

## SLAVE-MERCANTILE CAPITAL AND SLAVERY IN THE AMERICAS

Iraci del Nero da Costa<sup>1</sup>  
Julio Manuel Pires<sup>2</sup>

**ABSTRACT:** This article proposes the existence of a specific form of capital, which has not contemplated by specialized literature so far: the slave-mercantile capital. Moreover, it explains the logical and historical limitations of this form of capital, as well as its assumptions and the outcome of its action. The productive articulation between the colonial world and European economy as well as capital accumulation facilitated by slave-mercantile capital proved to be highly important in the process of primitive capital accumulation, while the conditions of capital existence were closely connected to the development of capitalism on a global basis.

**KEYWORDS:** Slave-mercantile capital, Slavery, New World, Colonial America.

### INTRODUCTION

Historical studies may be conducted on three different levels. The first is closely related to the factual sphere, very similar to the empirical sphere. For example, the studies developed so far in the field of historical demography may fall under such first level of studies. Based on a set of documentary sources, historical investigators seek to derive as much information as possible from those sources or to define their scope of work grounded on some specific issues (family, aggregated members, slave property, forms of accumulation, etc.). On a second level, the objectives pursued are the search for standards and regularities or the search for common causes of occasional “exceptionalities”; examples of such second level include studies relating to the slave property structure, for example, according to the type of business activity of slave owners, the American Civil War and *Quilombo dos Palmares*. Finally, a third level would include studies targeting the establishment of a comprehensive theoretical view of a certain society and focusing on the formation of a certain population. Our study lies on the third level and is mainly related to pursuing an adequate theoretical solution for the understanding of the formation of the colonial economy that was established in the slavery areas of the Americas.

---

<sup>1</sup> Professor at FEA-USP.

<sup>2</sup> Professor at FEA-RP/USP and PUC-SP.

Based on the proposal of slave-mercantile capital concept, we intend to present an original theoretical contribution for the understanding of the process of formation and consolidation of the capitalistic system periphery that was developed in Western Europe. The productive articulation between the colonial world and European economy as well as capital accumulation facilitated by slave-mercantile capital proved to be highly important in the process of primitive capital accumulation, while the conditions of capital existence were closely connected to the development of capitalism on a global basis. Although belonging to the field of Marxist thinking and focusing mainly on Brazilian slavery, our contribution may be extended to the three Americas. This way, in our view, with the establishment in the America of slavery economies, basically intended to the external market and depending this, it formed a new and specific type of capital: the slave-mercantile capital, which was overcome when the extinction of the slavery system occurred in each country and region in the New World, which made happen the assertion of the capitalist mode of production. In relation to this surpass and its connotations, we dedicate as specific research which will continue this present article.

In regard to the formation of capitalism in America, there are several diverging trends in the Marxist field. In the case of Brazil, the main view is attributed to Caio Prado Júnior, resumed in a distinctive manner by Jacob Gorender. The virtues and limitations of the theoretical approaches of those two authors are discussed in our study. Also in the Marxist field, Fragoso and Florentino (FRAGOSO, 1992; FRAGOSO & FLORENTINO, 2001) also seek to formulate an alternative perspective to discuss the issue; however, their solution, based on the “social-formation” concept – which is not duly expressed in their study – avoids the discussion on the use of the production-mode category, which would be essential, once one cannot refer to social formation without expressly considering the production-mode category. Equally unsatisfactory was the perspective suggested by Ciro Flamarion S. Cardoso (CARDOSO, 1975) about the existence of a dependent mode of production, because a mode of production may only be defined as such if it is independent.

Therefore, unfortunately none of the aforementioned proposals could be fully classified in theoretical/methodological terms as Marxist thinking. As already mentioned, this study presents our proposal to solve such issue, namely: preparing an explanatory theoretical context of modern slavery as it was developed in the Americas that may fit absolutely into the categories that serve as basis for the explanations provided by Karl Marx. For such, we availed

ourselves not only of the empiric evidence and the work of Marx, but also of the thinking that may be attributed to G. F. Hegel.

