

Section 5: The So-Called Labour Fund

It has been shown in the course of this inquiry that capital is not a fixed magnitude, but is a part of social wealth, elastic and constantly fluctuating with the division of fresh surplus-value into revenue and additional capital. It has been seen further that, even with a given magnitude of functioning capital, the labour-power, the science, and the land (by which are to be understood, economically, all conditions of labour furnished by Nature independently of man), embodied in it, form elastic powers of capital, allowing it, within certain limits, a field of action independent of its own magnitude. In this inquiry we have neglected all effects of the process of circulation, effects which may produce very different degrees of efficiency in the same mass of capital. And as we presupposed the limits set by capitalist production, that is to say, presupposed the process of social production in a form developed by purely spontaneous growth, we neglected any more rational combination, directly and systematically practicable with the means of production, and the mass of labour-power at present disposable. Classical economy always loved to conceive social capital as a fixed magnitude of a fixed degree of efficiency. But this prejudice was first established as a dogma by the arch-Philistine, Jeremy Bentham, that insipid, pedantic, leather-tongued oracle of the ordinary bourgeois intelligence of the 19th century.⁴⁹ Bentham is among philosophers what Martin Tupper is among poets. Both could only have been manufactured in England.⁵⁰ In the light of his dogma the commonest phenomena of the process of production, as, *e.g.*, its sudden expansions and contractions, nay, even accumulation itself, become perfectly inconceivable.⁵¹ The dogma was used by Bentham himself, as well as by Malthus, James Mill, MacCulloch, etc., for an apologetic purpose, and especially in order to represent one part of capital, namely, variable capital, or that part convertible into labour-power, as a fixed magnitude. The material of variable capital, *i.e.*, the mass of the means of subsistence it represents for the labourer, or the so-called labour fund, was fabled as a separate part of social wealth, fixed by natural laws and unchangeable. To set in motion the part of social wealth which is to function as constant capital, or, to express it in a material form, as means of production, a definite mass of living labour is required. This mass is given technologically. But neither is the number of labourers required to render fluid this mass of labour-power given (it changes with the degree of exploitation of the individual labour-power), nor is the price of this labour-power given, but only its minimum limit, which is moreover very variable. The facts that lie at the bottom of this dogma are these: on the one hand, the labourer has no right to interfere in the division of social wealth into means of enjoyment for the non-labourer and means of production.⁵² On the other hand, only in favourable and exceptional cases, has he the power to enlarge the so-called labour fund at the expense of the “revenue” of the wealthy.

What silly tautology results from the attempt to represent the capitalistic limits of the labour fund as its natural and social limits may be seen, *e.g.*, in Professor Fawcett.⁵³

“The circulating capital of a country,” he says, “is its wage-fund. Hence, if we desire to calculate the average money wages received by each labourer, we have simply to divide the amount of this capital by the number of the labouring population.”⁵⁴

That is to say, we first add together the individual wages actually paid, and then we affirm that the sum thus obtained, forms the total value of the “labour fund” determined and vouchsafed to us by God and Nature. Lastly, we divide the sum thus obtained by the number of labourers to find out again how much may come to each on the average. An uncommonly knowing dodge this. It did not prevent Mr. Fawcett saying in the same breath:

“The aggregate wealth which is annually saved in England, is divided into two portions; one portion is employed as capital to maintain our industry, and the other portion is exported to foreign countries... Only a portion, and perhaps, not a large portion of the wealth which is annually saved in this country, is invested in our own industry.”⁵⁵

The greater part of the yearly accruing surplus-product, embezzled, because abstracted without return of an equivalent, from the English labourer, is thus used as capital, not in England, but in foreign countries. But with the additional capital thus exported, a part of the “labour fund” invented by God and Bentham is also exported.⁵⁶

¹ “Accumulation of capital; the employment of a portion of revenue as capital.” (Malthus: “Definitions, &c.,” ed. Cazenove, p. 11.) “Conversion of revenue into capital,” (Malthus: “Princ. of Pol. Econ” 2nd Ed., Lond., 1836, p. 320.)

² We here take no account of export trade, by means of which a nation can change articles of luxury either into means of production or means of subsistence, and *vice versa*. In order to examine the object of our investigation in its integrity, free from all disturbing subsidiary circumstances, we must treat the whole world as one nation, and assume that capitalist production is everywhere established and has possessed itself of every branch of industry.

³ Sismondi’s analysis of accumulation suffers from the great defect, that he contents himself, to too great an extent, with the phrase “conversion of revenue into capital,” without fathoming the material conditions of this operation.

