wherever he goes desirable, and removes stumbling-blocks instead of creating them ? Grave, and strong, and untamed, This is the clearbrowed unconstrained tender face, with full lips and bearded chin, this is the regardless defiant face I love and trust ; Which I came out to see, and having seen do not forget. And not I alone. See ! on the little public round the fountain scattered—on the seats lounging, or walking to and fro—the strange effect ! The dressed-up man of the world eyes him curiously—and does not forget. The pale student eyes him : he envies his healthy face and unembarrassed manner. The common people salute him as their equal, and call him by his name ; the children know him : they run after him and catch him by the hand.

* * * * *

There was a time when the sympathy and the ideals of men gathered round other figures ; When the crowned king or the priest in procession or the knight errant, or the man of letters in his study, were the imaginative forms to which men clung ; But now before the early homely garb and appearance of this man as he swings past in the evening, all these others fade and grow dim. They come back after all and cling to him. And this is one of the slowly unfolded meanings of Democracy.

These lines are said to be a description of Walt Whitman, and a study of them will reveal much of our author’s philosophy.

It is this, the substance rather than the manner, the good points rather than the faults of this book, which we desire to emphasize. For these latter are patent to the meanest understanding, and the only question is whether they are substance or accident ? Whether, that is, they are inseparable from a book of this sort ? And whether to demand reform from the author is not to counsel perfection ?

But lest our readers should blame us for wilful misrepresentation, we may point out that, although our author writes often of laughter, his book is grimly serious from beginning to end ; never a smile, or the suspicion of a joke all through, save only in a strange little poem, entitled “ Squinancy Wort.” Perhaps

a person with a keen sense of humour could never have written it at all. For assuredly the mocking spirit might make great game of it. However, humour is absent, and, on the whole, is rather a serious loss. For life is a deadly serious business if one is inclined so to regard it ; but the sauce of it is the ever recurrent comedy, the ridiculous aspects of the most momentous subjects, the odd ways of very proper persons. People who take their lives too solemnly are often ignorant of its best uses. The greatest happiness of the greatest number is, undoubtedly, to be attained by laughing at the minority. And if this is true of the world at large it is truest of the “advanced,” and especially the Socialist part of it. They don’t know how to laugh at each other ; the outside public takes them very seriously, and they accept the estimate. The result is a want of balance, of sense of proportion, especially of individual proportion, which is lamentable, and occasionally leads to deplorable results. Would that some mocking spirit would appear who could laugh our little company into its senses !

In fact there are plenty of things wanting in this book, but it is an empty style of criticism to complain that many aspects of life are ignored in it, when it has the virtue of expressing other aspects, other ideas, which can be found nowhere else. In truth we are weary of love songs : most minor poets produce little else, and it is, therefore, rather to the author’s credit that he is able to write a long book about life in its relation to all the world at large, without reference to any one other individual. One poem, indeed, there is addressed to Love, a fine bold piece of writing, but towards the end we come upon the line—

“ Like a smiting and consuming flame, O Love, O Democracy,”

which seems to imply that the two are but one. Democracy is vast, it may be called all-embracing, but we have always understood from poets, novelists, and other persons of experience, that there is such a thing as love, even under an autocracy !

Perhaps our readers may remark that there is, in these poems, very constant reference to one individual, the poet himself. That is true : it is a mannerism borrowed from Whitman, one of whose finest poems is entitled “ The Song of Myself,” and, on the whole, we cannot regard it as a very happy importation. It suits the original inventor, especially since he is far away in the new world, and across the mists of the wide Atlantic, looms heroic to dwellers in the dull old country. But we don’t think that it exactly suits other people, and in that particular Whitman might well request “ other poets please not to copy.”

On the other hand it might have been well if Mr. Carpenter

had caught more of the master's style of composition in the matter of rhythm. Whitman's lines have a glorious swing and go, which is quite absent from the verses before us. Mr. Carpenter has chosen the right medium, but he does not appear to possess a quite complete control over it : he has not the secret of using all its capabilities.

It may perhaps be thought by some persons that Mr. Carpenter writes in the new style because it is so easy, and he has not the ability to compose sonnets, and lyrics, and dramas, and the ordinary stock-in-trade of the minor poet. This is an error of ignorance.

A search in the British Museum reveals two little books, published some eight and ten years ago, and entitled respectively "Narcissus," and "Moses." Mr. Carpenter's muse had not at that time vacated the rocks of snowy Parnassus and the peaks of Mount Moriah ; and, in fact, showed little or no discontent with its old and accustomed haunts. His lines concerning Dian and Echo, and sleeping Venus, smiling glades, mountains and fountains, and so on are very much in the style of anybody else, and prove the author to possess quite the average capacity for fitting melodious words to pretty thoughts, producing poems which delight the youth of a certain age, and terribly bore grown-up people. In truth the British Museum authorities show real insight in indexing the poems under the name of E. Carpenter, Fellow of Trinity College. "Desirable Mansions" and other pamphlets under the name of a different person, viz., "E. Carpenter, Social Reformer, etc."

Perhaps what is most lacking, both in Mr. Carpenter and in Whitman, is greater carefulness. A writer has two duties : first, to find words which, to himself, express his thoughts ; next, to consider whether his readers can understand these words. We have not the smallest hesitation in asserting that no existing reader understands everything in "Towards Democracy," or in "Leaves of Grass"; and there are doubtless many reasons for this. The thought is obscure, and the reader is often incapable of comprehending it. The poet may fairly say that he is not bound to provide brains, as well as ideas for the public ; but he writes presumably in order to be read, and though he cannot provide the brains, he can bear constantly in mind their absence. He is the abler man, and he is bound to take as much trouble as he can for his readers. In our opinion the world would be far wealthier if "Towards Democracy" were half as long and twice as lucid as it is at present. For it is really rather provoking to come across words and phrases in every page whose meaning is excessively obscure, and sometimes wholly unattainable.

For example, in a passage we have quoted, we find the words, "when men and women shall ascend, and enter into relation with their own bodies." Grammatically this

means “shall ascend their own bodies,” which appears to be nonsense. Probably “ascend” means “rise,” metaphorically, in moral elevation, but the word is not commonly used in this manner, and is, in our humble opinion, inelegant, and awkward. Surely a little trouble would reveal a phrase that would clearly convey the exact idea intended, and we, the readers, would be relieved of an unpleasant but rather constant feeling that this obscurity is an affectation, that the author is slavishly copying the faults as well as the virtues of his master. In minor details this is undoubtedly the fact. Both use the preposition “of” in a strange and wonderful manner. Both scatter their pages with brackets, which often appear to be altogether misplaced, and both delight in new and strange words, unknown to the makers of dictionaries. Mr. Carpenter is not so generous in this respect as Whitman, but here and there he indulges in a little eccentricity. Does any of our readers know, for instance, what an “empty blob” is? It is evidently something beneath contempt, whilst a full blob would seem to be, in some way, comparable to life in a free country.

Yet when the author is content to be simple, he often provides for us little sketches which are as delightfully refreshing as water on a thirsty day.

Here is a winter morning:—

“The little red stars appear once more on the hazel boughs shining among the catkins: over waste lands the pewit tumbles and cries as at the first day; men with horses go out on the land—they shout and chide and strive—and return again glad at evening; the old earth breathes deep and rhythmically, night and day, summer and winter, giving and concealing herself.”

And the following from a poem, entitled “Yorke Minster” :—

“Solid and ghostly in the pale winter morning—
Thy vast floor worn, worn by the tiny footfalls of centuries—
The great grey alps, thy columns, cutting sharply their strong lines
against the delicate tracery of roof and window—
Solid and ghostly in visionary beauty thou stretchest, O nave,
All desolate—vast—and desolate.
The murmurs of the outer world tremble faintly along the roof like the
murmur of the sea in some vast sea-shell,
Below nothing visible moves save one solitary verger—pacing to and fro
or drowsing in his arm-chair by the stove.”

We have room to quote no more, for we must bring our review to a conclusion.

After all we have said very little about the message of our author to the world lying in darkness. We have discussed it, and praised him for it, and generally have wandered round without ever exactly coming to the point, and saying what it is. The acute reader will anticipate our reason. It is easy enough to perceive that Mr. Carpenter is saying things which,

except by his master, have never been spoken before. But it is not by any means easy to analyse and set out in black and white precisely wherein the new message consists.

The enquiring reader must search for himself, and we are confident that he will receive his reward. We frankly confess that we cannot, and will not, undertake to extract the essence of the new gospel, and, doubtless, if we were able to do it the result would scarcely be worth the labour. The knowledge of the chemical constituents of lemon juice may be most valuable, but it does not greatly aid us to appreciate lemon squash. The essence of poetry is not so much in the matter as in the manner, and this is especially true of the Whitman school. Boiled down, these poems would yield scarcely any solid residuum. As they stand in the shape given them by the author, they are poetry for grown-up people, a very rare, and very precious commodity in this, and perhaps in any age.

EDW. R. PEASE.





Perverse Socialism.

SOME time ago—among the papers distributed by a prominent Socialist organisation, with the object of educating the proletariat of this country in the principles of the Social Revolution—there was issued a lithographed sketch, depicting a large safe or cage, securely barred and bolted, and conceived as a larder, wherein were suspended a choice assortment of ground and feathered game, capons, venison, and other fancy meats, as reserved for the inclusive consumption of the richer sections of modern society. In front of the grating there tramped the street a procession of respectable persons, whose similarity to the type made familiar to us by pictorial Temperance almanacs and Band of Hope tracts identified them as representing the British working-man and his family. By a notice posted on the cage these passers by were enjoined to “look, and be thankful,” and they were similarly warned not to trespass within the high railings of a shady park, by which the dusty road led on. Appropriate letter-press, beneath, pointed the simple moral. Such a form of appeal, it was apparently supposed, could not fail to enlist in the Cause the strongest motives present to the persons it addressed, and to help forward a clear understanding of what Socialism means, and what Socialism promises.

“I know of no great architect,” says Mazzini, in reviewing Fourier’s ideas of the pre-requisites for the beatification of Humanity, “who would begin his plans for a noble edifice by devoting his attention to the kitchen.” To cavil at the form of the cartoon I have described—on the ground that the dainties therein represented as unjustly reserved for a minority could never, in such a country as England, be available for more than a few—would be trivial. Indeed, these and many other luxuries now cost so much to produce that only where there are established habits of irresponsible extravagance in combination with an extensive command, by individuals, of the factors of social production, can they be produced at all. That they

should, nevertheless, be thus anti-socially consumed by such individuals is fair matter for reprobation, and the cultured classes, who offend in this manner, can certainly not plead ignorance of the ethical or economical aspect of their action. But this lesson is hardly the purpose of the leaflet. The spirit of its argument, identical with that of a very large proportion of the loudest utterances of contemporary preachers of Socialism, is one against which the protest of Mazzini appears to me to convey a very necessary warning, and in which there lies a root of weakness and a seed of fatal mischief to the cause which these preachers have at heart.

Socialism is generally understood (by non-Socialists almost universally) to be a theory of the most desirable system of production and distribution of material commodities possessing the attributes of wealth. That is to say that Socialism has to do with Society only in its economic aspect. It is to be regretted that so grand and comprehensive a name should have its connotation so limited, but to avoid confusion in the interchange of ideas, it is, perhaps, necessary in general so to limit it. The conception is, ordinarily, still further narrowed by the assumption that this most desirable system is to be found in a national collectivism, the ownership and control of all land and capital being vested in the inhabitants of each administrative area, and the work of the community being economised to the utmost by centralisation and the development of an infallible Intelligence Department. According to these views—accepted by the general public, and apparently by many who call themselves Socialists—Socialism begins and ends its plans for the reconstruction of Society with designs for the kitchen, for the provision of material necessities and conveniences, and we are given to understand that the creation of a common ownership in the requisites of production other than human energy, and the distribution of material products in some method to be determined by the community, would be Socialism.

Now this is an interpretation which I believe all true Socialists would repudiate. Without necessarily going so far as to insist that Socialism must imply the whole science of Society, they would, at least, insist that the economic organisation of a society determines the temper and character of its individuals, that under the prevailing economic conditions the humanisation of the majority of men is quite impossible; or that, more obviously still, economical transactions, the provision of the material requisites of existence is the first, and must always be the most important concern of the body social, and that in this function it is at present hopelessly diseased. But taking the Social Revolution to mean primarily the reorganisation of the production and distribution of wealth, it is necessary to

consider the conditions on which alone such reorganisation can be conceived possible, and whether such conditions are complied with in the programme of Socialism as thus understood; whether, that is, economic evils can be extirpated merely by re-adjustments of economic organisation. And it is also important, and perhaps a more easy matter, to examine the tendency of the ordinary Socialist propaganda, of which I have cited an example. This may be dealt with at once; it will clear the way for the other question.