### **A SPECIFIC FORM OF CAPITAL**

It is general knowledge that Marx considered, explicitly and comprehensively, three forms of capital existence. The first capital existence corresponds to commercial capital and was thus characterized: "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." (MARX, 1991, vol. III, p. 442). The second relates to usury capital (or loan capital) and was also seen as an autonomous and independent form of capital: "Interest-bearing capital, or, as we may call it in its antiquated form, usurer's capital, belongs together with its twin brother, merchant's capital, to the antediluvian forms of capital, which long precede the capitalist mode of production and are to be found in the most diverse economic formations of society." (MARX, 1991, vol. III, p. 924) [...] "Usury, like commerce, exploits a given mode of production. It does not create it, but is related to it outwardly." (MARX, 1991, vol. III, p. 937). The third refers to industrial capital and is proper of the capitalistic production mode: "Money can be expended in this form only because labor-power finds itself separated from its means of production, including the means of subsistence required for its reproduction; because this separation can be overcome only by the sale of the labor-power to the owner of the means of production." (MARX, 1925, vol. II, p. 39).

In our view, Marx suggested a fourth form of capital existence in addition to those three aforementioned forms. Therefore, when discussing the effects derived from commercial development and commercial capital development, he said: "In the ancient world, the influence of trade and the development of commercial capital always produced the result of a slave economy; or, given a different point of departure, it also meant the transformation of a patriarchal slave system oriented towards the production of the direct means of subsistence into one oriented toward the production of surplus-value." (MARX, 1991, vol. III, p. 449). Thus, we would be facing the exploitation of surplus-value in the context of ancient slavery. Such surplus-value production would be equally present in areas of the New World when still immersed in slavery. "Hence the Negro labour in the southern states of the American Union preserved a moderately patriarchal character as long as production was chiefly directed to the

satisfaction of immediate local requirements. But in proportion as the export of cotton became of vital interest to those states, the over-working of the Negro, and sometimes the consumption of his life in seven years of labour, became a factor in a calculated and calculating system. It was no longer a question of obtaining from him a certain quantity of useful products, but rather of the production of surplus-value itself." (MARX, 1976, vol. I, p. 345). It is, therefore, the same form of capital existence now effective in the scope of modern slavery, also identified as colonial slavery<sup>3</sup>. Finally, we have surplus value, i.e., the value that is appreciated, therefore capital value; however, that is a specific form of capital existence, because it is grounded on slavery-based merchandise production<sup>4</sup>. In our study, as already mentioned, we will discuss this particular form of capital, which we called slave-mercantile capital, with a view to establishing some of its main characteristics.

## LOGIC AND HISTORICAL LIMITATIONS

Limitations of a logic and historical nature are imposed on slave-mercantile capital, which must be taken as different features of a single and joint whole, i.e., such limitations must be understood based on concrete conditions as logic-historical or historical-logic limitations.

---

<sup>3</sup> For information on the term "colonial slavery", see GORENDER (1992, p. 157 et seq.). It should also be pointed out that, although we do not consider colonial slavery as a production mode in the same manner as Gorender did, we do agree, to a large extent, with his sharp analyses.

<sup>4</sup> We believe that Barros de Castro came very close to the establishment of the *slave-mercantile capital* category. Without compromising him with our formulation, we allowed ourselves to take it as basis in the following quotation: "The labor process in a slavery sugar-mill (and associated facilities) of the sixteenth century is similar to that of a large contemporary capitalistic plantation. It is also more similar to the labor process of a large English factory of the early nineteenth century than the (labor process) characteristic of the sixteenth and seventeenth century in Europe. Consequently, it is legitimate to say that, by being inserted in the material production process, the slave constitutes an anticipation of the modern proletariat. On the other hand, the sugar-mill master is absorbed by a gear that determines his behavior, in view of 'needs' that have nothing to do with his own wills and personal needs.