⁴ “Le travail primitif auquel son capital a dû sa naissance.” [the original labour, to which his capital owed its origin] Sismondi, l. c., ed. Paris, t. I., p. 109.

⁵ “Labour creates capital before capital employs labour.” E. G. Wakefield, “England and America,” Lond., 1833, Vol. II, p. 110.

⁶ The property of the capitalist in the product of the labour of others “is a strict consequence of the law of appropriation, the fundamental principle of which was, on the contrary, the exclusive title of every labourer to the product of his own labour.” (Cherbuliez, “Richesse ou Pauvreté,” Paris, 1841, p. 58, where, however, the dialectical reversal is not properly developed.)

⁷ The following passage (to p. 551 “laws of capitalist appropriation.”) has been added to the English text in conformity with the 4th German edition.

⁸ We may well, therefore, feel astonished at the cleverness of Proudhon, who would abolish capitalistic property by enforcing the eternal laws of property that are based on commodity production!

⁹ “Capital, viz., accumulated wealth employed with a view to profit.” (Malthus, l. c.) “Capital ... consists of wealth saved from revenue, and used with a view to profit.” (R. Jones: “An Introductory Lecture on Polit. Econ.,” Lond., 1833, p. 16.)

¹⁰ “The possessors of surplus-produce or capital.” (“The Source and Remedy of the National Difficulties. A Letter to Lord John Russell.” Lond., 1821.)

¹¹ “Capital, with compound interest on every portion of capital saved, is so all engrossing that all the wealth in the world from which income is derived, has long ago become the interest on capital.” (London, *Economist*, 19th July, 1851.)

¹² “No political economist of the present day can by saving mean mere hoarding: and beyond this contracted and insufficient proceeding, no use of the term in reference to the national wealth can well be imagined, but that which must arise from a different application of what is saved, founded upon a real distinction between the different kinds of labour maintained by it.” (Malthus, l. c., pp. 38, 39.)

¹³ Thus for instance, Balzac, who so thoroughly studied every shade of avarice, represents the old usurer Gobseck as in his second childhood when he begins to heap up a hoard of commodities.

¹⁴ “Accumulation of stocks ... non-exchange ... over-production.” (Th. Corbet. l. c., p. 104.)

¹⁵ In this sense Necker speaks of the “objets de faste et de somptuosité,” [things of pomp and luxury] of which “le temps a grossi l’accumulation,” [accumulation has grown with time] and which “les lois de propriété ont rassemblés dans une seule classe de la société.” [the laws of property have brought into the hands of one class of society alone] (*Oeuvres de M. Necker*, Paris and Lausanne, 1789, t. ii., p. 291.)

¹⁶ Ricardo, l.c., p. 163, note.

¹⁷ In spite of his “Logic,” John St. Mill never detects even such faulty analysis as this when made by his predecessors, an analysis which, even from the bourgeois standpoint of the science, cries out for rectification. In every case he registers with the dogmatism of a disciple, the confusion of his master’s thoughts. So here: “The capital itself in the long run becomes entirely wages, and when replaced by the sale of produce becomes wages again.”

¹⁸ In his description of the process of reproduction, and of accumulation, Adam Smith, in many ways, not only made no advance, but even lost considerable ground, compared with his predecessors, especially by the Physiocrats. Connected with the illusion mentioned in the text, is the really wonderful dogma, left by him as an inheritance to Political Economy, the dogma, that the price of commodities is made up of wages, profit (interest) and rent, *i.e.*, of wages and surplus-value. Starting from this basis, Storch naively confesses, “Il est impossible de résoudre le prix nécessaire dans ses éléments les plus simples.” [... it is impossible to resolve the necessary price into its simplest elements] (Storch, l. c., Petersb. Edit., 1815, t. ii., p. 141, note.) A fine science of economy this, which declares it impossible to resolve the price of a commodity into its simplest elements! This point will be further investigated in the seventh part of Book iii.

¹⁹ The reader will notice, that the word revenue is used in a double sense: first, to designate surplus-value so far as it is the fruit periodically yielded by capital; secondly, to designate the part of that fruit which is periodically consumed by the capitalist, or added to the fund that supplies his private consumption. I have retained this double meaning because it harmonises with the language of the English and French economists.