It will hardly be denied that the main tenour of the more familiar Socialist oratory, and the most vigorous Socialist journalism, is much to the following effect:—Modern societies are divided, and tend even more to consolidate themselves into two classes. The one class has control of all the instruments by which the production of wealth can be carried on. The other class can only live on condition of paying a toll to the first, for permission to use the aforesaid instruments; or, to put it otherwise, is maintained as cheaply as possible—by this Capitalist class—by doles out of the produce of its own labour. The Capitalist class does no work, and has the run of the pictorial larder, and a good time generally; the wage-receiving class labours incessantly, without opportunity for other human activity. The gospel of Social Revolution calls the wage receivers to take into their own hands the Capital to which they now are slaves, and which they have themselves created. The argument is straight. The wage-workers are poor; the Capitalist class is rich. Let the former storm the latter's citadel, and the inheritance will be theirs.

I have, I repeat, no wish to imply that this is all that is in the minds of these writers and speakers. The great mass of the middle-classes, indeed, who have grown accustomed to think of self-interest and acquisitiveness alone, as the motives to be taken account of in matters economic, and who acknowledge that the ambition to grow rich is laudable (nay, for their class, a social virtue, although in the wage-earning class it need not go beyond the form of thrift) are not likely to see any necessity for supposing that there is more behind. To tell an ill-educated poor man that the rich are robbing him, and that by expropriating them he will be merely resuming that which is his own, appears to them to be a form of argument very likely to appeal to the poor man, without the implication therein of anything save a transfer of good things from one to the other. The persons who place their arguments before the proletariat are branded as “demagogues” and “agitators,” and their conduct is explained (in the face of appearances) by the hypothesis that they suck, or desire to suck, the blood of the people they delude, and batten upon the hard-won earnings of their dupes, pending the moment when (they hope) they shall sweep off the lion's share in the plunder of civilised

Society. The "riots" of the 8th of February thus presented no problem to the London press ; the Social-Revolutionist gun had gone off too soon, that was all, and a flash in the pan had been the result.

The Socialist agitation having hitherto laid most emphasis upon the intolerable defects of our present industrial system, it is not surprising that when cartoons are issued, appealing frankly to the belly, and open-air speakers stick almost exclusively to the same kind of argument with their audiences, Socialism should present itself, not only to bourgeois minds, but also to the proletarians whom they address, as the extremely simple gospel which has been sketched above. But it is obvious that an argument calling upon one set of persons to deal urgently with another in order that they might thereby enrich themselves would have no claim to the name of Socialist. The opposite of Socialism is Individualism, Personalism, or Egoism, vaunted by anti-Socialists to be the bond of civilised society, the indispensable guarantee of progress. And the cause of Socialism is not likely to be much advanced by an appeal to individualist motives. The "Ye are many, they are few" style of argument has little to attract those who are sick of the results of the supremacy of personal over social impulses ; and, outside the proletariat, there are thousands, ready for the larger Socialism, who are repelled from participation in the Socialist Movement by the reactionary tendency of its loudest preachings. And, apart from this, the reckless denunciation of all classes, except the wage receivers, is apt to inspire a scepticism as to the Socialist's capacities for sympathy and sense of proportion, while the language habitually used on their behalf—with regard to politicians, economists, historians, contemporaries, who misunderstand Socialism, and all suspected of an influence antagonistic to the movement—would be ridiculous, if it could be believed to be sincere.

Wrong-headedness or insincerity in its spokesmen must weaken any cause. I believe that the tenour of much of the Socialist propaganda is founded entirely on wrong-headedness, and, looked at merely as a matter of tactics, is unprofitable ; and the source of the error is not very far to seek.

The distribution of wealth, in the present conditions of society, is what it is through individualistic competition. Differences in wealth arise from differences of vantage-ground, made the most of by each unit in the modern congeries. The character and security of each several vantage-ground, are the outcome of the previous history of the nation, the class, the family, and the individual. Each uses to the utmost his position to drag to himself, regardless of his fellows, as great a share as possible of the wealth of society. Is he entrenched upon the land ? We call his winnings Rent. If he wields the

net of Capital—Interest or profits—if he is a free lance of the professions, we speak of the earnings of special ability ; if, in weary days' journeys, he gleans precarious sustenance under the direction of a master, we call his pittance—wages. And the watchword of this society is—“get on”—“improve your position”—until you too, if possible, may rest and take toll from your fellows. Such are the principles of distribution ; we will leave their consideration for the present, and glance at society in its productive aspect. It is in their analysis of this side of the question that recent English Socialists have very generally run into hopeless confusion. For this Karl Marx's “Capital” is responsible. This colossal fragment, the translation of which is being doled out to English readers in *To-Day*, at a rate which implies a high confidence in the longevity of that journal, has furnished the material of a very large proportion of the Socialist teaching promulgated of late years in this country. And it is just where this teaching has reproduced undigested, dogmatic propositions, extracted from that work—and generalisations whose relativity has not been appreciated, as perhaps it could not have failed to be had the work been brought to anything like completion—that it has run into mere individualism, and become an element of weakness to the Socialist cause. The mistakes in theory and in practice, which I have in mind, take their rise in the doctrine as to Value, asserted in “Capital,” and underlying its whole argument. Risking superfluity, I thus summarise that doctrine:

Commodities which constitute the wealth of societies from the point of view of capitalist production, may be defined as all objects external to man which have the property of satisfying human desires of any kind. Any object which fulfils this condition is said to have Value in use, or Utility, which latter term we shall for the future employ to denote this conception. This Utility is the essence of wealth, whatever be its form. *It is also the basis of Value in Exchange*, or, as we shall henceforward call it, Value (since Value in exchange is the only kind of Value with which Capitalist production is concerned).

This Value is discerned in the proportions in which commodities (possessing Utility), of different kinds, exchange one for the other. In the market 1 quarter of corn = 3 pairs of boots = $\frac{1}{2}$ oz. of gold = 16 beehives, etc., etc. Why is this? *The question cannot be answered by a consideration of the Utility of the commodities.* Putting aside Utility, the only attribute remaining common to all commodities is that they are the products of labour, and the conclusion is, that their Value depends upon the amount of undifferentiated human toil which has been employed in their production.

Such is the theory in its shortest, simplest, least exceptionable form. Thus stated it corresponds with one instalment

of the theory of Value as progressively elaborated by the "bourgeois economists." We got this instalment about a century ago, but this jorum of fine old crusted economics is now served up to us with immense fanfaronade by our Socialist friends, as a draught of the new wine of Scientific Socialism, which shall inspire an enlightened generation with the convictions of the revolution. This instalment, certainly, does not take us very far towards a full appreciation of the laws according to which the actual exchange-values of commodities in modern societies are determined: of these more anon. But taking the analysis for what it is worth, and admitting (subject to future correction) that the commercial value of certain commodities is approximately proportional to the amount of labour necessary—in the particular circumstances of production in any society—to bring them into the market, we find Marx immediately transmuting this conclusion, and proceeding to reason from a proposition which he treats as its equivalent, but which is really of a very different nature. The conclusion arrived at is, that the duration of "socially necessary" labour bestowed on each saleable commodity—will be as the measure of its value in exchange—will tell us how much corn will buy how many pairs of boots. If it takes at this period three times as much labour to bring to market a quarter of corn as to bring a pair of boots, then one quarter of corn will exchange for one pair of boots. Let that pass. But the proposition used as identical with this throughout the whole of "Capital," and adopted by ostensible disciples of Marx as the foundation of most of their arguments is, not that the labour is the *measure* of the value, but that it is the *cause* of the value; or, as it is more usually termed, that the value is *produced* by the labour. This is no mere splitting of hairs, as I hope will appear presently, if it is not immediately evident.

The obvious objection, that the application of any amount of labour to any object, will not necessarily ensure that that object shall have value, Marx meets by a curious juggle of words. His answer, stripped naked, amounts to simply this, that, in order to confer Value, the labour must be socially useful. That is much the same, one would think, as saying that the product must have Utility, and that if it has no Utility it will have no Value. Marx has admitted that Utility is the basis (*soutien*) of Value, but has subsequently told us that the consideration of the Utility of commodities will give us no help towards ascertaining their Value, and that this Value is simply due to labour. So that his account of the matter appears to be, that Values are produced, not by Utility, but by the expenditure on a commodity of a certain amount of labour, which labour, however, must be of a kind which "produces" Utility. That is, it is not the Utility of the commodity that causes it to have Value, but

it has Value because it is produced by labour whose product has Utility. All which is no doubt very profound in German. In Latin it is called the *Circulus in probando*.

However, my present purpose is not a detailed criticism of "Capital," but the indication of certain results of an uncritical adoption of doctrines understood to be established by that book. Having decided that the commercial Value of all commodities is proportional to the duration of labour required to produce them (whence, *inter alia*, it follows, according to Marx, that the value of the labour-force which is all that the proletary has to sell, depends upon the amount of labour requisite for the production of the necessaries of his existence and reproduction), and having permitted this conclusion to pass into the form that the value of commodities is produced by labour, Marx has provided a weapon of considerable power for the hands of those who believe that they can promote the Social Revolution by appealing to the individualist motives of the majority. Reading the doctrine in its second, and ridiculously untrue, form, *soi-disant* followers of Marx promulgated, under the title of Scientific Socialism, crude formulas from which untrained audiences understand that Value is a kind of substance, which is pumped into commodities by labour, as water into a sponge; that the labour force of the proletary may be kept efficient by the produce of two or three hours' pumping per diem, and that as this is all he has to live by, he must sell it for its value, *i.e.*, this produce of two or three hours' work, which the capitalist will only advance him on condition of his pumping value in his factory for twelve hours out of the twenty-four. The surplus value, pumped during the last nine hours, is absorbed by the Capitalist.

The simple statement, that it is the labourer who produces the value, leads immediately to the simple corollary and exhortation, let him string up, or otherwise abolish the Capitalist, and pump henceforward for himself. This, I venture to say, is the motive which, with variations and adornments more or less elaborate, characterises the major part of the Socialist propaganda of to-day. It is a tempting argument for an agitator. It is easy of apprehension (suspiciously so for a proposition in so complex a subject). It tallies roughly with obvious facts, for the value annually absorbed as rent and interest by persons contributing no labour to production is enormous. It is likely to take hold of those very personal and acquisitive instincts which the evolution of the existing industrial system has proved to be so strong in men of all classes. But for all that, whether its employment is likely to assist in bringing about the Social Revolution, many Socialists doubt. In defence of this doubt, and in protest against the propagation of anti-social and

re-actionary errors, I have taken up my parable of the pictorial kitchen.

First of all, I say, that for the spreading of Socialist principles, it is ridiculous to rely upon a work of the nature of Marx's "Capital." I am not acquainted with any of the Socialistic writings of Marx. "Capital," as far as it goes, and the other fragments of his writings which are accessible to English readers, are, in their practical application, merely anti-Capitalistic polemics. They do not teach Socialism. If we view them as analyses of competitive Capitalist production and the distribution of wealth thereunder, it is obvious that the analysis furnished by the body of the writings of English economists alone, though still imperfect and in need of consolidation, is very much more comprehensive and far-reaching. Historically, it may be said, the theory of the English school, as to value, had arrived two generations ago at the stage of development presented in "Capital." Lasalle's "iron law" of wages is undiluted Ricardo. The theorem that labour is the source of value is a monstrosity grafted on the Ricardian economics by Macculloch, who transplanted it from Locke. Marx, like Ricardo, deals chiefly with capitalist production in its idea. The conclusions of the two, as to the necessary tendencies of such a system of production, dominated by the individualist motive, its hopelessness for the wage earners, its guarantee of Rent and Interest to the employing classes, and of surplus value to monopolists of whatever kind, are practically identical. Marx's work is chiefly valuable in the power and vividness of its reminders as to some of these results of individualism; in the vast accumulation and vigorous presentment, at times with flashes of real literary genius, of concrete instances of such, taken, it may be observed, from the Blue Books of a bourgeois Government. But even if the English economists of two generations ago had done no more for the theory of Exchange Value, than to decide that the "natural" value of commodities was dependent on the amount of labour required to produce them, they made an important contribution to the analysis of their subject, which Marx entirely ignores, in laying the foundation of the natural history of Surplus value. Marx simply asserts, with wearisome iteration, that the capitalist gets surplus-value. He never approaches an explanation, or even a serious investigation of the conditions which determine the amount of this surplus-value, and how far it is, and how far it cannot be, reduced by competition among capitalists. All his rigmaroles about Relative and Absolute bring us no nearer to this. Indeed, it is not surprising that it should be so, when we consider that his theories of surplus-value are built upon his theory of value. For, so far is that theory of value from being true in practice, that, instead of

equal quantities of labour producing equal values, it is precisely because equal quantities of labour do not produce equal values, that rent and interest, and every other designation of surplus-value can be obtained. This analysis of the phenomenon the "bourgeois economists" have, to a great extent, accomplished, and Marx's perversity in ignoring the possibility of such analysis is on a par with his arbitrary insistence on a fruitless theory of value, whose sole recommendation seems to be that having itself no meaning, it does not conflict with his dogmatic formulas relating to the rate of the exploitation of labour.

(To be concluded in our next.)