"In short, those characteristics indicate that modern slavery has important features in common with capitalism and above all that those characteristics belong to their *interior conformation*. Therefore, it is not necessary to resort to 'external' connections – let alone to a mere 'market criterion' – to stress the significant similarities existing between modern slavery and capitalism – a similarity that may be enhanced when we remember that the productive organization stressed in this text emerges associated to the early days of capitalism, grows and multiplies itself coupled to it." (italics by CASTRO, 1980, p. 92-3). Gorender, on the other hand, although having observed the presence of capital in the field of colonial slavery, did not get to the same conclusions as we did; this was due, in our opinion, to the fact that Gorender privileged the *colonial slavery mode of production* category: "Given its mercantile nature, colonial slavery consists of categories such as merchandise, money and capital – categories adapted, however, to a structure that is essentially different from that inherent to the capitalistic mode of production. Colonial slavery has specific laws whose performance would have no reason to exist under the rule of capitalism." (GORENDER, 1983, p. 13).

In the ancient past, such form of capital was presented as an exception in the scope of inclusive patriarchal slavery. According to Marx: "It is however clear that in any economic formation of society where the use-value rather than the exchange-value of the product predominates, surplus labour will be restricted by a more or less confined set of needs, and that no boundless thirst for surplus labour will arise from the character of production itself. Hence in antiquity over-work becomes frightful only when the aim is to obtain exchange-value in its independent monetary shape, ie in the production of gold and silver. The recognized form of overwork here is forced labour until death. [...] Nevertheless, these are exceptions in antiquity." (MARX, 1976, vol. I, p. 345). In our view, such restriction of a logic-historical nature was perfectly explained by Gorender: "The dilemma of Roman slavery resulted from the impossibility of a *patriarchal* slavery mode of production to be converted into a *slave-mercantile* mode of production, in the conditions of the ancient world. [...] Rome could not implement an exporting economy in its own territory, neither in the territories of conquered provinces. The only exception, as pointed out by Marx, was Sicily, where large slavery farms grew wheat to supply the Metropolis. [...] To become the *dominant* slave-mercantile capital, it would be necessary for the slave production to be coupled to an external market provided with proportions that ancient cities were very far from providing. [...] Rome was prevented from making an economic colony of itself and from designing colonial slavery. Therefore the insoluble historic dilemma, translated into technologic stagnation and rising costs of production through slaves, more and more unable to constitute the base of the imperial State." (italics by GORENDER, 1992, p. 160-1).

Although we could hypothetically admit the existence of autonomous slavery centers to produce and to trade merchandise – that would be the only manner to overcome the limitation of a logic nature mentioned in this article –, we should give up such conjecture, because, as known, ancient slavery was overcome without knowing the hypothetical arrangement contemplated herein. In regard to the areas of the modern world where slavery was revived, a restriction of a historical-logic nature will be required, because now the existence of slave-mercantile capital is conditioned to the expansion of global markets occurring in the final phase of transition from feudalism to capitalism. The emergence and maturing of that mode of production are defined, therefore, as the background where the expansion and consolidation of slave-mercantile capital took place in the sixteenth century and in the following centuries. On

