

# Chapter 33: The Modern Theory of Colonization<sup>1</sup>

Political economy confuses, on principle, two different kinds of private property, one of which rests on the labour of the producer himself, and the other on the exploitation of the labour of others. It forgets that the latter is not only the direct antithesis of the former, but grows on the former's tomb and nowhere else.

In Western Europe, the homeland of political economy, the process of primitive accumulation has more or less been accomplished. Here the capitalist regime has either directly subordinated to itself the whole of the nation's production, or, where economic relations are less developed, it has at least indirect control of those social layers which, although they belong to the antiquated mode of production, still continue to exist side by side with it in a state of decay. To this ready-made world of capital, the political economist applies the notions of law and of property inherited from a pre-capitalist world, with all the more anxious zeal and all the greater unction, the more loudly the facts cry out in the face of his ideology.

It is otherwise in the colonies. There the capitalist regime constantly comes up against the obstacle presented by the producer, who, as owner of his own conditions of labour, employs that labour to enrich himself instead of the capitalist. The contradiction between these two diametrically opposed economic systems has its practical manifestation here in the struggle between them. Where the capitalist has behind him the power of the mother country, he tries to use force to clear out of the way the modes of production and appropriation which rest on the personal labour of the independent producer. The same interest which, in

1. We are dealing here with true colonies, i.e. virgin soil colonized by free immigrants. The United States is, economically speaking, still a colony of Europe. Apart from this, old plantations where the abolition of slavery has completely revolutionized earlier relationships also belong here.

the mother country, compels the sycophant of capital, the political economist, to declare that the capitalist mode of production is theoretically its own opposite, this same interest, in the colonies, drives him 'to make a clean breast of it', and to proclaim aloud the antagonism between the two modes of production. To this end he demonstrates that the development of the social productivity of labour, co-operation, division of labour, application of machinery on a large scale, and so on, are impossible without the expropriation of the workers and the corresponding transformation of their means of production into capital. In the interest of the so-called wealth of the nation, he seeks for artificial means to ensure the poverty of the people. Here his apologetic armour crumbles off, piece by piece, like rotten touchwood.

It is the great merit of E. G. Wakefield to have discovered, not something new *about* the colonies,<sup>2</sup> but, *in* the colonies, the truth about capitalist relations in the mother country. Just as the system of protection originally<sup>3</sup> had the objective of manufacturing capitalists artificially in the mother country, so Wakefield's theory of colonization, which England tried for a time to enforce by Act of Parliament, aims at manufacturing wage-labourers in the colonies. This is what he calls 'systematic colonization'.

First of all, Wakefield discovered that, in the colonies, property in money, means of subsistence, machines and other means of production does not as yet stamp a man as a capitalist if the essential complement to these things is missing: the wage-labourer, the other man, who is compelled to sell himself of his own free will. He discovered that capital is not a thing, but a social relation between persons which is mediated through things.<sup>4</sup> A Mr Peel, he complains, took with him from England to the Swan River district of Western Australia means of subsistence and of production to

2. Wakefield's few insights into the nature of modern colonization are fully anticipated by Mirabeau *père*, the Physiocrat,\* and even much earlier by English economists.

3. Later, it became a temporary necessity in the international competitive struggle. But whatever its motive, the consequences remain the same.

4. 'A negro is a negro. In certain relations he becomes a slave. A mule is a machine for spinning cotton. Only in certain relations does it become capital. Outside these circumstances, it is no more capital than gold is intrinsically money, or sugar is the price of sugar . . . Capital is a social relation of production. It is a historical relation of production' (Karl Marx, 'Lohnarbeit und Kapital', *Neue Rheinische Zeitung*, No. 266, 7 April 1849) [English translation, *Karl Marx and Frederick Engels, Selected Works*, Vol. I, pp. 159-60].

\*In *L'Ami des hommes* (1756).

the amount of £50,000. This Mr Peel even had the foresight to bring besides, 3,000 persons of the working class, men, women and children. Once he arrived at his destination, 'Mr Peel was left without a servant to make his bed or fetch him water from the river.'<sup>5</sup> Unhappy Mr Peel, who provided for everything except the export of English relations of production to Swan River!