Capital :

A CRITICISM ON POLITICAL ECONOMY.

By KARL MARX.

Translated from the Original German Work,
By JOHN BROADHOUSE.

(Continued from our last number.)

Money fulfils the function of the means of the circulation of commodities.

B). The Course of Money.

The movement C—G—C, or the complete metamorphosis of a commodity, is circulating in the sense that one and the same value, after undergoing changes of form, reverts to its original form, that of a commodity. Its money-form, on the contrary, disappears as soon as the circulation is accomplished. As soon as the vendor has completed the sale by the purchase, the money slips from the fingers of its original possessor. The movement given to money by the circulation of commodities is thus not circulatory. It goes from the hand of its possessor without ever returning. It is true that if the weaver, after selling his twenty yards of linen and then buying his Bible, sells more linen, the money will return to him. But it does not proceed from the circulation of the first twenty yards of linen, by which instead it passed from his hands into those of the seller of Bibles. It comes back only by the renewal or repetition of the same circulatory movement for a new commodity, which brings about the same result as at first. The movement imparted to money by the circulation of commodities constantly sends it farther from its starting-point, in order to make it pass without ceasing from one hand to another. This it is which is called the course of money, or currency.

The course of money is the constant and monotonous

repetition of the same movement. The commodity is always on the side of the seller, and the money always on the side of the buyer as the means of purchase. In this respect its function is to realise the prices of commodities. In realising those prices it causes the commodities to pass from the seller to the buyer, while it itself passes from the latter to the former, in order to recommence the same course with another commodity.

At first sight this unilateral movement of the money does not appear to proceed from the bilateral course of the commodity. Circulation itself engenders the opposite idea. It is true that in the first metamorphosis the movement of the commodity is just as apparent as that of the money with which it changes places. But with that movement it falls as a Use-value out of the sphere of circulation into that of consumption. The Value-form, or gold-larva, steps into its place. In the second metamorphosis it no longer wears its natural coat, but its gold coat. The continuity of the movement thus falls to the money alone. It is the money which appears to cause the circulation of commodities which, of themselves, are inert, and to make them pass from the hand where they have no Use-value to the hand where they have a Use-value, and in a direction always opposite to that of the money. It constantly pushes commodities farther from the sphere of circulation, takes their place, and moves away from its own place. Although the movement of money may only be the expression of the circulation of commodities, it is, on the contrary, the circulation of commodities which appears to be the result of the movement of money.(a)

On the other hand money only operates as the means of circulation, because it is the value-form of realised commodities. Its movement, as a means of circulation, is thus only their own proper form of movement, which must consequently be reflected by, and become palpable in, the course of money. This is precisely what happens. The linen, e.g., changes first its commodity-form into its money form. The final term of its first metamorphosis (G—C), the money-form, is the first term of its final metanmorphosis, its reconversion into the commodity form—the Bible (C—G). But each of these changes of form is accomplished by an exchange of the commodity and money, or by their mutual displacement. The same pieces of money change places with the linen in the first act and with the Bible in the second. They are twice displaced. The first metamorphosis of the linen puts them into the weaver's pocket, and the second metamorphosis brings them out of it again. The two opposite changes of form which the same commodity undergoes, are thus reflected in

(a) "Money has no other movement than that which is imparted to it by products" *Le Trosue l.c.*, p. 885).

the double change of place, in opposite directions, of the same pieces of money. If, on the other hand, there is but a single metamorphosis of the commodity—mere sale or mere purchase, as the case may be—the same money only changes place once. Its second change of place always expresses the second metamorphosis of the commodity—its reconversion into money. It will, of course, be easily understood that all these metamorphoses are only the repetition of the metamorphosis of a single commodity.

Each commodity at its first entry into circulation—its first change of form—falls out of circulation to make way for others. Money, on the other hand, as the means of circulation, always remains, and continually moves, within the sphere of circulation. Hence arises the question—How much money is that circulation able to absorb?

In any one country there are occurring daily, numerous simultaneous and concurrent single metamorphoses of commodities ; or, in other words, mere sale on the one hand and mere purchase on the other. The prices of these commodities are already expressed in given quantities of money. The quantity of money required for the direct circulation of all these commodities brought to the market—the money being at one pole and the commodities at the other—is therefore represented by the sum total of the prices of the said commodities. As a matter of fact the money really only represents that sum already ideally expressed in the prices of the commodities. The equality of these sums (the real and the ideal) is therefore understood and self-evident. We know, however, that if the values of the commodities remain constant, their prices will vary according to the value of gold (the material of which the money is made), rising according to the fall of the gold-value, and falling according to its rise. The total quantity of money in circulation must thus rise or fall in proportion as the sum total of the commodity-prices rises or falls. The change in the total quantity of money in circulation thus arises of necessity from the money itself, though not because of its function as a means of circulation, but because of its function as a measure of value. The price of the commodity changes first according to the value of money, and then changes the total quantity of money in circulation directly according to the prices of the commodities. Just the same phenomenon would arise if, for example, instead of gold falling in value, silver took its place as a measure of value ; or if, instead of silver rising in value, gold supplanted it as a measure of value. In the one case more silver would have to circulate than gold previously, and in the other, less gold than silver previously. In both cases the value of the money-material would have changed—the value, that is, of the commodity which served as the measure of value, and

therefore the expression of the prices of the commodity-values, and also the total quantity of money in circulation, which served to realise those prices, would have changed too. It has been seen that the sphere of commodity circulation furnishes a haunt into which gold (or silver, or any money-material) enters as a commodity of fixed value. This value is assumed from the function of gold as a measure of value, and so from the state of prices. If now, for example, the value of this measure of value falls, the effect of the fall appears first in the change in the prices of commodities which are directly exchanged with the precious metals at the source whence those metals are produced. In less developed states of society many other commodities continue to be estimated at a metal-money value which has become *passé* and illusory. That state of things will continue during a shorter or longer time, in proportion to the degree of development of the universal market. Gradually, however, one commodity influences another by its value-relation to it ; the gold-price or money-value of the commodities gradually reaches a condition of equilibrium, until at length the values of all the commodities are estimated according to the new value of metal-money. This movement is accompanied by a continuous augmentation of the precious metals, which step in to replace the commodities bartered for them. In proportion as the corrected tariff of commodity-prices becomes generalised, and is followed by a general rise in prices, the surplus metal-money, requisite for their realisation, is ready to hand. Imperfect observation of the events which followed the discovery of new gold and silver mines led—in the seventeenth century, and more especially in the eighteenth—to the erroneous conclusion that a general rise had taken place in the price of commodities, because greater quantities of gold and silver were in use as the means of circulation. In the considerations which follow we assume the value of gold to be fixed, as indeed it is in effect the moment prices are fixed.

By this supposition the total quantity of money in circulation is conditioned by the sum total of the prices of the commodities to be realised. If the price of each commodity is assumed to be fixed, the sum total of the commodity-prices will, of course, depend on the quantity of commodities in circulation. We can calculate, without much brain-racking, that if one quarter of wheat costs £2 sterling, 100 quarters will cost £200 ; 200 quarters £400, and so on ; and that, as the quantity of wheat to be exchanged increases, so must the quantity of money increase which is to change places with that wheat.

The total quantity of commodities being given, the quantity of money in circulation fluctuates with the changes of commodity-prices. It rises and falls, because the sum total of the

commodity-prices, in consequence of their change of price, increases or decreases. But it is by no means necessary that the prices of all commodities shall rise or fall together. The rise in price of a given number of leading articles in the one case, and the fall in price in the other, is sufficient to cause a rise or fall in the sum total of the prices of the commodities to be realised, and thus to put more or less money into circulation. The effect upon the sum total of the circulating medium is the same whether the change in the commodity-prices represents a real change of value, or a mere vacillation of the market prices.

Given a certain number of non-reciprocal sales (or partial metamorphoses), which take place simultaneously side by side, say of one quarter of wheat, twenty yards of linen, one Bible, and four gallons of brandy. If the price of each article is £1, the sum total of the prices to be realised will thus be £8, and therefore £8 must come into circulation. Let the same commodities, on the other hand, constitute the succession of metamorphoses we have already studied: one quarter of wheat—£2—twenty yards of linen—£2—one Bible—£2—four gallons of brandy—£2; the same £2 thus causes all four commodities to circulate in the order named, each in its turn realising its price, and the money finding its way at last into the hands of the distiller. The money thus accomplishes four moves. These repeated changes of place of the same pieces of money, represent a double change of form of the commodities—their movement through two opposite stages of circulation, and the interlacing of the metamorphoses of different commodities(*b*).

(To be Continued.)

b "Ce sont les productions qui le (l'argent) mettent en mouvement et le font circuler Le celerité de son mouvement (sc. de l'argent) supplée à sa quantité. Lorsqu'il en est besoin, il ne fait que glisser d'une main dans l'autre sans arrêter un instant (Le Trosne, *l.c.*, p. 915, 916). [Products set it (money) in motion and made it circulate The rapidity of the movement (of the money) serves instead of quantity. Whenever it is wanted, it glides from one hand to another without a moment's pause.—J.B.]



The opposed and complementary movements which make up this series take place successively, not simultaneously, and more or less time is required for their accomplishment. The rapidity of the circulation is measured by the number of changes of place made by the same pieces of money in a given time. Suppose the circulation of these four commodities lasts one day. The sum total of their prices is £8; the changes of place of the money are four; the sum total of the money in circulation is £2. We thus have the following equation:—

$$\frac{\text{Total Commodity-prices}}{\text{Times the money changes hands.}} = \text{Total money in circulation.}$$

This rule is of universal application. The law is universal. The process of circulation in any country in a given time comprises indeed on the one side many isolated sales (or purchases), or partial and simultaneous metamorphoses, in which money only changes place once or makes one move; on the other hand there is a series of metamorphoses, more or less complicated, taking place side by side and interlacing one with the other, in which a piece of money makes moves more or less numerous. The actual pieces of money making up the sum total of the money in circulation thus operate with varying degrees of activity, but the total number of pieces of each denomination realise, at a given time, a certain price-total. The sum total of movements made by all the money in circulation establishes an average number of movements for each piece, and an average duration of time for each movement. For example, the sum total of money thrown into circulation at any given moment is naturally fixed by the sum total of the prices of the commodities sold side by side. But in this very process every piece of money is, so to speak, acting reciprocally on its fellows. If one moves more quickly, another moves more slowly, or is perhaps thrown altogether out of the sphere of circulation, seeing that the whole circulation can only absorb an amount of money which, multiplied by the average number of movements, is equal to the sum total of the prices to be realised. If the movements of the circulating money augment, its mass diminishes; if its movements diminish its mass augments. The average rapidity of movement being given, the mass of money which serves as the means of circulation is thus at the same time fixed. To withdraw a certain number of sovereigns out of the circulation, it is sufficient to put into circulation an equal amount of paper money (bank notes), a trick well known to every banker.

Just as the general course of money receives its impulse in the direction of the commodity-circulation, just so the rapidity of its movement only reflects the rapidity of changes of form in those commodities, the continual return of the series of metamorphoses one upon the other, the rapid vanishing of the commodities out of the sphere of circulation, and the equally rapid substitution of new commodities in their place. In the accelerated movement of money thus appears the ever-changing unit (*c*) of opposed and complementary phases, the transformation of the usual aspect of commodities into their aspect of value, and the re-transformation of their aspect of value into their usual aspect, *i.e.*, the union of the two processes of sale and purchase. Inversely, the slackening of the course of money causes the separation of these phenomena to become manifest, as well as their tendency to isolate, in opposition to each other, the interruption of the changes of form, and consequently of the permutations of materials. The circulation of course does not allow it to be seen whence that interruption proceeds, but only shows the phenomenon itself. The common notion which, when its sees the circulation of money slackening, sees money appear and disappear less frequently at every point of the periphery of circulation, is driven to seek an explanation of the phenomenon in the insufficient quantity of circulating metal (*d*).

c "Flüssige Einheit," the idea being that while the constituents of the mass are constantly changing, the mass itself remains the same. "Flowing unit," is the literal translation, but it does not accurately express Marx's idea.—J.B.

d "Money being . . . the common measure of buying and selling, everybody who has anything to sell, and cannot procure chapmen for it is presently apt to think that want of money in the kingdom or country is the cause why his goods do not go off; and so, want of money is the common cry, which is a great mistake. . . . What do these people want who cry out for money? . . . The farmer complains. . . . He thinks that were more money in the country he should have a price for his goods. . . . Then it seems money is not his want, but a price for his corn and cattle, which he would sell but cannot. . . . Why cannot he get a price? . . . (1) Either there is too much corn and cattle in the country, so that most who come to market have need of selling, as he has, and few of buying; or (2) There wants the usual vent abroad by Transportation; or (3) The consumption fails, as when men, by reason of poverty, do not spend so much in their houses as formerly they did, wherefore it is not the increase of specifick money, which would at all advance the farmer's goods, but the removal of any of these three causes, which do truly keep down the market. The merchant and shopkeeper want money in the same manner, that is, they want a vent for the goods they deal in, by reason that the markets fail. . . . A nation never thrives better than when riches are toss from hand to hand."—(Sir Dudley North: "Discourses upon Trade," London, 1691, pp. 11-15 *passim*.) The lucubrations of Herrenschwand may be summarised by the statement that the con-

The sum total of money which at one time operates as the means of circulation is thus determined on the one hand by the sum total of the prices of all the commodities in circulation, and on the other by the relative rapidity of their metamorphoses. But the sum total of commodity-prices depends upon both the quantity and the price of each species of commodity. These three factors, the variation in price, the quantity of commodities, and the rapidity of the circulation of money, may vary in different proportions and in different directions. The sum total of the prices to be realised, and consequently the sum total of circulating money required for that realisation, may thus be the result of numerous combinations, of which we shall only mention here those which are of the most importance in the history of commodity-prices.