the other hand, the establishment of capitalism as the mode of production prevailing in Western Europe led to the subordination of that form of capital existence to capitalism. The evolution of the latter, i.e., the industrial capital development process (that laid down its roots, as is proper of its nature, in the whole planet) and the development of the bourgeois society also impose an absolute limit to slave-mercantile capital, which experienced its overcoming in development milestones and as a consequence of such development. Thus, according to Marx, to the extent that the industrial capital "assumes control over social production, the technique and social organization of the labor process are revolutionized and with them the economic and historical type of society. The other classes of capital, which appear before industrial capital amid past or declining conditions of social production, are not only subordinated to it and suffer changes in the mechanism of their functions corresponding to it, but move on it as a basis, live and die, stand and fall with this basis." (MARX, 1925, vol. II, p. 63). Although here the author was probably referring to commercial capital and usury capital, we understand that such considerations prove to be fully applicable to the case of slave-mercantile capital. In addition, it seems to us that such considerations shed light on the explicit references made by Marx with respect to modern slavery. "Negro *slavery* – a purely industrial *slavery* – which is, besides, incompatible with the development of bourgeois society and disappears with it, *presupposes* wage labour, and if other, free states with wage labour did not exist alongside it, if, instead, the Negro states were isolated, then all social conditions there would immediately turn into pre-civilized forms." (MARX, 1993, p. 224). In the same study, the author returns to the theme: "(The fact that slavery is possible at individual points within the bourgeois system of production does not contradict this. However, slavery is then possible there only because it does not exist at other points; and appears as an anomaly opposite the bourgeois system itself.)" (MARX, 1993, p. 464). The same tone is employed when considering slave owners: "The fact that we now not only call the plantation owners in America capitalists, but that they *are* capitalists, is based on their existence as anomalies within a world market based on free labour." (MARX, 1993, p. 513).

Therefore, in the modern world, the slave-labor based merchandise production became possible only because it was essentially oriented to exports, which, in turn, were intended mainly to the European markets, where the transition from feudalism to capitalism was coming to an end and capitalism was then affirmed as the dominant production mode. Three other

points should also be considered: a) localized slavery is not incompatible with the capitalistic production mode, but rather with the development of capitalism and, therefore, irremediably doomed to disappear; b) we are faced with a merchandise producing slavery (*purely industrial slavery*) and dependent on world markets to which it owes its existence<sup>5</sup>; c) slavery owners are capitalists, that is, we add, they personify slave-mercantile capital.

From the considerations mentioned in the opening of this topic, and from the conclusions listed above, we can immediately infer that the slave-mercantile capital form may not exist autonomously and independently, because its existence was subordinated in ancient times to the slavery mode of production and, in a more recent past, to the capitalistic mode of production. In addition, its subsistence also proves to be conditioned and subordinated to such modes of production. As is the case of commercial capital and usury capital, we are faced with a form of capital that does not imply the conditions for its existence and subsistence. Those two first forms of capital, exactly because they prove to be free, autonomous and independent in regard to a specific mode of production, are defined as dependent on modes of production that reveal themselves as final and, to that extent, each one of such forms is unable to create the conditions required for their existence and subsistence, therefore operating in a "parasitary" manner with respect to the aforementioned modes of production. Let us repeat here Marx statement: "Usury, like commerce, exploits a given mode of production. It does not create it, but is related to it outwardly." (MARX, 1991, vol. III, p. 937). As proven, slave-mercantile capital, for not bringing implicit the plasticity of commercial and usury capital, is immediately dependent on a specific production relation (the slavery mode), and equally dependent on specific modes of production (the slavery and the capitalistic modes). Therefore, although such form is not defined as parasitary, because it produces merchandise, such form does not bring in

---

<sup>5</sup> In regard to that point, we may also resort to Gorender's enlightening explanation: "Colonial slavery enables only a narrow and not very elastic internal market, inadequate to the purposes of mercantile production that tends to specialization. However, this problem was previously solved, because its solution was one of the assumptions of the colonial plantation creation. The production of such plantation would flow on the *external market* already existing and expanding, with a growing demand for tropical goods – the European market. (italics by GORENDER, 1992, p. 163). Later the author would add: "The objective conditions for mercantile slavery to take on the only form in which it might be broadly developed were created: the form of *colonial slavery*, that is, of a mode of production dependent on the metropolitan market. [...] Colonial slavery was not compatible with total *mercantilization*, because a sector of natural economy subsists in it; however, an intensified commerce does not have a disaggregating impact on its structure. Colonial slavery is born and developed with the market as its vital context. This explanation is implicit in the aforementioned text: a mode of production based on slavery is

itself its own assumptions, therefore not being able, *per se*, to place or replace them; it should be pointed out that the objective conditions of its existence and subsistence are external to it and given by the aforementioned modes of production. Thus, the slave-mercantile capital form is unable to provide grounds for a mode of production that is proper to it and that results from it. As already known, the same does not occur with industrial capital in relation to such capacity, which was explicitly and thoroughly handled by Marx.