²⁰ Taking the usurer, that old-fashioned but ever renewed specimen of the capitalist for his text, Luther shows very aptly that the love of power is an element in the desire to get rich. “The heathen were able, by the light of reason, to conclude that a usurer is a double-dyed thief and murderer. We Christians, however, hold them in such honour, that we fairly worship them for the sake of their money.... Whoever eats up, robs, and steals the nourishment of another, that man commits as great a murder (so far as in him lies) as he who starves a man or utterly undoes him. Such does a usurer, and sits the while safe on his stool, when he ought rather to be hanging on the gallows, and be eaten by as many ravens as he has stolen guilders, if only there were so much flesh on him, that so many ravens could stick their beaks in and share it. Meanwhile, we hang the small thieves.... Little thieves are put in the stocks, great thieves go flaunting in gold and silk.... Therefore is there, on this earth, no greater enemy of man (after the devil) than a gripe-money, and usurer, for he wants to be God over all men. Turks, soldiers, and tyrants are also bad men, yet must they let the people live, and Confess that they are bad, and enemies, and do, nay, must, now and then show pity to some. But a usurer and money-glutton, such a one would have the whole world perish of hunger and thirst, misery and want, so far as in him lies, so that he may have all to himself, and every one may receive from him as from a God, and be his serf for ever. To wear fine cloaks, golden chains, rings, to wipe his mouth, to be deemed and taken for a worthy, pious man Usury is a great huge monster, like a werewolf, who lays waste all, more than any Cacus, Gerion or Antus. And yet decks himself out, and would be thought pious, so that people

may not see where the oxen have gone, that he drags backwards into his den. But Hercules shall hear the cry of the oxen and of his prisoners, and shall seek Cacus even in cliffs and among rocks, and shall set the oxen loose again from the villain. For Cacus means the villain that is a pious usurer, and steals, robs, eats everything. And will not own that he has done it, and thinks no one will find him out, because the oxen, drawn backwards into his den, make it seem, from their foot-prints, that they have been let out. So the usurer would deceive the world, as though he were of use and gave the world oxen, which he, however, rends, and eats all alone... And since we break on the wheel, and behead highwaymen, murderers and housebreakers, how much more ought we to break on the wheel and kill.... hunt down, curse and behead all usurers.” (Martin Luther, l. c.)

²¹ See Goethe’s “Faust.”

²² Dr. Aikin: “Description of the Country from 30 to 40 miles round Manchester.” Lond., 1795, p. 182, sq.

²³ A. Smith, l. c., bk. iii., ch. iii.

²⁴ Even J. B. Say says: “Les épargnes des riches se font aux dépens des pauvres.” [the savings of the rich are made at the expense of the poor] “The Roman proletarian lived almost entirely at the expense of society.... It can almost be said that modern society lives at the expense of the proletarians, on what it keeps out of the remuneration of labour.” (Sismondi: “études, &c.,” t. i., p. 24.)

²⁵ Malthus, l. c., pp. 319, 320.

²⁶ “An Inquiry into those Principles Respecting the Nature of Demand, &c.,” p. 67.

²⁷ l. c., p. 59.

²⁸ (Senior, “Principes fondamentaux del’Écon. Pol.” trad. Arrivabene. Paris, 1836, p. 308.) This was rather too much for the adherents of the old classical school. “Mr. Senior has substituted for it” (the expression, labour and profit) “the expression labour and Abstinence. He who converts his revenue abstains from the enjoyment which its expenditure would afford him. It is not the capital, but the use of the capital productively, which is the cause of profits.” (John Cazenove, l. c., p. 130, Note.) John St. Mill, on the contrary, accepts on the one hand Ricardo’s theory of profit, and annexes on the other hand Senior’s “remuneration of abstinence.” He is as much at home in absurd contradictions, as he feels at sea in the Hegelian contradiction, the source of all dialectic. It has never occurred to the vulgar economist to make the simple reflexion, that every human action may be viewed, as “abstinence” from its opposite. Eating is abstinence from fasting, walking, abstinence from standing still, working, abstinence from idling, idling, abstinence from working, &c. These gentlemen would do well, to ponder, once in a while, over Spinoza’s: “Determinatio est Negatio.”

²⁹ Senior, l. c., p. 342.

³⁰ “No one ... will sow his wheat, for instance, and allow it to remain a twelve month in the ground, or leave his wine in a cellar for years, instead of consuming these things or their equivalent at once ... unless he expects to acquire additional value, &c.” (Scrope, “Polit. Econ.,” edit. by A. Potter, New York, 1841, pp. 133-134.)