The prices remaining constant, the sum total of the money in circulation may increase, while the quantity of commodities in circulation increases, the rapidity of the circulation of money decreases, or both remain constant. Inversely, the sum total of the money in circulation may decrease if the quantity of commodities in circulation decreases, or the rapidity of the circulation of money increases.

The prices being universally raised, the sum total of the money in circulation may remain constant if the quantity of commodities in circulation diminishes in the same proportion as their prices rise, or if the rapidity of the circulation of money increases as rapidly as the rise in prices while the quantity of commodities in circulation remains constant. The sum total of the money in circulation may decrease, while the quantity of commodities in circulation decreases, or the rapidity of the circulation of money increases more in proportion than their prices.

The prices being universally lowered, the sum total of the money in circulation may remain constant if the quantity of commodities in circulation increases in the same proportion as the prices fall, or if the rapidity of the circulation of money diminishes in the same proportion as the prices fall. That sum total may increase if the quantity of commodities in circulation increases more quickly, or if the rapidity of the

traditions resulting from the nature of commodities, and which are manifested in commodity-circulation, are the direct consequence of an increase in the quantity of money in circulation. But, it is a popular delusion to attribute the stagnation or stoppage of the processes of commodity-production and commodity-circulation to a lack of money; it does not by any means follow that the *real* lack of circulating money, caused by official meddling with the "regulation of the currency," is not the very cause of that stagnation.

circulation of money decreases more quickly than the prices fall.

The variations in these different factors may reciprocally compensate each other, so that notwithstanding their perpetual instability the sum total of the prices to be realised, and consequently the sum total of the money in circulation will remain constant. As a matter of fact, if we consider long periods of time we shall find that a much more constant average quantity of money is in circulation than we should have been led to expect—always excepting of course those periodic disturbances which for the most part are caused by industrial and commercial crises, or (though these are far less frequent) from a change in the value of the precious metals.

The law that the quantity of circulating money is determined by the sum total of the circulating commodities and the average rapidity of circulation(*e*) may be thus expressed:—The sum total of the commodity-values and

e “There is a certain measure and proportion of money requisite to drive the trade of a nation, more or less than which, would prejudice the same, just as there is a certain proportion of farthings necessary in a small retail trade, to change silver money, and to even such reckonings as cannot be adjusted with the smallest silver pieces. . . . Now as the proportion of the number of farthings requisite in commerce is to be taken from the number of people, the frequency of their exchanges; as also, and principally, from the value of the smallest silver pieces of money; so, in like manner, the proportion of money (gold and silver specie) requisite to our trade, is to be likewise taken from the frequency of commutations, and from the bigness of payments” (William Petty: “A Treatise on Taxes and Contributions,” London, 1667, p. 17). The theory of Hume that “Prices depend on quantity of Money” was defended against J. Steuart and others, by A. Young in his “Political Arithmetic,” London, 1774, p. 112 *et seq.* I have remarked in “Zur Kritik,” &c., p. 149, that Adam Smith is silent upon the question of the quantity of money in circulation, while he deals with money as a mere commodity from a wrong point of view. This, at the same time, is only true in so far as he treats the money question *ex officio*. Occasionally, however, he treats the subject correctly, as for example in his criticism of the earlier systems of Political Economy:—“The quantity of coin in every country is regulated by the value of the commodities which are to be circulated by it. . . . The value of goods annually bought and sold in any country requires a certain quantity of money to circulate and distribute them to their proper consumers, and can give employment to no more. The channel of circulation necessarily draws to itself a sum sufficient to fill it, and never admits any more (“Wealth of Nations,” Book I., IV., chapter 1). Adam Smith similarly commences his work *ex officio* with an apotheosis of the division of labour. Later, in the last Book, on the sources of the revenue of the state, he reproduces the observations of his master, A. Ferguson, denouncing the division of labour.

the average rapidity of the commodity metamorphoses being given, the sum total of the precious metals in circulation depends on the value of the metals themselves. The illusion that the commodity-prices are, on the contrary, determined by the sum total of the money in circulation, and that this sum total is in its turn determined by the quantity of the precious metals in the country(*f*), has its origin in the absurd hypothesis that commodities and money enter into circulation, the one without price and the other without value, and that an aliquot part of the whole mass of commodities is therefore exchangeable with an aliquot part of the heap of metal(*g*).

f "The prices of things will certainly rise in every nation, as the gold and silver increase among the people; and, consequently, where the gold and silver decrease in any nation, the prices of all things must fall proportionately to such decrease of money" (Jacob Vanderlint: "Money answers all Things," London, 1734, p. 5). A close comparison of Vanderlint's work and Hume's Essay convince me, beyond all doubt, that Hume knew and made use of the earlier work. The idea that the quantity of money in circulation determines the price is found in Barbon, and many writers before him. "No inconvenience," says Vanderlint, "can arise by an unrestrained trade, but very great advantage . . . since, if the cash of the nation be decreased by it, which prohibitions are designed to prevent, those nations that get the cash will certainly find everything advance in price, as the cash increases among them. And . . . our manufactures and everything else, will soon become so moderate as to turn the balance of trade in our favour, and therefore fetch the money back again" (*l.c.*, p. 44).

g It is self-evident that every single kind of commodity constitutes, by its price, an element of the sum total of prices of all the commodities in circulation; but it is impossible to understand how a collection of Use-values incommensurable one with another can be exchanged with any quantity of gold or silver which may be found in a country at any given time. If we reduce the whole contents of the commodity-world to one unique universal commodity, of which each single commodity is only an aliquot part, we have the following absurd equation:—The universal commodity = x cwts. of gold; commodity **A** = equals an aliquot part of the universal commodity = the same aliquot part of x cwts. of gold. This is stated with charming *naïveté* by Montesquieu:—"If we compare the mass of gold and silver which is in the world with the mass of commodities also there, it is certain that each ware or commodity may be compared with a certain portion of the other [the money]. Suppose there were but a single ware or commodity in the world, or only one buyer, and that this ware was divided like money; one portion of that commodity would answer to one portion of the mass of money; half the total of one to half the total of the other, etc. . . . the establishment of the price of the things depends always fundamentally upon the proportion of the whole of the things to the money" (Montesquieu, *l.c.*, v. III., pp., 12, 13). For the development of this theory by Ricardo, and by his disciples—James Mill, Lord Overstone, and others, see my "Zur Kritik," &c., pp. 140—146, and pp. 150 *et seq.* Mr. John Stuart Mill,

C) Coins. Value-Tokens.

The coin has its origin in the functions which money fulfils as the means of circulation. The weights of gold, for instance, expressed in the prices or money-names of commodities must come into the circulation as coins. Like the determining of standards of price, the business of coining falls to the state. The various national uniforms worn by gold and silver as so many coins, but of which they are despoiled in the market of the world, distinguish clearly between the internal or national spheres of circulation and the wider and more general sphere in which commodities circulate.

Ingot gold and coined gold only differ in shape, and gold may constantly pass from one form to the other (h).

On leaving the money-form the coin finds it is on its way to the melting-pot. In its course money (say gold coin) loses something—some coins more, some less. The gold name and the gold substance, the nominal thing and the real thing, begin a

with his fluent eclectic logic, has managed to hold his father's opinion and the opposite view at the same time. If we compare the text of his treatise, "The Principles of Political Economy," with the preface to his first edition, in which he holds himself forth as the Adam Smith of our epoch, we know not which to admire most—the *naïveté* of the man himself, or that of the public which has, in fact, accepted him as a second Adam Smith, although he resembles Smith about as much as General Williams of Kars resembled the Duke of Wellington. Mill's original, albeit somewhat attenuated and not very profound, researches in the domain of political economy, may be found drawn up in battle array in his little work which appeared in 1844, "Some Unsettled Questions of Political Economy." Locke treats directly of the interdependence of the valuelessness of gold and silver and the fixing of their value by their quantity. "Mankind having consented to put an imaginary value upon gold and silver . . . the intrinsick value, regarded in these metals is nothing but the quantity" ("Some Considerations," &c., 1691, Works, edition 1777, vol. II., p. 15).

h It would be foreign to my present purpose to treat here of rights of seigniorage and other details of that nature. In opposition, however, to the romantic sycophant Adam Müller, who admires "the free-handed liberality" with which "the English Government turns gold into money free of charge," I will quote the following judgment of Sir Dudley North:—"Silver and gold, like other commodities, have their ebings and flowings. Upon the arrival of quantities from Spain . . . it is carried to the Tower, and coined. Not long after there will come a demand for bullion, to be exported again. If there is none, but all happens to be in coin, what then? Melt it down again; there's no loss in it, for the coining costs the owner nothing. Thus the nation has been abused, and made to pay for the twisting of straw for asses to eat. If the merchant (North was himself one of the great traders in the time of Charles II.) had to pay the price of the coinage, he would not have sent his silver to the Tower without consideration; and coined money would always keep a value above uncoined silver" (North, *l.c.*, pp. 18).

process of separation. Gold coins of the same name become of unequal value, because of unequal weight. The weight of gold indicated by the standard of price is no longer found in the circulating money, which thus ceases to be the equivalent of the commodities the prices of which are to be realised. The history of money in the middle ages, and in modern times down to the eighteenth century, is nothing but the history of this confusion. The natural tendency of circulation to transform real gold into the semblance of gold, or the coin into a mere symbol of an official weight of metal, is recognised in the most recent laws respecting the exact loss of metal which puts the coin out of circulation, or, so to say, demonetises it.

The course of money, in separating the real contents from the nominal contents, and differentiating the metallic existence and the functional existence, of species, already implies the latent possibility of supplying the functions of the coin by means of paper-money. The technical difficulties in the way of coining very small weights of gold, and the fact that the inferior metals originally served as money until dethroned by gold—silver instead of gold, and copper instead of silver—explains historically the rôle of silver and copper as substitutes for gold coin. They take the place of gold in those transactions where the movement of money is most rapid, that is to say, where sales and purchases incessantly take place upon the very smallest scale. In order to prevent these satellites from usurping the place of gold, the law fixes the quantities in which they shall be accepted as legal tenders. The particular circles in which the different sorts of money run are naturally interlaced one with another. Odd money, or change, for example, is required to complete the fractional parts of gold coins; gold constantly comes into the circulation, but it is as constantly thrown out of it again by the small change which takes its place(*i*).

The metallic substance of silver and copper tokens is fixed by law. In circulation these waste away much faster than

i “ If silver never exceeds what is wanted for the smaller payments, it cannot be collected in sufficient quantities for the larger payments. . . . The use of gold in the main payments necessarily implies its use also in the retail trade; those who have gold coin, offering them for small purchases, and receiving with the commodity purchased a balance of silver in return; by which means the surplus of silver that would otherwise encumber the retail dealer, is drawn off and dispersed into general circulation. But if there is as much silver as will transact the small payments independent of gold, the retail dealer must then receive silver for small purchases, and it must of necessity accumulate in his hands ” (David Buchanan: “ Inquiry into the Taxation and Commercial Policy of Great Britain,” Edinburgh, 1844, p p. 248, 249).

gold coins. Their function as coins thus, as a matter of fact, becomes entirely independent of their weight—in other words, independent of all value. The function of gold as a coin becomes entirely differentiated from its real value-essence. Relatively valueless things, such as paper, may thus be substituted for gold so far as concerns its function as coin. The purely symbolical character in the gold coin is dissimulated, or covered, up to a certain point. In paper-money it appears unmistakably. We thus see *ce n'est que le premier pas qui coûte*.

The question here is only with State paper-money, which has an enforced circulation. Credit-money, on the contrary, supposes relations which, from the standpoint of simple commodity-circulation, are unknown to us. We may however remark *en passant*, that if paper-money, properly so-called, serves the functions of money as the means of circulation, credit-money has its natural origin in the function of money as a means of payment(*k*).