Some of the main characteristics of the form of capital under study were outlined above. See below other forms of capital.

### **A POINT TO DISCUSS**

In our opinion, there are sufficient and fully acceptable reasons to explain the fact that Marx did not study ancient slavery and, particularly, modern slavery in more detail.

Interested essentially in discussing the logic of industrial capital and in establishing the theoretical and practical paths that are able to overcome the capitalistic mode of production, the author developed a method in view of which the study of ancient slavery was dispensable: "...our method indicates the points where historical investigation must enter in, or where bourgeois economy as a merely historical form of the production process points beyond itself to earlier historical modes of production. In order to develop the laws of bourgeois economy, therefore, it is not necessary to write the *real history of the relations of production*. But the correct observation and deduction of these laws, as having themselves become in history, always leads to primary equations – like the empirical numbers e.g. in natural science – which point towards a past lying behind this system. These indications [*Andeutung*], together with a correct grasp of the present, then also offer the key to the understanding of the past – a work in its own right which, it is to be hoped, we shall be able to undertake as well." (italics by MARX, 1993, p. 460-1). Unfortunately, as we know, the author could not conduct the promised work. On the other hand, a thorough consideration of modern slavery would be useless to the extent that it only refers to *as anomalies within a world market based on free labour*, *anomalia which is, besides, incompatible with the development of bourgeois society and disappears with it* (Cf. quotations above).

---

compatible with the mercantile purpose if it is coupled to an appropriate *external market*. The prior existence of the external market is, therefore, an unconditional assumption." (italics by GORENDER, 1992, p. 163-4).



Such arguments could be evoked to explain the fact that the author did not explicitly contemplate the slave-mercantile capital form; in addition, they would also justify the statement: "Industrial capital is the only form of existence of capital, in which not only the appropriation of surplus value or surplus product, but also its creation is a function of capital." (MARX, 1925, p. 63). In our view, industrial capital is not the *only* form of capital to play such role, because we understand that such role is also played by slave-mercantile capital, which, notwithstanding and for this reason, continues to be dependent and subordinate to the inclusive capitalistic mode of production.

Therefore, in the case of the Portuguese colony in American lands, the creation of surplus value resulted from the operation of slave-mercantile capital, that is, although isolated from external markets and, therefore, from the circulation sphere – and this will be discussed in our next topic –, the sphere of internal production was placed entirely in its orbit and was dominated by slave-mercantile capital. Such dominance that should not be understood in absolute terms was extended to the production of merchandise (exportable or not), of values of use and services, also encompassing the allocation of factors and resources and spreading through internal circulation. It also impacted income generation and distribution, production scale, the size of installed plants, the techniques used and labor qualification related elements. Finally, its presence conditioned the whole colonial economy as well as the relations established in the production process, being also extended to the social and political life of the colony. This leads us to conclude that the social and economic segments not immediately related to slavery were also affected and, to a large extent, determined, mainly in regard to the definition of limits of the economic space where they were allowed to operate through slave-mercantile capital.

It seems useless to remind that it is exactly in such a dominance that lies the mistake of those who think they will find the so-called "capitalistic slavery" here or those who stand for the existence of an alleged colonial mode of production.

## **THE PRESENCE OF COMMERCIAL CAPITAL**

Both in a more distant past and in the recent past, commercial capital played a crucial role in the genesis of objective conditions that make possible the constitution and subsistence of

slave-mercantile capital. In regard to the recent past, and with respect to Brazil, we will present some additional remarks.

