Chapter 20: Historical Material on Merchant’s Capital

The special form in which money is accumulated by commercial and money-dealing capital will be considered only in the next Part.

From what has already been developed, it should be clear enough that nothing could be more absurd than to treat merchant’s capital, whether in the form of commercial capital or of money-dealing capital, as a special kind of industrial capital, in the way that mining, agriculture, stock-raising, manufacture, transport, etc. are branches resulting from the social division of labour and as such form particular spheres of investment for industrial capital. Even the simple observation that every industrial capital, when it is in the circulation phase of its reproduction process, performs exactly the same functions as commodity capital and money capital, which appear as the exclusive functions of merchant’s capital in its two forms, would make this crude conception quite impossible. In commercial and money-dealing capital, rather, the distinctions between industrial capital as productive capital and the same capital in the sphere of circulation attain autonomy in the following way: the specific forms and functions that capital temporarily assumes in the latter case come to appear as independent forms and functions of a part of the capital that has separated off and become completely confined to this sphere. The transformed form of industrial capital, and the material distinctions between productive capitals applied in different ways as a result of the nature of the different branches of industry, are poles apart.

Besides the off-hand way in which economists always treat distinctions of form, since they are in actual fact interested only in the substantive side, there are in the case of the vulgar economist two further reasons for this confusion. Firstly, his inability to explain commercial profit and its characteristic features; secondly, his apologetic endeavour to derive the forms of commodity capital and money capital, and consequently commodity-dealing and money-dealing capital, forms which arise from the specific form of the capitalist mode of production (which presupposes as its initial basis the circulation of commodities, and hence of money), as forms which necessarily arise from the production process as such.

If commercial and money-dealing capital were distinct from cereal cultivation only in the same way as this is distinct from stock-raising and manufacture, it would be as clear as day that production in general and capitalist production in particular were completely the same, and in particular that the distribution of the social product among the members of society, whether for productive or for individual consumption, has to be effected just as eternally by merchants and bankers as the consumption of meat must be by stock-raising and that of articles of clothing by their manufacture. 45

The great economists such as Smith, Ricardo, etc. focused their attention on the basic form of capital, capital as industrial capital, and in fact treated circulation capital (money and commodity capital) only in so far as it is itself a phase in that capital’s reproduction process. They were therefore perplexed by commercial capital as a special variety of its own. The principles about value formation, profit, etc. derived straight from the examination of industrial capital cannot be applied directly to commercial capital. They therefore entirely ignored the latter. They only refer to it as a

45. Our wise Roscher has cleverly worked out that if certain features characterize trade as a ‘mediation’ between producers and consumers, ‘one’ must equally well be able to characterize production itself as a ‘mediation’ of consumption (between whom?). From this it naturally follows that commercial capital is a part of productive capital, just like agricultural and industrial capital. Thus because one can say that man can only mediate his consumption by production (and he has to do this even without a Leipzig education), or that labour is necessary for the appropriation of nature (which you can if you like call ‘mediation’), it follows as a matter of course that a social ‘mediation’ that arises from a specific social form of production – precisely because it is a mediation – has the same absolute and necessary character, the same status. The term mediation settles everything. Besides, merchants are not mediators between producers and consumers (we ignore here for the time being those consumers who do not produce), but rather mediate the exchange of products between these producers; they are simply intermediaries in an exchange that would still go on in thousands of cases even without them.
kind of industrial capital. Where they deal with it specifically, as Ricardo does in connection with foreign trade, they seek to demonstrate that it creates no value (and consequently also no surplus-value). But what holds for foreign trade holds also for commerce within a country.

Up to now we have considered merchant's capital from the standpoint of the capitalist mode of production and within its limits. And yet not only trade, but also trading capital, is older than the capitalist mode of production, and is in fact the oldest historical mode in which capital has an independent existence.

Since we have already seen that money-dealing and the capital advanced in it needs nothing more for its development than the existence of large-scale trade in general, and subsequently of commercial, commodity-dealing capital, it is only this latter which we have to deal with now.