The State puts into circulation paper-money, upon which is inscribed its numerical donomination, as £1, £5, etc. As the paper-money really circulates in the place of weights of gold of the same denomination, their movement only reflects the course of real money. A specific law of the circulation of paper-money can only arise from the relationship which the paper bears to the money as the representative of the latter. That law is very simple, consisting only in this, that the quantity of paper issued must be limited to the quantity of gold (or silver) which it is intended to represent and of which it is the symbol, and which quantity ought to be in circulation. The quantity of gold in circulation, however,

k The mandarin of finance, Wan-mao-in, one day took a fancy to present to the Son of Heaven a project, the concealed purport of which was to transform all the Assignats of the Celestial Empire into convertible bank-notes. The Committee of Assignats for April, 1854, commanded him to wash his head. Whether he also received the traditional number of cuts with a bamboo cane does not appear. "The Committee," the Report concludes, "have examined this project with attention, and they find that it has solely in view the interests of the merchants, and offers no advantage to the crown." *"Arbeiten der kaiserlich Russischen Gesellschaft zu Peking über China. Aus dem Russischen von Dr. K. Abel und F. A. Mecklenburg. Erster Band,"* Berlin 1858, p. 47, *et seq.*). On the metallic loss sustained by money in circulation, a governor of the Bank of England gave evidence before the House of Lords Committee on the Banking Acts, to the effect that "Every year a fresh quantity of sovereigns is found too light. This quantity, which one year possesses the correct legal weight, will the next year be found to have been lightened by attrition, so that the scale turns against it" (House of Lords Committee, 1848, No. 429).

oscillates constantly between a point above and a point below the average level, but it never falls below the *minimum* which each country finds out by experience. That this *minimum* quantity unceasingly renews its integral parts (in other words, that there is always a coming and going of particular species which come into it and go out from it) naturally works no change either in the proportions of those parts or in their continuous revolution in the sphere of circulation. Nothing, therefore, prevents them from being represented by paper symbols. If, on the contrary, all the channels of circulation are to-day filled by paper-money to the limit of their capacity to absorb the precious metals, the least variation in commodity-prices may to-morrow make them overflow. All proportion is then lost. If the paper-money oversteps its limit, *i.e.*, the quantity of gold coin of a similar denomination which is in circulation, general discredit will result, seeing that, both after and before, it can by an immanent law only represent that quantity of gold whose place it takes, and which alone is representable. If, for instance, the total quantity of paper-money is twice as great as it should be, a £1 note, which represents a quarter of an ounce of gold, will represent but one eighth of an ounce. The result is the same as though the function of gold as the standard of price had been altered.

Paper-money is a gold-symbol, or money-symbol. The relation which exists between it and commodities lies simply in this, that the same quantities of gold as are ideally expressed in the commodity-prices are symbolically represented by the paper-money, which is thus only a sign of value in as far as it represents quantities of gold which (like all other quantities of commodities) are also quantities of value(*l*).

It may, perhaps, be asked how it is that money can be represented by mere value-symbols, which are things of no value?

l The following passage from Fullarton shows how cloudy even the best writers get, in dealing with the nature and varied functions of money:—"That, as far as concerns our domestic exchanges, all the monetary functions, which are usually performed by gold and silver coins, may be performed as effectually by a circulation of inconvertible notes, having no value but that factitious and conventional value they derive from the law, is a fact, which admits, I conceive, of no denial. Value of this description may be made to answer all the purposes of intrinsic value, and supersede even the necessity for a standard, provided only the quantity of issues be kept under due limitation" (Fullarton, "Regulation of Currencies," 2nd edition, London, 1845, p. 21). Thus, because money, as a commodity, may be replaced by simple value-symbols, its rôle, as a measure of value and a standard of price, is declared to be superfluous.

But it is only thus to be represented or replaced in so far as it operates exclusively as coin, or a means of circulation. It is true that the exclusive character of this function does not become realised in the single gold or silver coin taken apart, although it does manifest itself in the fact that worn-out specimens nevertheless continue to circulate. Each piece of gold is a mere coin, or means of circulation, only so long as it continues to circulate. This, however, is not the case with the minimum quantity of gold which can be replaced by paper tokens. That minimum quantity appertains constantly to the sphere of circulation, operates incessantly as the circulating medium, and exists exclusively as the bearer of that function. Its movements thus represent nothing else than the continuous alternation of the opposite poles of the metamorphosis—Commodity—Money—Commodity, in which the commodity presents itself as a value only to disappear again immediately, and the substitution of one commodity for another causes the money to change hands without ceasing. The functional existence of the money swallows up, so to speak, its material existence. A fugitive reflection of the commodity-prices, it only operates as a sign or symbol of its real self, and may consequently be replaced by other signs or symbols(*m*). It is, at the same time, necessary that the money-symbol, like the money itself, should be socially valid, and it becomes so by enforced circulation. This coercive action of the State can fully operate only within the sphere of the national circulation; and there only can money discharge its function as coin, or the means of circulation, and so go outside its metallic substance and assume its functional existence in the shape of paper-money.

III.—*Money.*

That commodity which serves as the standard of value, and therefore (either itself or through a representative) as the

m From the fact that gold and silver coins, in their exclusive function as means of circulation, may thus come to be mere symbols of themselves, Nicholas Barbon deduces the right of Governments "to raise money," that is to say, to give to a certain quantity of silver, say a shilling, the name of a larger quantity, say half-a-crown, and thus to pay their creditors with a shilling, instead of half-a-crown. "Money does wear and grow lighter by often telling over It is the denomination and currency of the money that men regard in bargaining, and not the quantity of silver 'Tis the publick authority upon the metal that makes it money" (N. Barbon, *l.c.*, pp. 29, 30, 45).

means of circulation, is *money*. Thus gold, or silver, is money. It functions as money, on the one hand, where it is obliged to appear in its metallic corporeality, and where its purpose is neither ideal, as when it is a standard of value, nor effected by a possible substitute, as in the means of circulation; and on the other hand where, either in its own proper person or through a representative, it presents itself to all other commodities or use-values, as the unique and adequate incarnation of their value.

A) The growth of Treasure.

The circulatory movement of the two inverse metamorphoses of commodities, or the continuous alternation of sale and purchase, shows itself in the endless circulation of money, or in its function as the perpetual motive-power of circulation. It becomes immobilised, or transformed (as Boisguillebert says) from a movable into an immovable, as soon as the series of metamorphoses is interrupted—as soon, that is, as a sale is not followed by its complementary purchase.

With the development of commodity-circulation is also developed the necessity and the desire to fix and hold fast the product of the first metamorphosis, *i.e.*, the commodity converted into the chrysalis of gold or silver(*n*). Thence commodities are sold not only to exchange them for others, but also to replace the commodity-form by the money-form. The money becomes petrified in its course, and becomes treasure; the vendor is converted into a treasure-builder.

It is in the infancy of commodity-circulation that the superfluity only of Use-values is converted into money. Gold and silver thus become of themselves the social mode of expressing superfluity, or riches. This *naïve* form of treasuring becomes permanent amongst peoples with whom the traditional mode of production directly satisfies a limited round of fixed necessities. There is little circulation and much treasure. This is the case with the peoples of Asia, notably in India. Vanderlint, who imagined that commodity-prices depended upon the abundance of precious metals in a country, asks why Indian commodities are so cheap? The

ⁿ "Riches in money are only riches in products converted into money" (*Mercier de la Rivière l.c.*, p. 557). "A value in products nloy changes its form" (*ibid.*, p. 486).

answer is because the Indians bury their money. He remarks that from 1602 to 1734 they thus hid away £150,000,000 sterling in money, which had been sent from America to Europe(*o*). In the ten years from 1856-1866 England exported to India and China (that sent to China found its way for the most part to India) £120,000,000 sterling in silver, which had previously been exchanged for Australian gold.

When commodity-production becomes further developed, the producer must provide the *nexus rerum*, the "social pledge," money(*p*). The needs of the producer are perpetually renewed, and require the constant purchase of fresh commodities, while the production and sale of his own take time, and depend upon many chances. In order to buy without selling, he must needs have first sold without buying. These operations, carried out upon the usual scale, appear to be contradictory. The precious metals, however, are at their source bartered with other commodities. Here is sale (on the part of the commodity possessor) without purchase (on the part of the owner of the gold or silver) (*q*). And subsequent sales without purchases only serve to distribute the precious metals amongst all the commodity-possessors. Thus reserves of gold and silver are formed at all points and in very varied proportions. The possibility of retaining commodities as exchange-values, or exchange-values as commodities, arouses the thirst for gold. With the extension of commodity-circulation the power of money increases, an absolute and ever-ready social form of wealth. "Gold," said Columbus in a letter from Jamaica in 1503, "is a wonderful thing! He who possesses it is master of all he desires. With gold one can even take souls to Paradise!" As money does not betray anything which is transformed into it, so all things, whether commodities or not, can be transformed into money. Everything can be bought and sold. The circulation is the grand social crucible into which everything is thrown that gold may come out. Nothing can resist this alchemy—not even the bones of the saints, much less things not so gross, *res sacrosanctæ, extra*

o " 'Tis by this practice they keep all their goods and manufactures at such low rates" (Vanderlint, *l.c.*, pp. 95, 96).

p "Money is a pledge" (John Bellers: "Essays about the Poor, Manufactures, Trade, Plantations, and Immorality," London, 1699, p. 13).

q *Sale*, in its categorical sense, supposes that the gold or silver in the hands of the exchanger proceeds, not directly from his labour, but from the sale of his commodities.

commercium hominum(r). Just as all differences of quality in commodities are effaced by money, so money, a radical leveller, effaces *all* distinctions(s). But gold is itself a commodity, a thing which may come into anybody's hands. The great social power thus becomes private power in the hands of private persons. Ancient society therefore denounced it as the great subversive agent, as the most active solvent of their economic and moral ordinances(t). Modern society, which in its very infancy "dragged the god Plutus by the hair from the bowels of the earth,"(u) hails gold as its Holy Grail, the dazzling incarnation of the very principle of its life.

The commodity, as a Use-value, satisfies some particular need, and forms a particular element of material wealth. But the *value* of the commodity is the measure of its power to attract all the elements of that wealth, and thus gauges the

r Henry III., the most Christian king of France, despoiled monasteries and religious houses of their relics in order to convert them into money. We all know the part played in Greek history by the pillage of the treasures of the Delphic temples by the Phocians. Among the ancients the temples served as the abodes of the gods of commodities. They were the "sacred banks." As for the Phoenicians, *par excellence* a trading people, money was with them the transfigured shape of all things. Thus it was a law that the young females, who in the festivals of Astarte were sold to strangers for money, should offer to the goddess the money received as an emblem of their virginity immolated upon her altar.

s "Gold! yellow, glittering precious gold!
Thus much of this will make black white; foul, fair;
Wrong, right; base, noble; old, young; coward, valiant
. . . . What this, you gods! Why this
Will lug your priests and servants from your sides;
Pluck stout men's pillows from below their heads.
This yellow slave
Will knit and break religions; bless the accurs'd;
Make the hoar leprosy adored; place thieves
And give them title, knee and approbation
With senators of the bench; this it is
That makes the wappen'd widow wed again
. . . . Come damned earth,
Thou common whore of mankind!"

SHAKESPEARE: "*Timon of Athens.*"

t Sophocles, in the "Antigone," remarks:—"Nothing has done so much as money to sustain bad laws and bad morals; it is that which arouses dissension in cities and hunts the inhabitants from their dwellings; it is that which turns the most beautiful souls towards all that is shameful and fatal to man, and teaches them to extract evil and impiety from everything."

u "Ἐλπιζούσης τῆς πλεονεξίας ἀναζειν ἐκ τῶν μυχῶν τῆς γῆς αὐτὸν Πλούτωνα." [The quotation in the text is a translation of this passage.—J.B.]

social wealth of him who possesses it. Exchangers who are more or less in a state of barbarism, even the peasants of eastern Europe, do not know how to separate the value from its form. For them, an increase in the reserve stock of gold and silver means an increase of value. Certainly the value of the precious metals changes because of variations either in their own proper value or in that of commodities; but that does not prevent, on the one hand, 200 ozs. of gold containing (either after or before the change) more value than 100 ozs., 300 ozs. more than 200 ozs., and so on; nor, on the other hand, does it prevent the metallic form of money remaining the general equivalent form of all commodities and the social incarnation of all human labour. The desire of the treasure-gatherer has, from its very nature, neither rule nor standard. Considered from the point of view of quality or form, and as the universal representative of material wealth, money is unrestricted, because it can be directly transformed into all sorts of commodities. But each actual sum of money has its own quantitative limit, and has, therefore, only a limited purchasing power. This contradiction between the quantity, always clearly defined, and the quality of infinite power in money, perpetually condemns the treasure-gatherer to the labour of Sisyphus. At every conquest he makes he finds the frontier of a new land to be conquered.

To retain and conserve a precious metal in the quality of money, and consequently in a condition to be treasured, it is necessary to prevent it from circulating, or to reduce it from a means of purchase to a means of enjoyment. The treasure-gatherer thus sacrifices to his fetish all the desires of the flesh. None takes more *au sérieux* the gospel of renunciation than he. On the one hand, he can only take out of the circulation in money what he puts into it in commodities. The more he produces, the more he is able to sell. Industry, economy, and avarice are his cardinal virtues; to sell much and buy little is the extent of his political economy(x).