For the understanding of the following discoveries of Wakefield, let us make two preliminary remarks: We know that the means of production and subsistence, while they remain the property of the immediate producer, are not capital. They only become capital under circumstances in which they serve at the same time as means of exploitation of, and domination over, the worker. But this, their capitalist soul, is so intimately wedded, in the mind of the political economist, to their material substance, that he christens them capital under all circumstances, even where they are its exact opposite. Thus it is with Wakefield. Further: he describes the splitting-up of the means of production into the individual property of many mutually independent and self-employed workers as equal division of capital. The political economist is like the feudal jurist, who used to attach the labels supplied by feudal law even to relationships which were purely monetary.

'If,' says Wakefield, 'all the members of the society are supposed to possess equal portions of capital . . . no man would have a motive for accumulating more capital than he could use with his own hands. This is to some extent the case in new American settlements, where a passion for owning land prevents the existence of a class of labourers for hire.'<sup>6</sup> So long, therefore, as the worker can accumulate for himself – and this he can do so long as he remains in possession of his means of production – capitalist accumulation and the capitalist mode of production are impossible. The class of wage-labourers essential to these is lacking. How then, in old Europe, was the expropriation of the worker from his conditions of labour brought about? In other words, how did capital and wage-labour come into existence? By a social contract of a quite original kind. 'Mankind have adopted a . . . simple contrivance for promoting the accumulation of capital,' which, of course, had dangled in front of them since the time of Adam as the ultimate and only goal of their existence, 'they have divided

5. E. G. Wakefield, *England and America*, Vol. 2, p. 33.

6. *ibid.*, Vol. 1, p. 17.

themselves into owners of capital and owners of labour . . . This division was the result of concert and combination.’<sup>7</sup> In short: the mass of mankind expropriated itself in honour of the ‘accumulation of capital’. Now one would think that this instinct of self-denying fanaticism would especially run riot in the colonies, the only places where the men and the conditions exist to turn a social contract from a dream into a reality. So why should ‘systematic colonization’ be called in to replace its opposite, spontaneous and unregulated colonization? Here is one reason: ‘In the Northern States of the American Union, it may be doubted whether so many as a tenth of the people would fall under the description of hired labourers . . . In England . . . the labouring class compose the bulk of the people.’<sup>8</sup> Indeed, the drive to self-expropriation for the glory of capital exists so little in the case of working humanity, that slavery, according to Wakefield himself, is the sole natural basis of colonial wealth. His systematic colonization is a mere makeshift, resulting from the fact that he has free men, not slaves, to deal with. ‘The first Spanish settlers in Saint Domingo did not obtain labourers from Spain. But, without labourers’, (i.e. without slavery) ‘their capital must have perished, or, at least, must soon have been diminished to that small amount which each individual could employ with his own hands. This has actually occurred in the last colony founded by Englishmen – the Swan River Settlement – where a great mass of capital, of seeds, implements, and cattle, has perished for want of labourers to use it, and where no settler has preserved much more capital than he can employ with his own hands.’<sup>9</sup>

We have seen that the expropriation of the mass of the people from the soil forms the basis of the capitalist mode of production. The essence of a free colony, on the contrary, consists in this, that the bulk of the soil is still public property, and every settler on it can therefore turn part of it into his private property and his individual means of production, without preventing later settlers from performing the same operation.<sup>10</sup> This is the secret both of the prosperity of the colonies and of their cancerous affliction – their resistance to the establishment of capital. ‘Where land is

7. E. G. Wakefield, *England and America*, Vol. 1, p. 18.

8. *ibid.*, pp. 42–4.

9. *ibid.*, Vol. 2, p. 5.