Because commercial capital is confined to the circulation sphere, and its sole function is to mediate the exchange of commodities, no further conditions are needed for its existence — leaving aside undeveloped forms that arise from barter — than are necessary for the simple circulation of commodities and money. Or, one might say that precisely the latter is its condition of existence. Whatever mode of production is the basis on which the products circulating are produced — whether the primitive community, slave production, small peasant and petty-bourgeois production, or capitalist production — this in no way alters their character as commodities, and as commodities they have to go through the exchange process and the changes of form that accompany it. The extremes between which commercial capital mediates are given, as far as it is concerned, just as they are given for money and its movement. The only thing necessary is that these extremes should be present as commodities, whether production is over its whole range commodity production or whether it is merely the surplus from producers who work to satisfy their own direct needs that is put on the market. Commercial capital simply mediates the movement of these extremes, the commodities, as preconditions already given to it.

The extent to which production goes into trade and passes through the hands of merchants depends on the mode of production, reaching a maximum with the full development of capitalist production, where the product is produced simply as a commodity and not at all as a direct means of subsistence. On the other hand, whatever mode of production is the basis, trade promotes the generation of a surplus product designed to go into exchange, so as to increase the consumption or the hoards of the producers (which we take here to mean the owners of the products). It thus gives production a character oriented more and more towards exchange-value.

The metamorphosis of commodities, their movement, consists (1) materially, in the exchange of different commodities for one another, (2) formally, in the transformation of commodities into money, selling, and the transformation of money into commodities, buying. And the function of commercial capital is reducible to these functions, the exchange of commodities through buying and selling. Commercial capital thus simply mediates the exchange of commodities, though it should be understood right from the start that this is not just an exchange between the immediate producers. In the case of the slave relationship, the serf relationship, and the relationship of tribute (where the primitive community is under consideration), it is the slaveowner, the feudal lord or the state receiving tribute that is the owner of the product and therefore its seller. The merchant buys and sells for many people. Sales and purchases are concentrated in his hands, and in this way buying and selling cease to be linked with the direct need of the buyer (as merchant).

But whatever the social organization of the spheres of production whose commodity exchange the merchant mediates, his wealth always exists as money wealth and his money always functions as capital. Its form is always $M-C-M'$; money, the independent form of exchange-value, is the starting-point, and the increase of exchange-value the independent purpose. Commodity exchange itself, and the operations that mediate it — separated from production and performed by non-producers — becomes simply a means of increasing wealth, and not just wealth, but wealth in its general social form as exchange-value. The driving motive and determining purpose here is the transformation of $M$ into $M + \Delta M$; the acts $M-C$ and $C-M'$ that mediate the act $M-M'$ appear simply as transitional moments in this transformation of $M$ into $M + \Delta M$. This $M-C-M'$, as the characteristic movement of commercial capital, is distinguished from $C-M-C$, commodity trade between the producers themselves, with the exchange of use-values as its ultimate purpose.
The less developed production is, the more monetary wealth is concentrated in the hands of merchants and appears in the specific form of mercantile wealth.

Within the capitalist mode of production – i.e. once capital takes command of production itself and gives it a completely altered and specific form – commercial capital appears simply as capital in a particular function. In all earlier modes of production, however, commercial capital rather appears as the function of capital par excellence, and the more so, the more production is directly the production of the producer’s means of subsistence.

Thus there is no problem at all in understanding why commercial capital appears as the historic form of capital long before capital has subjected production itself to its sway. Its existence, and its development to a certain level, is itself a historical precondition for the development of the capitalist mode of production (1) as precondition for the concentration of monetary wealth, and (2) because the capitalist mode of production presupposes production for trade, wholesale outlet rather than supply to the individual client, so that a merchant does not buy simply to satisfy his own personal needs, but rather concentrates in his act of purchase the purchase acts of many. On the other hand, every development in commercial capital gives production a character oriented ever more to exchange-value, transforming products more and more into commodities. Even so, this development, taken by itself, is insufficient to explain the transition from one mode of production to the other, as we shall soon see in more detail.