³¹ “La privation que s’impose le capitaliste, en prêtant [The deprivation the capitalist imposes on himself by lending ...] (this euphemism used, for the purpose of identifying, according to the approved method of vulgar economy, the labourer who is exploited, with the industrial capitalist who exploits, and to whom other capitalists lend money) ses instruments de production au travailleur, au lieu d’en consacrer la valeur à son propre usage, en la transformant en objets d’utilité ou d’agrément.” [his instruments of production to the worker, instead of devoting their value to his own consumption, by transforming them into objects of utility or pleasure] (G. de Molinari, l. c., p. 36.)

³² “La conservation d’un capital exige ... un effort constant pour résister a la tentation de le consommer.” (Courcelle-Seneuil, l. c., p. 57.)

³³ “The particular classes of income which yield the most abundantly to the progress of national capital, change at different stages of their progress, and are, therefore, entirely different in nations occupying different positions in that progress.... Profits ... unimportant source of accumulation, compared with wages and rents, in the earlier stages of society.... When a considerable advance in the powers of national industry has actually taken place, profits rise into comparative importance as a source of accumulation.” (Richard Jones, “Textbook, &c.,” pp. 16, 21.)

³⁴ l. c., p. 36, sq.

³⁵ “Ricardo says: ‘In different stages of society the accumulation of capital or of the means of employing’ (i.e., exploiting) ‘labour is more or less rapid, and must in all cases depend on the productive powers of labour. The productive powers of labour are generally greatest where there is an abundance of fertile land.’ If, in the first sentence, the productive powers of labour mean the smallness of that aliquot part of any produce that goes to those whose manual labour produced it, the sentence is nearly identical, because the remaining aliquot part is the fund whence capital can, if the *owner pleases*, be accumulated. But then this does not generally happen, where there is most fertile land.” (“Observations on Certain Verbal Disputes, &c.” pp. 74, 75.)

³⁶ J. Stuart Mill: “Essays on Some Unsettled Questions of Political Economy,” Lond., 1844, p. 90.

³⁷ “An Essay on Trade and Commerce,” Lond., 1770, P. 44. *The Times* of December, 1866, and January, 1867, in like manner published certain outpourings of the heart of the English mine-owner, in which the happy lot of the Belgian miners was pictured, who asked and received no more than was strictly necessary for them to live for their “masters.” The Belgian labourers have to suffer much, but to figure in *The Times* as model labourers! In the beginning of February, 1867, came the answer: strike of the Belgian miners at Marchienne, put down by powder and lead.

³⁸ l. c., pp. 44, 46.

³⁹ The Northamptonshire manufacturer commits a pious fraud, pardonable in one whose heart is so full. He nominally compares the life of the English and French manufacturing labourer, but in the words just quoted he is painting, as he himself confesses in his confused way, the French agricultural labourers.

⁴⁰ l. c., pp. 70, 71. *Note in the 3rd German edition*: today, thanks to the competition on the world-market, established since then, we have advanced much further. “If China,” says Mr. Stapleton, M.P., to his constituents, “should become a great manufacturing country, I do not see how the manufacturing population of Europe could sustain the contest without descending to the level of their competitors.” (*Times*, Sept. 3, 1873, p. 8.) The wished-for goal of English capital is no longer Continental wages but Chinese.

⁴¹ Benjamin Thompson: “Essays, Political, Economical, and Philosophical, &c.,” 3 vols., Lond, 1796-1802, vol. i., p. 294. In his “The State of the Poor, or an History of the Labouring Classes in England, &c.,” Sir F. M. Eden strongly recommends the Rumfordian beggar-soup to workhouse overseers, and reproachfully warns the English labourers that “many poor people, particularly in Scotland, live, and that very comfortably, for months together, upon oat-meal and barley-meal, mixed with only water and salt.” (l. c., vol. i, book i., ch. 2, p. 503.) The same sort of hints in the 19th century. “The most wholesome mixtures of flour having been refused (by the English agricultural labourer)... in Scotland, where education is better, this prejudice is, probably, unknown.” (Charles H. Parry, M. D., “The Question of the Necessity of the Existing Corn Laws Considered.” London, 1816, p. 69.) This same Parry, however, complains that the English labourer is now (1815) in a much worse condition than in Eden’s time (1797.)

⁴² From the reports of the last Parliamentary Commission on adulteration of means of subsistence, it will be seen that the adulteration even of medicines is the rule, not the exception in England. E.g., the

examination of 34 specimens of opium, purchased of as many different chemists in London, showed that 31 were adulterated with poppy heads, wheat-flour, gum, clay, sand, &c. Several did not contain an atom of morphia.