The treasure has not merely a rough and ready shape; it possesses also an æsthetic form—the possession of gold and silver wares. This increases with the increase of social riches, “*Soyons riches ou paraîssons riches*” (Diderot). It thus forms in part an ever-widening market for gold and silver

^x “Accrescere quanto più si può il numero de’ venditori d’ogni merce, diminuire quanto più si può il numero dei compratori, questo sono i cardinali sui quali si raggiirano tutte le operazioni di economia politica” (Verri *l.c.*, p 52). [To increase as much as possible the number of sellers of all commodities, to diminish as much as possible the number of buyers—such is the sum total of the operations of political economy.—J.B].

independent of their functions as money, and in other part a latent supply of gold on which to rely in times of social crisis.

In the economy of metallic circulation, these treasures fulfil diverse functions. The first draws its origin from the conditions which control the course of money. We have seen how the circulating mass of coins is increased or diminished with the constant ebbing and flowing caused by the limits of commodity circulation as to extent, price, and rapidity. That mass must be capable of contraction and expansion. Portions will sometimes go out of circulation, and at other times re-enter it. In order that the circulating mass of money may always come up to that point at which the sphere of circulation is saturated, the actual quantity of gold and silver in circulation should form but a part of the total quantity of money in a country. It is by the storage of money that this condition is fulfilled—or what we have called treasure-gathering(y).

B) Medium of Payment.

In the direct form of commodity-circulation just examined, the same value always presents itself in a double capacity—at one pole as a commodity, at the other as money. The commodity-possessors enter into relations with each other as representatives of already interchangeable equivalents. As circulation develops, however, so also to the same extent are developed circumstances which tend to separate, by an interval of time, the alienation of a commodity from the realisation of its price. The simplest examples will suffice to illustrate this. One species of commodity requires a longer time, and another

(y) "There is required for carrying on the trade of the nation, a determinate sum of specifick Money, which varies, and is sometimes more, sometimes less, as the circumstances we are in require. . . . This ebbing and flowing of money supplies and accommodates itself, without any aid of Politicians. . . . The buckets work alternately; when money is scarce, bullion is coined; when bullion is scarce, money is melted" (Sir D. North, *I.c.*, p. 22). John Stuart Mill, who was for a long period an officer of the East India Company, confirms the fact that ornaments and jewels of silver are still used in India as reserve stores. "Silver ornaments are brought out and coined when there is a high rate of interest, and go back again when the rate of interest falls" (J. Stuart Mill's Evidence, Reports on Bank Acts, 1857, No. 2084). According to a Parliamentary document of 1864 upon the importation and exportation of silver in India, in 1863, the importation exceeded the exportation by £19,367,764. In the eight years preceding 1864, the excess of importation over exportation of the precious metals amounted to £109,652,917. During the present century more than £200,000,000 have been coined in India.

a shorter, for its production. The time for producing some commodities is confined to a particular season of the year. If one commodity is, as it were, born in the very market-place, another has to travel some distance to reach it. One producer may thus come to market as a vendor, before the other reaches it as a purchaser. When the same transactions continually occur between the same persons, the conditions of sale and purchase of commodities gradually accommodate themselves to the conditions of production. On the other hand, the use of certain kinds of commodities—a house for example—is parted with for a time, and it is only at the expiration of that time that the purchaser really obtains the Use-value for which he bargained. He thus buys before he pays. The one sells an existing commodity, the other buys as the representative of money yet to come. The vendor becomes a creditor, and the purchaser a debtor. As the metamorphosis of the commodity, or the development of its Value-form, is, in this instance, altered, so the money assumes a new function. It becomes a medium of payment.

The characters of creditor and debtor arise here out of simple circulation. The change of form of the latter impresses a new character on both vendor and purchaser. At first, both rôles are interchangeable and transient, and are played in turn by the same actors; but they are now less complaisant, and their separation becomes more capable of solidification(z). These two characters may thus present themselves independently of commodity-circulation. In the ancient world the strife of classes took the shape of an ever-renewed combat between creditors and debtors, and in Rome it ended in the defeat and ruin of the plebeian debtors, who were replaced by slaves. In the middle ages the struggle resulted in the ruin of the feudal debtors, who, in losing their economic status, were deprived of their political power.

However, the money-relationship (for the relations of creditor and debtor take the form of a money-relationship) at the two epochs just referred to only reflects on the surface the antagonism of more profound conditions of economic life.

Let us come back to the circulation of commodities. The simultaneous appearance of the two equivalents, commodity and money, at the two poles of the sale-process ceases. Now

^z Note the relations of creditors and debtors in England at the beginning of the 18th century:—"Such a spirit of cruelty reigns here in England among the men of trade, that is not to be met with in any other society of men, nor in any other kingdom of the world" ("An Essay on Credit and the Bankrupt Act," London, 1707, p. 2).

the money acts in the first place as a standard of value in fixing the price of the commodity sold. The price, established by contract, measures the obligation of the purchaser, that is, the sum for which he is liable at a fixed time. It acts in the next place as a means of ideal purchase. Although it only exists in the shape of a promise by the purchaser, it nevertheless has the effect of causing commodities to change hands. It is only at the end of the term that it enters, as a medium of payment, into the circulation, or in other words, passes from the hands of the purchaser to those of the vendor. The means of circulation were transformed into stored money because the circulatory movement was arrested when only half completed. The means of payment enter into the circulation, but only after the commodity has gone out of it. The money no longer acts as an intermediary in the process. The vendor transforms the commodity into money to satisfy his needs; the treasure-builder, in order to preserve it in the form of a general equivalent; and the indebted purchaser, that he may be able to pay. If he does not pay, a forced sale of his property will take place. The conversion of a commodity into money thus becomes a social necessity which is imposed upon the producer quite independently of his needs or his personal fancies.

The purchaser turns money into commodities before he has turned commodities into money, that is to say, he carries out the second commodity-metamorphosis before the first. The vendor's commodity circulates, and realises its price, but only in the shape of a just claim to the money. The commodity is thus changed into a Use-value before it is turned into money; the completion of its first metamorphosis follows as a supplement(*aa*).

The expired obligations in any given period of time represent the sum total of the prices of the commodities sold. The quantity of money wanted to realise that sum

aa The following quotation from my "Kritik," etc., 1859, shows why I have not, in the text, spoken of the opposed form:—"Inversely, in the transaction M—C (money—commodity), the money as an essential means of purchase may be set aside, and the price of the commodity thus be realised before the Use-value of the money becomes realised or the commodity alienated. This takes place every day in the form of 'prenumeration,' and it is thus that the English Government buys opium of the ryots in India. In that case, however, the money operates only in the already-mentioned form of means of purchase, and acquires no new form. . . . Capital is thus naturally advanced in the form of money, but this does not yet appear upon the horizon of simple circulation."

depends in the first place upon the rapidity of movement of the means of payment. This is regulated by two conditions:—(1) The interlacing of the relations between creditor and debtor, as when, for example, A, who receives the money from his debtor B, passes it on to his creditor C, and so on: (2) the space of time which separates the different periods when payment is made. The series of consecutive payments, or first supplemental metamorphoses, is altogether distinct from the interlacing of the series of metamorphoses which we have previously analysed.

The connection between sellers and buyers is not the only thing which expresses itself in the movement of the means of circulation. That connection arises from the circulation of money. The movement of the means of payment, on the contrary, expresses a number of pre-existent social relationships.

The simultaneity and contiguity of sales (or purchases), which are the cause of the quantity of the means of circulation being no longer compensated by rapidity of movement, form a new lever in the economy of the means of payment. The concentration of payments in one place brings about the spontaneous development of institutions and methods to balance one against the other. Such, for example, were the "virements" at Lyons in the middle ages(bb). The bills of A upon B, B upon C, and C upon A, were to a certain extent reciprocally annulled when brought together and compared as positive or negative quantities. One balancing only was thus required. The greater the concentration of payments, the less relatively will be the balance and consequently of the means of circulation.

The function of money as a means of circulation implies a direct contradiction. So far as payments balance each other they only operate ideally as measures of value. As soon, however, as payments come to be effected in reality, they no longer present themselves as a simple means of circulation, or a mere transitory form serving as an intermediary for the displacement of products, but they step in as the individual incarnation of social labour, an independent existence as an Exchange-value, an absolute commodity. This contradiction breaks forth at that time of industrial or commercial crisis which

bb "Virement" is the transfer of a debt, or payment by means of bills. The word is from *virer*, to turn about: hence our English words "veer," and "veering." Marx uses the French word "virement;" the nearest approach to veering in German is *drchen*, or *umwenden*.—J.B.

we call a "monetary crisis" (*cc*). This is only produced where the interlacing of payments, and an artificial system intended to reciprocally compensate them, have developed themselves. The mechanism, from whatever cause, becomes deranged as soon as money, by a sudden and immediate "shifting of the wind," no longer operates in the purely ideal form of money in account. From money "in account" it changes suddenly to real money—hard cash. The utility of the commodity counts as nothing, and its value vanishes in the presence of its own Value-form. "The only commodity is money!" is now the cry in the world's market. As the hart pants after the waterbrooks, so pants the soul after money, the only riches (*dd*). The opposition existing between the commodity and its Value-form is, during this crisis, pushed to its furthest limits, till it becomes an absolute contradiction. The particular species of money is here of no consequence whatever. The scarcity of money remains the same, whether it is scarcity of gold or of credit-money in the shape of bank-notes(*ee*).

If we now examine the sum total of money which circulates in a fixed time, we shall find that, given the rapidity of the

cc It is necessary to clearly distinguish the crisis here referred to from the particular crisis to which the same name is applied, but which is nevertheless an independent phenomenon which affects industry and commerce by a reflex influence. These latter crises have their centre in capital money, and their immediate sphere is capital—the bank, the bourse, and the regions of finance.

dd "The sudden veering of the credit-system to the money-system adds a theoretical terror to a practical panic, and the agents of circulation tremble before the impenetrable secret of their own relationship with each other" (Marx, *l.c.*, p. 126).—"The poor stand still, because the rich have no money to employ them, though they have the same land and hands to provide victuals and cloaths, as ever they had; which is the true riches of a nation, and not the money."—(John Bellers, "Proposals for raising a Colledge of Industry," London, 1696. p. 3).

ee "On one occasion (1839) an old grasping city banker in his private room raised the lid of the desk he sat over, and displayed to a friend rolls of bank notes, saying with intense glee there were £600,000 of them, they were held to make money tight, and would all be let out after three o'clock on the same day."—"The Theory of the Exchanges; The Bank Charter Act of 1844," London, 1864, p. 81). On the 24th of April, 1864, the semi-official *Observer* remarked:—"Some very curious rumours are current of the means which have been resorted to in order to create a scarcity of bank notes. . . Questionable as it would seem to suppose that any trick of the kind would be adopted, the report has been so universal that it really deserves mention."

course of the means of circulation and the means of payment, that sum total is equal to the total commodity-prices to be realised, plus the sum of the payments which have fallen in, less the sum of the payments which balance each other, and less the employment twice over (or more frequently) of the same coins as means of circulation and means of payment. For instance, the farmer has sold his wheat for £2, which operates as a means of circulation. When he receives his money he passes it on to the weaver; now it operates as means of payment. The weaver buys a Bible, and the money again operates as a means of circulation, and so on. The rapidity of the course of money, the economy of payments, and the prices of commodities, being given, it is seen that the mass of commodities in circulation no longer corresponds with the mass of money circulating in a fixed period—say a day. There is money which represents commodities long gone out of circulation; there are commodities the money-equivalent of which will only appear later on. On the other hand, the debts contracted, and the debts falling in each day, are altogether incommensurable (ff).