In the context of capitalist production, commercial capital is demoted from its earlier separate existence, to become a particular moment of capital investment in general, and the equalization of profits reduces its profit rate to the general average. It now functions simply as the agent of productive capital. The particular social conditions that form with the development of commercial capital no longer play a determining part here; on the contrary, where commercial capital predominates, obsolete conditions obtain. This is true even within the same country, where for example purely trading cities exhibit a far greater analogy with past conditions than do manufacturing towns.46

46. W. Kiessellbach (Der Gang des Welthandels in Mittelalter, Stuttgart 1860) is still living in a mental world where commercial capital is the general form of capital. He has not the slightest suspicion of the modern meaning of capital, as little as Herr Mommsen when he speaks of ‘capital’ and the rule of capital in his Römische Geschichte. In modern English history, the actual merchant estate and the trading cities also appear to be politically reactionary and in league with the landed and financial aristocracies against industrial capital. Compare for example the political role of Liverpool as against Manchester and Birmingham. The complete domination of industrial capital has been acknowledged by English commercial capital and by the ‘moneyed interest’ (financial aristocracy) only since the abolition of the corn duties.
a transition phase of production, simply the realization of a product produced as a commodity and the replacement of its elements of production produced as commodities. The form of capital that stems directly from circulation — commercial capital — now appears simply as one of the forms of capital in its movement of reproduction.

The law that the independent development of commodity capital stands in inverse proportion to the level of development of capitalist production appears particularly clearly in the history of the carrying trade, as conducted by the Venetians, Genoans, Dutch, etc., where the major profit was made not by supplying a specific national product, but rather by mediating the exchange of products between commercially — and generally economically undeveloped communities and by exploiting both the producing countries. Here we have commercial capital in its pure form, quite separate from the extremes, the spheres of production, between which it mediates. This is one of the main sources from which it is formed. But this monopoly of the carrying trade, and the trade itself, declines with the progress of the economic development of the peoples originally exploited by it from both sides, and whose lack of development was the basis of its existence. In connection with the carrying trade, this appears not only as a decline in one particular branch of trade, but also as a decline in the supremacy of the exclusively trading peoples and in their commercial wealth in general, which rested on the basis of this carrying trade. This is simply a particular form which the subordination of commercial capital to industrial capital takes with the progressive development of capitalist production. As for the manner and form in which commercial capital operates where it dominates production directly, a striking example is given not only by colonial trade in general (the so-called colonial system), but quite particularly by the operations of the former Dutch East India Company.

Since the movement of commercial capital is \(C - M - C\), the merchant's profit is firstly made by acts simply within the process of circulation, i.e. the two acts of purchase and sale. Secondly, it is realized in the final act, the sale. It is thus 'profit upon alienation'. At first appearance, pure and independent commercial profit seems impossible so long as products are sold at their values. 'Buy cheap and sell dear' is the law of commerce, not the exchange of equivalents. The concept of value is involved here in so far as the various commodities are all values and therefore money; from the qualitative point of view, they are equally expressions of social labour. But they are not equal values. The quantitative relationship in which products exchange is at first completely accidental. They assume the commodity form in so far as they are in some way exchangeable, i.e. are expressions of some third thing. Continued exchange, and regular reproduction for exchange, gradually abolishes this accidental character. At the outset, however, this does not occur for the producers and consumers but rather for the mediator between the two, the merchant, who compares money prices and pockets the difference. It is through his movement that the equivalence is established.

Commercial capital, in the first instance, is simply the mediating movement between extremes it does not dominate and preconditions it does not create.

Just as money arises from the simple form of commodity circulation, \(C - M - C\), and not only as a measure of value and means of circulation, but also as an absolute form of the commodity and therefore of wealth, as a hoard, and makes its conservation and accumulation into an end in itself, so also, from the mere circulation form of commodity capital, \(M - C - M'\), do money and the hoard develop into something that is maintained and increased simply by alienation.

The trading peoples of old existed like the gods of Epicurus in the intermundia, or like the Jews in the pores of Polish society.† The

47. *See above, p. 337.
† According to the Greek philosopher Epicurus (c. 341–c. 270 B.C.), the gods existed only in the intermundia, or spaces between different worlds, and had no influence on the course of human affairs. Marx had studied Epicurus's conception for his doctoral dissertation (Collected Works, Vol. 1, London, 1975, p. 51), and in Volume I of Capital he makes the identical double analogy that he does here (Pelican edition, p. 172).
trade of the first independent and highly developed trading cities and peoples, as a pure carrying trade, rested on the barbarism of the producing peoples between whom they acted as intermediaries.

In the stages that preceded capitalist society, it was trade that prevailed over industry; in modern society it is the reverse. Trade naturally reacts back to a greater or lesser extent on the communities between which it is pursued; it subjects production more and more to exchange-value, by making consumption and existence more dependent on sale than on the direct use of the product. In this way it dissolves the old relationships. It increases monetary circulation. It no longer just takes hold of surplus production, but gradually gobbles up production itself and makes entire branches of production dependent on it. This solvent effect, however, depends very much on the nature of the community of producers.