⁴³ G. B. Newnham (barrister-at-law): “A Review of the Evidence before the Committee of the two Houses of Parliament on the Corn Laws.” Lond., 1815, p. 20, *note*.

⁴⁴ *l. c.*, pp. 19, 20.

⁴⁵ C. H. Parry, *l. c.*, pp. 77, 69. The landlords, on their side, not only “indemnified” themselves for the Anti-Jacobin War, which they waged in the name of England, but enriched themselves enormously. Their rents doubled, trebled, quadrupled, “and in one instance, increased sixfold in eighteen years.” (*l. c.*, pp. 100, 101.)

⁴⁶ Friedrich Engels, “Lage der arbeitenden Klasse in England,” p. 20.

⁴⁷ Classic economy has, on account of a deficient analysis of the labour process, and of the process of creating value, never properly grasped this weighty element of reproduction, as may be seen in Ricardo; he says, *e.g.*, whatever the change in productive power, “a million men always produce in manufactures the same value.” This is accurate, if the extension and degree of intensity of their labour are given. But it does not prevent (this Ricardo overlooks in certain conclusions he draws) a million men with different powers of productivity in their labour, turning into products very different masses of the means of production, and therefore preserving in their products very different masses of value; in consequence of which the values of the products yielded may vary considerably. Ricardo has, it may be noted in passing, tried in vain to make clear to J. B. Say, by that very example, the difference between use value (which he here calls wealth or material riches) and exchange-value. Say answers: “Quant à la difficulté qu’élève Mr. Ricardo en disant que, par des procédés mieux entendus un million de personnes peuvent produire deux fois, trois fois autant de richesses, sans produire plus de valeurs, cette difficulté n’est pas une lorsque l’on considère, ainsi qu’on le doit, la production comme un échange dans lequel on donne les services productifs de son travail, de sa terre, et de ses capitaux, pour obtenir des produits. C’est par le moyen de ces services productifs, que nous acquérons tous les produits qui sont au monde. Or... nous sommes d’autant plus riches, nos services productifs ont d’autant plus de valeur qu’ils obtiennent dans l’échange appelé production une plus grande quantité de choses utiles.” [As for the difficulty raised by Ricardo when he says that, by using better methods of production, a million people can produce two or three times as much wealth, without producing any more value, this difficulty disappears when one bears in mind, as one should, that production is like an exchange in which a man contributes the productive services of his labour, his land, and his capital, in order to obtain products. It is by means of these productive services that we acquire all the products existing in the world. Therefore ... we are richer, our productive services have the more value, the greater the quantity of useful things they bring in through the exchange which is called production] (J. B. Say, “Lettres à M. Malthus,” Paris, 1820, pp. 168, 169.) The “difficulté” — it exists for him, not for Ricardo — that Say means to clear up is this: Why does not the exchange-value of the use values increase, when their quantity increases in consequence of increased productive power of labour? Answer: the difficulty is met by calling use value, exchange-value, if you please. Exchange-value is a thing that is connected one way or another with exchange. If therefore production is called an exchange of labour and means of production against the product, it is clear as day that you obtain more exchange-value in proportion as the production yields more use value. In other words, the more use values, *e.g.*, stockings, a working day yields to the stocking-manufacturer, the richer is he in stockings. Suddenly, however, Say recollects that “with a greater quantity” of stockings their “price” (which of course has nothing to do with their exchange-value!) falls “parce que la concurrence les (les producteurs) oblige à donner les produits pour ce qu’ils leur coûtent... [because competition obliges them (the producers) to sell their products for what they cost to make] But whence does the profit

come, if the capitalist sells the commodities at cost-price? Never mind! Say declares that, in consequence of increased productivity, every one now receives in return for a given equivalent two pairs of stockings instead of one as before. The result he arrives at, is precisely that proposition of Ricardo that he aimed at disproving. After this mighty effort of thought, he triumphantly apostrophises Malthus in the words: “Telle est, monsieur, la doctrine bien liée, sans laquelle il est impossible, je le déclare, d’expliquer les plus grandes difficultés de l’économie politique, et notamment, comment il se peut qu’une nation soit plus riche lorsque ses produits diminuent de valeur, quoique la richesse soit de la valeur.” [This, Sir, is the well-founded doctrine without which it is impossible, I say, to explain the greatest difficulties in political economy, and, in particular, to explain why it is that a nation can be richer when its products fall in value, even though wealth is value] (l. c., p. 170.) An English economist remarks upon the conjuring tricks of the same nature that appear in Say’s “Lettres”: “Those affected ways of talking make up in general that which M. Say is pleased to call his doctrine and which he earnestly urges Malthus to teach at Hertford, as it is already taught ‘dans plusieurs parties de l’Europe.’ He says, ‘Si vous trouvez une physionomie de paradoxe à toutes ces propositions, voyez les choses qu’elles expriment, et j’ose croire qu’elles vous paraîtront fort simples et fort raisonnables.’ [in numerous parts of Europe ... If all those propositions appear paradoxical to you, look at the things they express, and I venture to believe that they will then appear very simple and very rational] Doubtless, and in consequence of the same process, they will appear everything else, except original.” (“An Inquiry into those Principles Respecting the Nature of Demand, &c.,” pp. 116, 110.)