Credit-money has its immediate origin in the function of money as a means of payment; bills representing debts contracted for goods sold circulate in their turn, and transfer the claims to other people. In proportion as the credit-system is extended, the function of money as a means of payment becomes more and more extended. As such it takes particular forms of existence, in which it haunts the exalted regions of great commercial transactions, while gold and silver specie are chiefly relegated to the realm of retail commerce (gg).

ff “The amount of sales or contracts entered upon during the course of any given day, will not affect the quantity of money afloat on that particular day, but in the vast majority of cases, will resolve themselves into multifarious drafts upon the quantity of money which may be afloat at subsequent dates, more or less distant. . . . The bills granted or credits opened to-day need have no resemblance whatever, either in quantity, amount, or duration, to those granted or entered upon to-morrow or next day; nay, many of to-day's bills and credits, when due, fall in with a mass of liabilities whose origins traverse a range of antecedent dates altogether indefinite, bills at twelve, six, three months, or one month, often aggregating together to swell the common liabilities of one particular day.” (“The Currency Question reviewed: A Letter to the Scotch people,” By a Banker in England; Edinburgh, 1845, pp. 29, 30, *passim*).

gg As an example, showing to what a small extent real money enters into commercial operations properly so called, we give here the list of annual receipts and payments of one of the largest commercial houses in

The more commodity-production is developed and extended, the less is the function of money as a means of payment restricted to the sphere of the circulation of products. Money becomes the general commodity of contracts (*hh*). Rents, taxes, etc., hitherto paid in natural productions, become payable in money. One fact which amongst others demonstrates how that change depends upon general conditions of production, is that the Roman empire was twice frustrated in its attempts to levy all the taxes in money. The fearful misery of the agricultural population in France under Louis XIV., denounced with such eloquence by Boisguillebert, Marshal Vauban, and others, did not proceed solely from the increase of taxation, but also from the fact that the taxes were collected in money-form instead of in their natural form (*ii*). In Asia, ground rent constitutes the chief impost, and it is paid mostly in natural products. This form of rent, based upon the relationships of stationary production, maintains, by a counter-effect, the ancient mode of production. It is one of the great secrets of the persistence of the Turkish empire. The free-trade permitted by Europe to Japan encourages in that country the conversion of natural-rent into money-rent, and has made the model agricul-

London. These transactions, comprising several millions sterling, and which took place in 1856, are here referred to the scale of one million:—

RECEIPTS.	PAYMENTS.
Bills from Bankers and merchants, payable at given dates	£533,596
Bankers' Cheques, etc., payable at sight	357,715
Country bank-notes	9,627
Bank of England notes	68,554
Gold	28,089
Silver and Copper	1,486
Post Office Orders	933
Total	£1,000,000
	Total
	£1,000,000

(Report of the Select Committee on the Bank Acts, July 1858, p. LXXI).

hh "The course of Trade being thus turned, from exchanging of goods for goods, or delivering and taking, to selling and paying, all the bargains . . . are now stated upon the foot of a price in money" ("An Essay upon Public Credit," 3rd edition, London, 1710, p. 8).

ii "Money has become the executioner of all things." "Finance is the alembic which has turned into vapour a vast quantity of property and commodities to make its fatal *précis*." "Money declares war against the entire human race" (Boisguillebert, "Dissertation sur la nature des richesses, de l'argent, et des tributs," ed. Daire, "Economist financiers," Paris, 1843, vol. I., pp. 413, 417, 419).

ture of the Japanese submissive to economic conditions which are too restricted to resist such a revolution.

In every country certain general periods are fixed when payments are to be made on a large scale. If some of those periods are purely conventional, they are as a rule based upon the periodic and circulatory movements of reproduction combined with the periodical changes of the seasons, etc. These general periods govern equally the time of those payments which are not the direct result of the circulation of commodities, such as rent, salary, taxes, and so on. The quantity of money required on particular days of the year, and in which the payments of a whole community are concentrated on special days, causes periodical but altogether superficial perturbations (*kk*).

It follows, from the law as to the rapidity of the course of the means of payment, that for all periodical payments, whatever their source, the sum total of means of payment required is in inverse proportion to the lengths of those periods (*ll*).

The function of money, as a means of payment, necessitates

kk On Whit-Monday, 1825," said Mr. Craig to the Parliamentary Committee in 1826, "there was such a demand for Bank Notes in Edinburgh that at eleven o'clock in the morning we had not a single note left in our portfolio. We sought them in all the other Banks without being able to obtain any, and many matters of business had to be concluded upon pieces of paper. By three o'clock in the afternoon, however, the notes had all been presented again at the Banks which issued them; they had only been made to change hands." Although the real average circulation of Bank notes in Scotland is less than £3,000,000, there are certain days in the year when all the notes in the bankers' hands, amounting to nearly £7,000,000, are called into active circulation. "In circumstances of this nature, notes have only a single function to discharge, and as soon as they have discharged that function they return to the Banks which issued them" (John Fullarton, "Regulation of Currencies," 2nd ed., London, 1845, p. 86, *note*). To make the above quotation better understood, it may be mentioned that in Fullarton's time the Scotch Banks did not give cheques for deposits, but Bank notes.

ll To the question "if there were occasion to raise £40,000,000 per annum, whether the same £6,000,000 (gold) would suffice for such revolutions and circulations thereof as trade requires," Petty says, in his accustomed masterly fashion, "I answer yes; for the expense being £40,000,000, if the revolutions were in such short circles, viz., weekly, as happens amongst poor artisans and labourers, who receive and pay every Saturday, then $40/52$ parts of one million of money would answer these ends; but if the circles be quarterly, according to our custom of paying rent and gathering taxes, then ten millions were requisite. Wherefore, supposing payments in general to be of a mixed circle between one week and thirteen, then add £10,000,000 to $40/52$, the half of the which will be $5\frac{1}{2}$, so as if we have $5\frac{1}{2}$ millions we have enough" ("Political Anatomy of Ireland," 1672, Win. Petty, London, 1691, pp. 13, 14).

the accumulation of the sums required for the dates when the terms expire. While the gathering of treasure as an independent form of enrichment vanishes with the progress of civil society, it increases, on the other hand, in the form of reserve funds to meet payments.

C) Universal Money (mm).

When money leaves the internal sphere of circulation it舍is, as it were, the local coverings which it had assumed as standard of price, coin, change, and tokens of value, and assumes again its old form of bars or ingots of the precious metals. It is in commerce between nations that the value of commodities is universally realised. It is there also that their aspect of value (their value-shape) brings them *vis-à-vis* under the aspect of universal money—world-money, as James Steuart calls it—money of the great commercial republic, as Adam Smith said later still. It is in the world's market, and there alone, that money operates, in the full sense of the word, as the commodity whose natural form is at the same time the social incarnation of general human labour. Its mode of existence there becomes equal to its own ideas of itself.

In the inner or national circulation-sphere only one commodity at a time can serve as a standard of value. But in the world's market there rule two standards of value—gold and silver(nn).

Universal money discharges three functions, as the means of payment, the means of purchase, and the social material of general wealth. When it operates to equalise international balances it discharges the first function. Hence the watch-

mm Marx's word is "Weltgeld," but, I think, "universal money" conveys his meaning better than would the bald, though more correct, rendering, "World-money."—J.B.

nn This shows the absurdity of all legislation which prescribes that national banks shall only hold in reserve that precious metal which functions as money in their own country. The difficulties which the Bank of England, for example, has thus voluntarily created are well-known. On the great historical epochs of the relative changes of value of gold and silver see Karl Marx, *l.c.*, p. 136, *et seq.* Sir Robert Peel, in his Banking Act of 1844, sought to remedy these inconveniences by permitting the Bank of England to issue notes upon silver bullion, with the stipulation, however, that the reserve of silver should not at any one time exceed one fourth of the reserve of gold. In these circumstances the price of silver is estimated according to its value in gold on the London market.

word of the commercial world—"the balance of commerce" (oo). Gold and silver essentially function as means of purchase every time the ordinary equilibrium in the exchange of things between different nations becomes deranged. Finally they function as the absolute form of wealth when they serve neither as means of purchase nor of payment, but for the transfer of wealth from one country to another, and when that transfer, in the shape of commodities, is hindered either by the eventualities of the market or by the object itself which is meant to be attained (pp).

Every nation needs a reserve fund for its foreign commerce as well as for its internal circulation. The function of these reserves thus attaches itself in part to the function of money as a means of circulation and of payment internally, and in part to the function of universal money (qq). In the latter, material

oo The opponents of the mercantile system, who state the object of international commerce to be nothing more than the balancing, by gold and silver, of the excess of the commercial balance—completely misunderstand, in their turn, the functions of universal money. The false interpretation of the international movement of the precious metals is only the reflex of the false interpretation of the laws which govern the mass of international means of circulation; as I have shown by the example of Ricardo ("Zur Kritik," p. 150). His erroneous dogma—"An unfavourable balance of trade never arises but from a redundant currency. . . . The exportation of the coin is caused by its cheapness, and is not the effect but the cause of an unfavourable balance,"—is found already in Barbon:—"The balance of trade, if there be one, is not the cause of sending away the money out of a nation; but that proceeds from the difference of the value of bullion in every country," (N. Barbon, *l.c.*, pp. 59, 60). MacCulloch, in "The Literature of Political Economy: A Classified Catalogue" (London, 1845), praises Barbon for this anticipation, but carefully avoids a single word upon the *naïve* forms in which the latter deals with the absurd "currency principle." The absence of the critical faculty, and also the disloyalty, of this "Catalogue," shine out conspicuously in the section on the History of the Theory of Money, because here the sycophantic MacCulloch pays his court to Lord Overstone (ex-banker Loyd), whom he dubs *facile princeps argentariorum*."

pp For example, the money form of value may be rigidly adhered to in the case of subsidies, and of loans contracted to carry on wars or to enable a bank to meet payment of its paper-money, etc.

qq "I would desire, indeed, no more convincing evidence of the competency of the machinery of the hoards in specie-paying countries to perform every necessary office of international adjustment, without any sensible aid from the general circulation, than the facility with which France, when but just recovering from the shock of a destructive foreign invasion, completed within the space of twenty-seven months the payment of her forced contribution of nearly twenty millions to the Allied Powers, and a considerable proportion of that sum in specie, without perceptible contraction or derangement of her domestic currency, or even any alarming fluctuations of her exchange" (Fullarton, *l.c.*, p. 191).

money (gold and silver) will always be needed ; this is why James Steuart, in order to distinguish gold and silver from their purely local substitutes, expressly designates them " the money of the world."

The stream of gold and silver has a double movement. On the one hand it spreads itself from its source over the entire world's market, where the different national limitations are turned aside in various proportions, in order to penetrate their channels of internal circulation, replace their used-up moneys, furnish the material for articles of luxury, and, finally, become petrified in the form of treasure(*rr*). This first direction is given to the stream by those countries where commodities are directly exchanged for gold and silver at their sources of production. At the same time the precious metals run from one side to the other, without end or truce, among the circulating spheres of different countries, and their movements follow the ceaseless oscillations of the course of exchange(*ss*).

Countries in which production has reached a high degree of development limit the hoards concentrated in their Banks to the minimum required by their specific functions(*tt*). With certain exceptions the rising of these reservoirs above their average level is the sign either of a stagnation in commodity-circulation, or of an interruption in the course of their metamorphoses(*uu*).

rr " Money divides itself amongst nations according to their needs, being always attracted by productions" (Le Trosne, *l.c.*, p. 916). " The mines which are continually giving gold and silver do give sufficient to supply such a needful balance to every nation" (J. Vanderlint, *l.c.* p. 40).

ss " Exchanges rise and fall every week, and at some particular times in the year run high against a nation, and at other times run as high on the contrary" (N. Barbon, *l.c.*, p. 39).

tt " These different functions may come into dangerous conflict when the function of a fund for conversion into Bank notes come into operation.

uu " What money is more than of necessity for a Home trade, is dead stock, and brings no profit to that country it is kept in, but as it is transported in Trade, as well as imported" (John Bellers, *l.c.*, p. 12). " What if we have too much coin ? We may melt down the heaviest and turn it into the splendour of plate, vessels or utensils of gold and silver ; or send it out as a commodity, where the same is wanted or desired ; or let it out at interest, where interest is high" (Wm. Petty, "Quantulumcunque," p. 39). " Money is but the fat of the Body Politick, whereof too much does often hinder its agility, as too little makes it sick . . . as fat lubricates the motion of the muscles, feeds in want of victuals, fills up uneven cavities, and beautifies the body ; so doth money in the State quicken its actions, feeds from abroad in time of dearth at home ; evens accounts . . . and beautifies the whole ; although more especially," (Petty adds ironically) " *the particular persons that have it in plenty.*"

END OF SECTION I.

SECTION II.

THE TRANSFORMATION OF MONEY INTO CAPITAL.

CHAPTER IV.

The General Formula of Capital.

Commodity-circulation is the point of departure of capital, which only appears when commodity-production and commerce have already attained a certain degree of development. The modern history of capital dates from the opening of the markets of the world to commerce in the 16th century.

If we separate from commodity-circulation its material aspects and the exchange of use-values, in order to consider apart the economic forms which it engenders, we shall find that its final product is money. The last result of commodity-production is the first phenomenal-form of capital.

When we regard capital historically, as to its origin, we find it everywhere opposing itself to landed property in the form of money, either as pecuniary wealth, commercial capital, or usurious capital(*a*). But there is no need to look into the past in order to see the phenomenal-forms of money ; we have only to observe what is going on to-day under our own eyes. Each new capital comes in the first instance on the scene—that is to say to the market—the produce market, the labour market, the money market—in the shape of money, which under given conditions has to transform itself into capital.

Money as money, and money as capital, are at first distinguished only by their different modes of circulation.

The direct form of the circulation of commodities is

a The contrast between the power of landed property, based upon the personal relations of dominion and dependence, and the impersonal power of money, is well expressed in the two French proverbs :—“No land without lord,” and “Money has no master.”

C—M—C (commodity—money—commodity), the transformation of commodities into money, and the re-transformation of money into commodities—selling in order to buy. But by the side of this form, we find another, entirely distinct—the form

M. — C. — M.

Money, Commodity, Money,

the transformation of money into commodities, and the re-transformation of commodities into money—buying in order to sell. Money which goes through this latter form converts itself into capital, becomes capital, and is already capital by destination.