When commercial capital exchanges the products of undeveloped communities, commercial profit not only appears as defrauding and cheating but to a large extent does derive precisely from this. Apart from the fact that it exploits the difference between production prices in various countries (and in this connection it acts to equalize and establish commodity values), these modes of production enable commercial capital to appropriate for itself a preponderant part of the surplus product: partly by acting as middleman between communities whose production is still basically oriented to use-value, so that the sale of that part of their product that in some way or other steps into circulation, and thus the sale of products at their value in general, is of subordinate importance for their economic organization; and partly because in those earlier modes of production the principal proprietors of the surplus product whom the merchant trades with, i.e. the slaveowner, the feudal lord and the state (e.g. the oriental despot), represent the consumption wealth which the merchant sets out to trap, as Adam Smith correctly perceived in the passage quoted with regard to the feudal period. * Commercial capital, when it holds a dominant position, is thus in all cases a system of plunder. 48

---

* See above, p. 446, note 47.

48. "Now there is a great complaint among the merchants about the nobles, or robbers, because they have to trade with great danger, and are liable to be imprisoned, beaten, taken hostage or robbed. If they were to suffer such things for the sake of justice, the merchants would be saints . . . But since the same great injustice and unchristian thieving and robbing are committed by merchants the whole world over, even against one another, is it any wonder that God has arranged things so that such great wealth unjustly made should again be lost or robbed, and the merchants themselves beaten about the head or imprisoned? . . . And the princes should see to it that such unjust dealing is punished with due penalty, and take care that their subjects should not be so shamefully abused by merchants. Because they fail to do so, God uses knights and robbers as his devils to punish the injustice of the merchants, just as he plagued Egypt and plagues the whole world with devils, or destroys it through enemies. He thus sets one rogue against the other, without in this way implying that knights are lesser robbers than are merchants, although merchants daily rob the whole world, while a knight may rob one or two people once or twice a year . . . Heed the words of Isaiah: your very rulers are confederate with thieves. For they hang the thieves who have stolen a guilder or half a guilder, but they mingle with those who rob the whole world and steal more surely than any others, so confirming the proverb that big thieves hang little thieves. Or as the Roman senator Cato said, "Mean thieves lie in dungeons and in the stocks, while public thieves go about in gold and silk." What will God's final word be? He will do as he said to Ezekiel: he will amalgamate princes and merchants, one thief with another, like lead and iron, as when a city burns down, leaving neither princes nor merchants" (Martin Luther, Bücher vom Kaufhandel und Wucher. Vom Jahr 1527).*

* Von Kaufhandlung und Wucher, Wittenberg, 1524.
substance into one oriented towards the production of surplus-value. In the modern world, on the other hand, its outcome is the capitalist mode of production. It follows that this result is itself conditioned by quite other circumstances than the development of commercial capital.

It lies in the nature of the case that as soon as specifically urban industry separates off from agriculture, its products are commodities from the start, so that their sale requires the mediation of trade. The dependence of trade on urban development is to this extent self-evident, as is the conditioning of the latter by trade. However, the degree to which industrial development goes hand in hand with these processes is dependent on entirely different circumstances. Ancient Rome, in the late republican era, saw the development of commercial capital to a higher level than ever before in the ancient world, without any kind of progress in the development of crafts; whereas in Corinth and other Greek cities of Europe and Asia Minor, a high level of craft development accompanied the development of trade. On the other hand, in diametrical opposition to urban development and its conditions, the commercial spirit and the development of commercial capital are often characteristic of non-settled, nomadic peoples.