10. ‘Land, to be an element of colonization, must not only be waste, but it must be public property, liable to be converted into private property’ (*ibid.*, Vol. 2, p. 125).

very cheap and all men are free, where every one who so pleases can easily obtain a piece of land for himself, not only is labour very dear, as respects the labourer's share of the produce, but the difficulty is to obtain combined labour at any price.'<sup>11</sup>

In the colonies the separation of the worker from the conditions of labour and from the soil, in which they are rooted, does not yet exist, or only sporadically, or on too limited a scale. Hence the separation of agriculture from industry does not exist either, nor have any of the domestic industries of the countryside been destroyed. Whence then is to come the home market for capital? 'No part of the population of America is exclusively agricultural, excepting slaves and their employers who combine capital and labour in particular works. Free Americans, who cultivate the soil, follow many other occupations. Some portion of the furniture and tools which they use is commonly made by themselves. They frequently build their own houses, and carry to market, at whatever distance, the produce of their own industry. They are spinners and weavers, they make soap and candles, as well as, in many cases, shoes and clothes for their own use. In America the cultivation of land is often the secondary pursuit of a blacksmith, a miller or a shopkeeper.'<sup>12</sup> Where, among such curious characters, is the 'field of abstinence' for the capitalists?

The great beauty of capitalist production consists in this, that it not only constantly reproduces the wage-labourer as a wage-labourer, but also always produces a relative surplus population of wage-labourers in proportion to the accumulation of capital. Thus the law of supply and demand as applied to labour is kept on the right lines, the oscillation of wages is confined within limits satisfactory to capitalist exploitation, and lastly, the social dependence of the worker on the capitalist, which is indispensable, is secured. At home, in the mother country, the smug deceitfulness of the political economist can turn this relation of absolute dependence into a free contract between buyer and seller, between equally independent owners of commodities, the owner of the commodity capital on one side, the owner of the commodity labour on the other. But in the colonies this beautiful illusion is torn aside. There, the absolute numbers of the population increase much more quickly than in the mother country, because many workers enter the colonial world as ready-made adults,

11. *ibid.*, Vol. 1, p. 247.

12. *ibid.*, pp. 21-2.

and still the labour-market is always understocked. The law of the supply and demand of labour collapses completely. On the one hand, the old world constantly throws in capital, thirsting after exploitation and 'abstinence'; on the other, the regular reproduction of the wage-labourer as a wage-labourer comes up against the most mischievous obstacles, which are in part insuperable. And what becomes of the production of redundant wage-labourers, redundant, that is, in proportion to the accumulation of capital? Today's wage-labourer is tomorrow's independent peasant or artisan, working for himself. He vanishes from the labour-market – but not into the workhouse. This constant transformation of wage-labourers into independent producers, who work for themselves instead of for capital, and enrich themselves instead of the capitalist gentlemen, reacts in its turn very adversely on the conditions of the labour-market. Not only does the degree of exploitation of the wage-labourer remain indecently low. The wage-labourer also loses, along with the relation of dependence, the feeling of dependence on the abstemious capitalist. Hence all the inconveniences depicted so honestly, so eloquently and so movingly by our friend E. G. Wakefield.

The supply of wage-labour, he complains, is neither constant, nor regular, nor sufficient. 'The supply of labour is always, not only small, but uncertain.'<sup>13</sup> 'Though the produce divided between the capitalist and the labourer be large, the labourer takes so great a share that he soon becomes a capitalist . . . Few, even of those whose lives are unusually long, can accumulate great masses of wealth.'<sup>14</sup> The workers most emphatically refuse to let the capitalist abstain from paying for the greater part of their labour. It is of no assistance to him if he cunningly imports his own wage-labourers from Europe, with his own capital. They soon 'cease . . . to be labourers for hire; they . . . become independent landowners, if not competitors with their former masters in the labour-market.'<sup>15</sup> Horror of horrors! The excellent capitalist has imported bodily from Europe, with his own good money, his own competitors! The end of the world has come! No wonder Wakefield laments the absence both of relations of dependence and feelings of dependence on the part of the wage-labourers in the colonies. On account of the high wages, says his disciple Merivale, there is in the colonies an urgent desire for cheaper and more sub-

13. E. G. Wakefield, *England and America*, Vol. 2, p. 116.

14. *ibid.*, Vol. 1, p. 131.