Let us consider more closely this form M—C—M. Like simple commodity-circulation, it passes through two opposite phases. In the first phase, M—C, *purchase*, the money is transformed into a commodity. In the second phase, C—M, *sale*, the commodity is transformed into money. The sum of these two phases expresses itself by the movement which exchanges money for commodities, and then exchanges the same commodities for money; buying in order to sell; or, if we leave out of consideration the formal difference between purchase and sale, *buying commodities with money, and buying money with commodities* (b). The result is the exchange of money for money: M—M. If I buy 2000lbs. of cotton for £100, and then sell the 2,000lbs. of cotton for £110, I have definitely exchanged £100 for £110, money for money.

It is palpable that the movement M—C—M is a senseless proceeding if by its means we only want to exchange two equal sums of money—£100 for £100. The method of the treasure-hoarder, who carefully guards his £100 from the risks of circulation, is infinitely simpler and safer. But on the other hand if the merchant sells for £110 what he has bought for £100, or even for £50 and bears the loss, in each case his money has effected a special and original movement, quite different, e.g., from that made by the money of the farmer who sells his wheat and buys a coat. It is therefore necessary that we should clearly trace out the difference between these two forms of circulation: M—C—M, and C—M—C. We shall at the same time see what a real difference underlies the merely formal one.

We will first consider what the two forms have in common. They both break up into the same two opposite phases,

C—M, or sale,
M—C, or purchase.

b "With money commodities are bought, and with commodities money is bought" (Mercier de la Rivière: "L'Ordre naturel et essentiel des sociétés politiques," p. 543).

In each of these two phases, the same material elements are brought face to face, commodities and money, like two people under the same economic mask, buyer and seller. Each movement is united to the same contrasted phases of purchase and sale, and each time it is accomplished by the intervention of three contracting parties, of whom one only sells, a second only buys, whilst the third buys and sells in turn.

The differences between these movements, $C-M-C$, $M-C-M$, are in the first place the inverse order of their contrasted phases. Simple circulation begins with a sale and ends with a purchase; the circulation of money as capital begins with a purchase and ends with a sale. In the former case it is the commodity which forms the point of departure and the point of return; in the latter it is the money. In the former, the money is the go-between; in the latter, the commodity.

In the circulation $C-M-C$, the money is finally converted into a commodity which has a Use-value; it is thus definitely spent. In the inverse form, $M-C-M$, the buyer gives his money that he may become a seller. In buying the commodity he puts money into circulation, but takes it out again by the sale of the same commodity. If he parts with his money, it is with the crafty intention of getting it back again. His money is thus simply—*advanced*(c).

In the form $C-M-C$, the same piece of money changes place twice. The seller receives it from the buyer, and passes it on to another seller. The movement begins by the receipt of money for a commodity, and ends by the handing over of money for a commodity. The contrary is the case in the form $M-C-M$. Here it is not the same piece of money, but the same commodity, which twice changes place. The buyer receives it from the hand of the seller and transmits it to another buyer. Just as in the simple circulation the double change of place by the same piece of money results in its definite passage from one hand to another, so here the double change of place by the same commodity results in the return of the money to the point whence it departed.

The return of the money to the point of its departure does not depend on the fact of the commodity having been sold dearer than it was bought. This circumstance only affects the quantity of money which returns. The phenomenon of the

c "When a thing is bought, in order to be sold again, the sum employed is called money advanced; when it is bought not to be sold, it may be said to be expended" (James Steuart, "Works," etc., edited by General Sir James Steuart, his son; London, 1801, vol. I., p. 274).

return itself is accomplished as soon as the commodity bought is sold again, that is, as soon as the circle $M-C-M$ is completely described. This is the one palpable difference between the circulation of money as capital and its circulation as simple money.

The circle $C-M-C$ is completed as soon as the sale of one commodity brings in the money expended in the purchase of another commodity. If, nevertheless, a reflux of money to the starting-point takes place, it is only by reason of the renewal or repetition of the entire course. If I sell a quarter of wheat for £3 and buy clothes with the money, the £3 are, so far as I am concerned, definitely spent. They no longer affect me; the clothes-dealer has them in his pocket. If I now sell another quarter of wheat, the money I receive does not arise from the first transaction, but from a repetition of it; it goes further from me when I have finished the second transaction and again spent the money. In the circulatory movement $C-M-C$, the expenditure of the money has thus nothing in common with its return. The exact opposite is the case with the movement $M-C-M$. Here, if the money does not return, the operation is a failure; the movement is interrupted or unaccomplished, because its second phase, that is to say, the sale which is complementary to the purchase, is wanting.

The circle $C-M-C$ has for its initial point a commodity, and for its final point another commodity, which does not circulate but falls into the sphere of consumption. Consumption, the supplying of a necessity—Use-value, in short, is its final purpose. The circle $M-C-M$, on the contrary, has for its initial point money, to which it returns as its final point; its motive, its final purpose, is therefore exchange-value.

In the simple circulatory movement the two extreme terms have the same economic form—they are both commodities. They are, further, commodities of equal value. But, at the same time, they have Use-values of different qualities, as, for example, wheat and a coat. The exchange of products, the exchange of different materials in which are represented human labour, make up the members of this movement. The circulatory movement $M-C-M$, on the contrary, seems, at first sight, nonsense, because it is tautological. Both extremes have the same economic form. They are both money, and thus of no qualitatively different Use-value, seeing that money is only the transformed aspect of commodities in which the particular use-values are extinguished. To give £100 for cotton, and then to sell the same cotton for £100,

in other words, to adopt a roundabout way of exchanging one sum of money for a like sum, *idem* for *idem*, is a transaction as idiotic as it is useless(*d*). A sum of money, in so far as it is a representative of value, can only be distinguished from any other sum by its quantity. The movement $M-C-M$ does not derive its *raison d'être* from any qualitative difference in its extremes (for they are both money), but only from their quantitative difference. Finally, it takes from the circulation more money than it puts into it. The cotton which cost £100 brings in £100 plus £10, or £110. The complete form of this movement is therefore $M-C-M$ plus β , in which the last term is equal to M plus an increment. That increment or rise in the original value I call *surplus value*. Not only does the amount advanced maintain itself in circulation, but while there it enlarges itself; gains a surplus value, wins an advantage. *This is the movement which transforms it into capital.*

It may be that the extremes, C , C , of the circulatory movement $C-M-C$ (wheat—money—cloth, for example) may not be of equal value. The farmer may sell his wheat above its value, or buy his cloth below its value; or he may, in his turn, be cheated by the cloth-dealer. But the inequality of Exchange-values is nothing but an incident of this form of circulation.

d "People do not exchange money for money!" cries Mercier de la Rivière to the Mercantilists (*l.c.*, p. 486). Here is what we find in a work treating *ex professo* of "commerce" and "speculation":—"All commerce consists in the exchange of things of different sorts; and the profit (to the merchant?) arises precisely from that difference. There would be no profit in exchanging a pound of bread for a pound of bread . . . this it is which explains the advantageous contrast between commerce and *play*, the latter being *nothing but the exchange of money for money*" (Th. Corbet, "An enquiry into the causes and modes of the Wealth of Individuals: or the Principles of Trade and Speculation explained," London, 1841). Although Corbet does not see that $M-M$, the exchange of money for money, is the characteristic form of circulation not only of *commercial* capital, but of *all* capital, he admits that that form of a particular sort of commerce, *i.e.*, of speculation, is a species of gambling: but after him comes MacCulloch, who finds that buying in order to sell is speculating, and thus sweeps away all distinction between speculation and commerce:—"Every transaction in which an individual buys produce in order to sell it again, is, in fact, a speculation" (MacCulloch, "A Practical Dictionary, &c., of Commerce," London, 1847, p. 1056). Still more *naïve* is Pinto, the Pindar of the Amsterdam Bourse:—"Commerce is gambling (a proposition borrowed from Locke); and it is not from beggars that winnings can be made. If, on the whole, winnings had for a long time been made from everybody, it would be necessary to refund by mutual consent the greater part of the profits, in order to begin the game over again" (Pinto, "Traité de la Circulation et du Crédit," Amsterdam, 1771, p. 231).

Its normal character is the equality of these two extremes; otherwise all sense would disappear from the movement M—C—M.

The renewing or repetition of the sale of commodities in order to buy other commodities, is limited by a purpose external to itself—consumption, the satisfaction of fixed needs. In buying to sell, on the contrary, the beginning and the end are one and the same thing—money, Exchange-value, and in consequence the movement is without end. It is true that M has become M plus β , that we have £100 plus £10 instead of £100; but in respect to *quality* the £110 is the same thing as the £100, that is, money, while in respect to quantity the first sum is limited as well as the second. If the £100 are expended as money they at once change their rôle, and cease to be capital. If they are taken out of the circulation they become petrified in the form of treasure, and would not increase a farthing if they slept till the judgment day. But as augmentation of the Value-form is the final object of the movement, the £110 feels the same need of growing as the £100.

The value advanced is, it is true, distinct for a little while from the surplus-value added to it in the course of circulation, but that distinction soon vanishes. What finally goes out of circulation is not on the one hand the original value £100, and on the other the surplus-value £10; it is the £110, which is found in the same form and under the same conditions as the original £100, and is ready to re-commence the process of augmentation(*e*). The last term of each movement, M—C—M, buying to sell, is the first term of a new movement of the same sort. Simple circulation—selling to buy—only serves for the attainment of an object external to it, that is, the appropriation of Use-values, of things adapted to satisfy distinct needs. The circulation of money as capital, on the contrary, comprises its purposes within itself, for it is only by the same movement continually renewed that value continues to make value. The movements of capital are thus without limit(*f*).

e "Capital divides itself into two parts, the original capital and the profit, the increase of the capital. But in practice the profit is joined afresh to the capital and put into circulation together with it" (F. Engels, "Umrisse zu einer Kritik," &c., Paris, 1844, p. 99).

f Aristotle opposes the economic to the chrematistic. The first is his point of departure. So far as it is the art of acquisition it confines itself to procuring things necessary and useful, whether to the home or to the State. "True riches ($\delta\acute{a}\lambda\eta\thetai\pi\delta\pi\lambda\omega\acute{u}t\sigma$) consist in use-values of this sort, for the quantity of things necessary to make life happy is not without

It is as the conscious actuator of this movement that the possessor of money becomes a capitalist. His person, or rather his pocket, is the point of departure and point of return of money. The objective result of every circulation—the increasing of value—is his subjective purpose; and it is only so far as the ever-increasing appropriation of abstract riches is the sole controlling motive of his operations that he functions as a capitalist, or becomes capital personified and endowed with will and consciousness. The Use-value must never be considered as the object of the capitalist—he desires nothing but gain(*g*), and not only gain, but gain incessantly renewed. This absolute craving for riches, this passionate chase after value(*h*), is common to the capitalist and the treasure-hoarder;

limit. But there is another art of acquiring, which we may justly call *chrematistic*, in consequence of which there would appear to be no limit to riches or to possession. Commerce in commodities (*ἡ καπηλική*, literally, "retail commerce," and Aristotle adopts this phrase because in that sphere use-values predominate) does not appertain to the nature of the chrematistic, because exchange has in view only that which is necessary for buyers and sellers." Further on he shows that barter was the primitive form of commerce, but that its extension gave birth to money. Apart from the discovery of money exchange must necessarily develop, and become *καπηλική*, or "commerce in commodities," and this, in contradiction to its original tendency, is transformed into the chrematistic, or the art of money-making. The chrematistic is distinguished from the economic in the sense that "for it, circulation is the source of wealth (*ποιητική χρηματων . . . διὰ χρημάτων διαβολῆς*), and it appears to revolve about money, for money is the beginning and end of this kind of exchange (*τὸ γὰρ νόμισμα στοιχεῖον καὶ πέρας τῆς ἀλλαγῆς ἐστίν*). This is why wealth, such as the chrematistic has in view, is illimitable. Like every art the object of which is in itself, it may be said that its tendency is infinite, because its object is ever more and more, unlike an art with an external object which is soon attained; and thus the chrematistic is infinite in its nature, for that which it seeks is absolute wealth. The economic is limited, the chrematistic is unlimited; the former aims at something which is not money, the latter purposes its own augmentation. It is because the two forms have been confounded that some have wrongly thought that the acquisition and endless augmentation of money is the final object of the economic" (Aristotle, *De Rep.*, I., c. 8 and 9 *passim*).

g "The merchant looks not at the money made, but at that which is yet to be made," (A. Genovesi, "Lezioni di Economia Civile," 1765, ed. Custodi, parte moderna, vol 8, p. 139).

h "This insatiable thirst for gain, the *auri sacra fames*, is the constant characteristic of the capitalist" (MacCulloch "The Principles of Political Economy," London, 1830, p. 163). This aphorism does not of course prevent MacCulloch and his compeers, in dealing with theoretical difficulties (e.g., over production), from transforming the said capitalist into a good citizen who is only interested in Use-values, and who even has the genuine hunger of a wolf for boots, hats, eggs, cotton, and a host of other common goods.