There can be no doubt – and this very fact has led to false conceptions – that the great revolutions that took place in trade in the sixteenth and seventeenth centuries, along with the geographical discoveries of that epoch, and which rapidly advanced the development of commercial capital, were a major moment in promoting the transition from the feudal to the capitalist mode of production. The sudden expansion of the world market, the multiplication of commodities in circulation, the competition among the European nations for the seizure of Asiatic products and American treasures, the colonial system, all made a fundamental contribution towards shattering the feudal barriers to production. And yet the modern mode of production in its first period, that of manufacture, developed only where the conditions for it had been created in the Middle Ages. Compare Holland with Portugal, for example. And whereas in the sixteenth century, and partly still in the seventeenth, the sudden expansion of trade and the creation of a new world market had an overwhelming influence on the defeat of the old mode of production and the rise of the capitalist mode, this happened in reverse on the basis of the capitalist mode of production, once it had been created. The world market itself forms the basis for this mode of production. On the other hand, the immanent need that this has to produce on an ever greater scale drives it to the constant expansion of the world market, so that now it is not trade that revolutionizes industry, but rather industry that constantly revolutionizes trade. Moreover, commercial supremacy is now linked with the greater or lesser prevalence of the conditions for large-scale industry. Compare England and Holland, for example. The history of Holland’s decline as the dominant trading nation is the history of the subordination of commercial capital to industrial capital. The obstacles that the internal solidarity and articulation of pre-capitalist national modes of production oppose to the solvent effect of trade are strikingly apparent in the English commerce with India and China. There, the broad basis of the mode of production is formed by the union between small-scale agriculture and domestic industry, on top of which we have in the Indian case the form of village communities based on common property in the soil, which was also the original form in China. In India, moreover, the English applied their direct political and economic power, as masters and landlords, to destroying these small economic communities.  

In so far as English trade has had a revolutionary fashion to overestimate this to an extraordinary extent. The best antidote to this view is to consider and contrast English exports and imports today with those of the beginning of the eighteenth century. And yet these were already incomparably greater than those of any earlier trading people. (See [Adam Anderson, _History of Commerce_ (pp. 261 ff.)].

49. The predominant role of the basis laid by fishing, manufacture and agriculture for Holland’s development, quite apart from other circumstances, was already being discussed by writers of the eighteenth century. See Massie, for example. * As against the earlier conception that underestimated the scope and significance of Asiatic, ancient and medieval trade, it has now become the

50. More than that of any other nation, the history of English economic management in India is a history of futile and actually stupid (in practice, infamous) economic experiments. In Bengal they created a caricature of English large-scale landed property; in the south-east they created a caricature of peasant smallholdings. In the north-west they did all they could to transform the Indian economic community with common property in the soil into a caricature of itself.
effect on the mode of production in India, this is simply to the extent that it has destroyed spinning and weaving, which form an age-old and integral part of this unity of industrial and agricultural production, through the low price of English commodities. In this way it has torn the community to pieces. Even here, their work of dissolution is succeeding only very gradually. These effects are felt still less in China, where no assistance is provided by direct political force. The great economy and saving of time that results from the direct connection of agriculture and manufacture presents a very stubborn resistance here to the products of large-scale industry, whose prices include the *faux frais* [overhead expenses] of the circulation process with which they are everywhere perforated. In contrast to English trade, Russian trade leaves the economic basis of Asiatic production quite untouched.  

The transition from the feudal mode of production takes place in two different ways. The producer may become a merchant and capitalist, in contrast to the agricultural natural economy and the guild-bound handicraft of medieval urban industry. This is the really revolutionary way. Alternatively, however, the merchant may take direct control of production himself. But however frequently this occurs as a historical transition—e.g. the English clothier of the seventeenth century, who brought weavers who were formerly independent under his control, selling them their wool and buying up their cloth—it cannot bring about the overthrow of the old mode of production by itself, but rather preserves and retains it as its own precondition. Right up to the middle of this century, for example, the manufacturer in the French silk industry, and the English hosiery and lace industries too, was a manufacturer only in name. In reality he was simply a merchant, who kept the weavers working in their old fragmented manner and exercised only control as a merchant; it was a merchant they were really working for. This method always stands in the way of the genuine capitalist mode of production and disappears with its development. Without revolutionizing the mode of production, it simply worsens the conditions of the direct producers, transforms them into mere wage-labourers and proletarians under worse conditions than those directly subsumed by capital, appropriating their surplus labour on the basis of the old mode of production. Somewhat modified, the same relations are to be found in the manufacture of furniture in London, which is partly carried out on a handicraft basis. This is particularly the case in Tower Hamlets. The whole of furniture production is divided into very many separate branches. One firm just makes chairs, another tables, a third chests and so on. But these firms themselves are conducted more or less on a handicraft basis, by one master with a few journeymen. Despite this, production is on too large a scale to work directly for private clients. The buyers are the proprietors of furniture stores. On Saturday the master goes to these stores and sells his products, with as much haggling over the price as there is in the pawnshop over an advance on some item or other. These masters need their weekly sale simply to buy more raw material for the coming week and to pay wages. Under these conditions they are really only middlemen between the merchant and their own workers. The merchant is the real capitalist and pockets the greater part of the surplus-value.  