⁴⁸ MacCulloch took out a patent for “wages of past labour,” long before Senior did for “wages of abstinence.”

⁴⁹ Compare among others, Jeremy Bentham: “Théorie des Peines et des Récompenses,” traduct. d’Et. Dumont, 3ème édit. Paris, 1826, t. II, L. IV., ch. II.

⁵⁰ Bentham is a purely English phenomenon. Not even excepting our philosopher, Christian Wolff, in no time and in no country has the most homespun commonplace ever strutted about in so self-satisfied a way. The principle of utility was no discovery of Bentham. He simply reproduced in his dull way what Helvétius and other Frenchmen had said with esprit in the 18th century. To know what is useful for a dog, one must study dog-nature. This nature itself is not to be deduced from the principle of utility. Applying this to man, he that would criticise all human acts, movements, relations, etc., by the principle of utility, must first deal with human nature in general, and then with human nature as modified in each historical epoch. Bentham makes short work of it. With the driest naïveté he takes the modern shopkeeper, especially the English shopkeeper, as the normal man. Whatever is useful to this queer normal man, and to his world, is absolutely useful. This yard-measure, then, he applies to past, present, and future. The Christian religion, e.g., is “useful,” “because it forbids in the name of religion the same faults that the penal code condemns in the name of the law.” Artistic criticism is “harmful,” because it disturbs worthy people in their enjoyment of Martin Tupper, etc. With such rubbish has the brave fellow, with his motto, “nuila dies sine line!,” piled up mountains of books. Had I the courage of my friend, Heinrich Heine, I should call Mr. Jeremy a genius in the way of bourgeois stupidity.

⁵¹ “Political economists are too apt to consider a certain quantity of capital and a certain number of labourers as productive instruments of uniform power, or operating with a certain uniform intensity.... Those... who maintain ... that commodities are the sole agents of production ... prove that production could never be enlarged, for it requires as an indispensable condition to such an enlargement that food, raw materials, and tools should be previously augmented; which is in fact maintaining that no increase of production can take place without a previous increase, or, in other words, that an increase is impossible.” (S. Bailey: “Money and its Vicissitudes,” pp. 58 and 70.) Bailey criticises the dogma mainly from the point of view of the process of circulation.

⁵² John Stuart Mill, in his “Principles of Political Economy,” says: “The really exhausting and the really repulsive labours instead of being better paid than others, are almost invariably paid the worst of all... The more revolting the occupation, the more certain it is to receive the minimum of remuneration.... The hardships and the earnings, instead of being directly proportional, as in any just arrangements of society they would be, are generally in an inverse ratio to one another.” To avoid misunderstanding, let me say that although men like John Stuart Mill are to blame for the contradiction between their traditional economic dogmas and their modern tendencies, it would be very wrong to class them with the herd of vulgar economic apologists.

⁵³ H. Fawcett, Professor of Political Economy at Cambridge. “The Economic position of the British labourer.” London, 1865, p. 120.

⁵⁴ I must here remind the reader that the categories, “variable and constant capital,” were first used by me. Political Economy since the time of Adam Smith has confusedly mixed up the essential distinctions involved in these categories, with the mere formal differences, arising out of the process of circulation, of fixed and circulating capital. For further details on this point, see Book II., Part II.

⁵⁵ Fawcett, l. c., pp. 122, 123.

⁵⁶ It might be said that not only capital, but also labourers, in the shape of emigrants, are annually exported from England. In the text, however, there is no question of the peculium of the emigrants, who are in great part not labourers. The sons of farmers make up a great part of them. The additional capital annually transported abroad to be put out at interest is in much greater proportion to the annual accumulation than the yearly emigration is to the yearly increase of population.