15. *ibid.*, Vol. 2, p. 5.

servient workers, for a class of people to whom the capitalist may dictate his terms, instead of having his terms dictated by them . . . In the old civilized countries the worker, although free, is by a law of nature dependent on the capitalist; in colonies this dependence must be created by artificial means.<sup>16</sup>

What now is the consequence of this regrettable state of affairs in the colonies, according to Wakefield? A 'barbarizing tendency of dispersion' of producers and of the wealth of the nation.<sup>17</sup> The fragmentation of the means of production among innumerable owners, working on their own account, annihilates, along with the centralization of capital, all the foundations of combined labour. Every lengthy undertaking, extending over several years and demanding the outlay of fixed capital, is prevented from being carried out. In Europe, capital does not hesitate for a moment, for the working class forms its living appendage, always present in excess, always at its disposal. But not in the colonies! Wakefield recounts the following exceedingly painful anecdote. He was talking with some capitalists of Canada and the state of New York, where moreover the wave of immigration often sticks,

16. Merivale, *op. cit.*, Vol. 2, pp. 235–314 *passim*. Even that mild, free-trading, vulgar economist Molinari says this: 'In the colonies where slavery has been abolished without the compulsory labour being replaced with an equivalent quantity of free labour, there has occurred the opposite of what happens every day before our eyes. Simple workers have been seen to exploit in their turn the industrial *entrepreneurs*, demanding from them wages which bear absolutely no relation to the legitimate share in the product which they ought to receive. The planters were unable to obtain for their sugar a sufficient price to cover the increase in wages, and were obliged to furnish the extra amount, at first out of their profits, and then out of their very capital. A considerable number of planters have been ruined as a result, while others have closed down their businesses in order to avoid the ruin which threatened them. . . It is doubtless better that these accumulations of capital should be destroyed than that generations of men should perish' (how generous of M. Molinari) 'but would it not be better if both survived?' (Molinari, *op. cit.*, pp. 51–2). M. Molinari, M. Molinari! What then becomes of the ten commandments, of Moses and the Prophets, of the law of supply and demand, if in Europe the '*entrepreneur*' can cut down the worker's 'legitimate share' and in the West Indies the workers can cut down the *entrepreneur*'s? And what, if you please, is this 'legitimate share', which, according to your own admission, the capitalist in Europe daily neglects to pay? Over yonder, in the colonies, where the workers are so 'simple' as to 'exploit' the capitalist, M. Molinari feels a powerful itch to use police methods to set on the right road that law of supply and demand which works automatically everywhere else.

17. Wakefield, *op. cit.*, Vol. 2, p. 52.

depositing a sediment of 'redundant' workers. 'Our capital,' says one of the characters in the melodrama, 'was ready for many operations which require a considerable period of time for their completion; but we could not begin such operations with labour which, we knew, would soon leave us. If we had been sure of retaining the labour of such emigrants, we should have been glad to have engaged it at once, and for a high price: and we should have engaged it, even though we had been sure it would leave us, provided we had been sure of a fresh supply whenever we might need it.'<sup>18</sup>

After Wakefield has contrasted English capitalist agriculture and its 'combined' labour with the scattered cultivation of American peasants, he unwittingly shows us the obverse of the medal. He depicts the mass of the American people as well-to-do, independent, enterprising and comparatively cultured, whereas 'the English agricultural labourer is a miserable wretch, a pauper . . . In what country, except North America and some new colonies, do the wages of free labour employed in agriculture, much exceed a bare subsistence for the labourer? . . . Undoubtedly, farm-horses in England, being a valuable property, are better fed than English peasants.'<sup>19</sup> But never mind, the wealth of the nation is once again, by its very nature, identical with the misery of the people.

How then can the anti-capitalist cancer of the colonies be healed? If men were willing to turn the whole of the land from public into private property at one blow, this would certainly destroy the root of the evil, but it would also destroy – the colony. The trick is to kill two birds with one stone. Let the government set an artificial price on the virgin soil, a price independent of the law of supply and demand, a price that compels the immigrant to work a long time for wages before he can earn enough money to buy land<sup>20</sup> and turn himself into an independent farmer. The

18. Wakefield, *England and America*, Vol. 2, pp. 191–2.

19. *ibid.*, Vol. 1, pp. 47, 246.