Things are similar in the transition to manufacture from branches that were formerly pursued as handicrafts or as sidelines to rural industry. The transition to large-scale industry depends on the technical development of the small owner-operated establishment, whether it already employs machines that admit of a handicraft-like operation. Instead of by hand, the machine is now driven by steam, as has been happening recently in the English hosiery trade, for example.  

The transition can thus take three forms. First, the merchant becomes an industrialist directly; this is the case with crafts that are founded on trade, such as those in the luxury industries, where the merchants import both raw materials and workers from  

---

51. Since Russia has been making the most frantic attempts to develop a capitalist production of its own, one that is exclusively directed towards its home market and the adjacent Asiatic ones, this is beginning to change. – F.E.  
52. The same applies to the ribbon and braid makers of the Rhineland, and also the silk-weavers there. At Krefeld a special railway was built for the commerce between these rural hand-weavers and the urban ‘manufacturer’, but subsequently all the hand-weavers were made redundant by mechanization. – F.E.  
53. Since 1865 this system has been put on a much wider basis. Details of it are given in the First Report of the Select Committee of the House of Lords on the Sweating System, London, 1888. – F.E.  
注：如果“两种形式”中所指的《转变》第452页的两个词组现在已成为三个，这是因为马克思已经添加了，作为第一个词组，那个例外的词组，其中该形式的生产被转变成一个真正资本主义形式的。
abroad, as they were imported into Italy from Constantinople in the fifteenth century. Second, the merchant makes the small masters into his middlemen, or even buys directly from the independent producer; he leaves him nominally independent and leaves his mode of production unchanged. Third, the industrialist becomes a merchant and produces directly on a large scale for the market.

In the Middle Ages, the merchant was simply someone who 'transferred' commodities, as Poppe correctly put it, * whether these were produced by guilds or by peasants. The merchant becomes an industrialist, or at least has craftsmen in his employment, and particularly small rural producers. Alternatively, the producer becomes a merchant. Whereas before the master-weaver gradually received his wool from the merchant in small portions and worked along with his journeymen for the merchant, now the weaver buys wool or yarn himself, and sells the merchant his cloth. The elements of production go into the production process as commodities that he has himself bought. And instead of producing for the individual merchant or for particular customers, the weaver now produces for the entire world of commerce. The producer is his own merchant. Commercial capital now simply performs the circulation process. At first, trade is the precondition for the transformation of guild and rural domestic crafts into capitalist businesses, not to mention feudal agriculture. It develops the product into a commodity, partly by creating a market for it, partly by supplying new commodity equivalents and new raw and ancillary materials for production, and thereby opening new branches of production that are based on trade from the very beginning - both on production for the market and world market, and on conditions of production that derive from the world market. As soon as manufacture becomes somewhat stronger, and still more so large-scale industry, it creates a market for itself and uses its commodities to conquer it. Trade now becomes the servant of industrial production, for which the constant expansion of the market is a condition of existence. An ever-increasing mass production swamps the existing market and thus works steadily towards its expansion, breaking through its barriers. What restricts this mass production is not trade (in as much as this only


expresses existing demand), but rather the scale of the capital functioning and the productivity of labour so far developed. The industrial capitalist is constantly faced with the world market; he compares and must compare his own cost prices not only with domestic market prices, but with those of the whole world. Previously, this comparison was almost exclusively the task of merchants and ensured commercial capital its mastery over industrial.

The first theoretical treatment of the modern mode of production - mercantilism - necessarily proceeded from the superficial phenomena of the circulation process, as these acquire autonomy in the movement of commercial capital. Hence it only grasped the semblance of things. This was partly because commercial capital is the first independent mode of existence of capital in general. And partly on account of the overwhelming influence that commercial capital exercised in the period when feudal production was first overthrown, the period of the rise of modern production. The genuine science of modern economics begins only when theoretical discussion moves from the circulation process to the production process. Interest-bearing capital, too, is an age-old form of capital. But we shall see later why mercantilism did not take this as its basis, but rather engaged in polemics with it.