20. 'It is, you add, a result of the appropriation of the soil and of capital that the man who has nothing but the strength of his arms finds employment and creates an income for himself . . . but the opposite is true, it is thanks to the individual appropriation of the soil that there exist men who only possess the strength of their arms . . . When you put a man in a vacuum, you rob him of the air. You do the same, when you take away the soil from him . . . for you are putting him in a space void of wealth, so as to leave him no way of living except according to your wishes' (Colins, *op. cit.*, Vol. 3, pp. 268–71).

fund resulting from the sale of land at a price relatively prohibitory for the wage-labourers, this fund of money extorted from the wages of labour by a violation of the sacred law of supply and demand, is to be applied by the government, in proportion to its growth, to the importation of paupers from Europe into the colonies, so as to keep the wage-labour market full for the capitalists. Under these circumstances, 'everything will be for the best in the best of all possible worlds'. This is the great secret of 'systematic colonization'. Under this plan, Wakefield exclaims triumphantly, 'the supply of labour *must* be constant and regular, because, first, as no labourer would be able to procure land until he had worked for money, all immigrant labourers, working for a time for wages and in combination, would produce capital for the employment of more labourers; secondly, because every labourer who left off working for wages and became a landowner, would, by purchasing land, provide a fund for bringing fresh labour to the colony.'<sup>21</sup> The land-price laid down by the state must of course be 'sufficient', i.e. it must be high enough 'to prevent the labourers from becoming independent landowners until others had followed to take their place'.<sup>22</sup> This 'sufficient price for the land' is nothing but a euphemistic circumlocution for the ransom which the worker must pay to the capitalist in return for permission to retire from the wage-labour market to the land. First, he must create for the capitalist the 'capital' which enables him to exploit more workers; then, at his own expense, he must put a 'substitute' in the labour-market, who is dispatched across the sea by the government, again at the worker's expense, for his old master, the capitalist.

It is extremely characteristic that the English government for years practised this method of 'primitive accumulation' prescribed by Mr Wakefield expressly for use in the colonies. The resulting fiasco was of course as ignominious as the fate of Peel's Bank Act.\* The stream of emigration was simply diverted from the English colonies to the United States. Meanwhile, the advance of capitalist

21. Wakefield, *op. cit.*, Vol. 2, p. 192.

22. *ibid.*, p. 45.

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\*Sir Robert Peel's Bank Act of 1844. The 'fiasco' referred to here is the suspension of the Act in November 1857 owing to the onset of the commercial crisis of that year. See *A Contribution to the Critique of Political Economy*, p. 185.

production in Europe, accompanied by increasing government pressure, has rendered Wakefield's recipe superfluous. On the one hand, the enormous and continuous flood of humanity, driven year in, year out, onto the shores of America, leaves behind a stationary sediment in the East of the United States, since the wave of immigration from Europe throws men onto the labour-market there more rapidly than the wave of immigration to the West can wash them away. On the other hand, the American Civil War has brought in its train a colossal national debt and, with it, a heavy tax-burden, the creation of a finance aristocracy of the vilest type, and the granting of immense tracts of public land to speculative companies for the exploitation of railways, mines, etc. In short, it has brought a very rapid centralization of capital. The great republic has therefore ceased to be the promised land for emigrating workers. Capitalist production advances there with gigantic strides, even though the lowering of wages and dependence of the wage-labourer has by no means yet proceeded so far as to reach the normal European level. The shameless squandering of uncultivated colonial land on aristocrats and capitalists by the English government, so loudly denounced even by Wakefield, has, especially in Australia,<sup>23</sup> in conjunction with the stream of men attracted by the gold-diggings, and the competition from imported English commodities which affects everyone down to the smallest artisan, produced an ample 'relative surplus population of workers', so that almost every mail-boat brings ill tidings of a 'glut of the Australian labour-market', and prostitution flourishes there in some places as exuberantly as in the Haymarket in London.

However, we are not concerned here with the condition of the colonies. The only thing that interests us is the secret discovered in the New World by the political economy of the Old World, and loudly proclaimed by it: that the capitalist mode of production and accumulation, and therefore capitalist private property as well, have for their fundamental condition the annihilation of that private property which rests on the labour of the individual himself; in other words, the expropriation of the worker.

23. As soon as Australia became her own law-giver, she naturally passed laws favourable to the settlers, but the squandering of the land, already accomplished by the English government, stands in the way. 'The first and main object at which the new Land Act of 1862 aims is to give increased facilities for the settlement of the people' (*The Land Law of Victoria*, by the Hon. C. G. Duffy, Minister of Public Lands, London, 1862 [p. 3]).