As we know, it would be difficult to overestimate commercial capital (combined, in this case, with loan capital) as to the process of occupation, settlement and appreciation of lands that were assigned to the Portuguese in the New World; thus, the colony could be seen as a creation of a consortium established between the royal power and commercial capital. In addition to the structuring and equipping of bureaucratic and administrative agencies, the royal power had to guarantee access to the land – a basic means of production – to those who showed to have the required tools to explore the land in behalf of metropolitan interests. The generation of other material conditions that grounded said process remained – as we all know very well – in the hands of commercial capital. Therefore, the latter took responsibility for funding agricultural projects in Brazil, for supplying African labor as well as consumption and production goods coming from Europe, and monopolized the placement of the colonial production on world markets. It is to that extent that the colony may be seen as a mere appendix of the European economy to operate as an enclave in permanent expansion and that floats over nothing, because it is an end in itself. This is therefore the *locus* where the slave-mercantile capital is developed, which could only communicate with the world that was external to it through the intermediation of commercial capital. This issue is handled with total adequacy by Gorender: "Expanding mercantile capital would take the intermediary function between extremes, *autonomizing* the sphere of circulation in view of production sources, without determining the given nature of current production relations in each one of the extremes." (GORENDER, 1992, p. 163).

The arrangement thus established, in which commercial capital operated as an interface between the colony and the external markets, led to at least four consequences that marked indelibly our history and our historiography. Firstly, the "meaning of colonization" as characterized by Caio Prado Júnior derived from it: "Seen as a whole, the colonization of the tropics appears as one vast commercial enterprise, more complex than the old trading stations but retaining the flavor of these, the foremost objective being the exploitation of the natural resources of a virgin land for the benefit of European commerce. This is the true meaning of tropical colonization, of which Brazil is one of the results, and this explains the fundamental elements, both economic and social, of the historical formation and evolution of the American tropics. [...] If we look for the vital element in Brazil's formation, the element that lies at the

very roots of its subsequent growth, we will find it in the fact that the colony was established to provide sugar, tobacco, and certain other commodities; later gold and diamonds; then cotton; and later still coffee for the European market. This was the objective in the establishment of the Brazilian economy, an externally oriented objective, turned away from the country itself and taking account of nothing more than the commercial interests involved. Everything was organized around this central aim; the structure and activities of the country are reflections of it. The white European came to speculate and to trade; he invested the capital and recruited the labor he needed either among the natives or by importing Negroes. The Brazilian colony was made up of these elements, integrated in a purely productive industrial organization. The three centuries preceding the moment from which we approach Brazilian history were dominated by this beginning, which remained deeply and totally engraved on the country's features and way of life." (PRADO JÚNIOR, 1967, p. 20-1)<sup>6</sup>. Secondly, the preeminence of commercial capital in regard to the articulation between the distinctive markets enabled the emergence and subsistence of an economic center that had its production bases in the colony, its basic source of labor in Africa and that counted on the European markets to realize the exportable production. Thirdly, the isolation made possible by commercial capital and by mercantile practices enabled the European economy to take advantage of the dynamic effects deriving from the New World and ensured the soundness and robustness that informed modern slavery, which are highly important elements for the full operation and permanence of exploitation developed by the slave-mercantile capital. Finally, given such isolation, slave-mercantile capital included – in the sphere of its dominance – not only the existence of articulations that went far beyond the narrow limits of commercial capital, but also provided for the emergence of many of such articulations, which operated in such a manner to ensure the persistence of slave-mercantile capital, as well as enriched and diversified the economic and social environment where the populations of slavery-based Brazil lived.

---

<sup>6</sup> It should be pointed out that Caio Prado Júnior was mainly concerned with how the valuation of the new lands appears to the observer who sees it from the perspective of external trade not taking into consideration the existence of slave-mercantile capital, which, based on slave-labor exploitation, provided not only for the appropriation of a substantive portion of it but also the creation of surplus value itself.

## SLAVE-MERCANTILE CAPITAL: ASSUMPTIONS AND RESULTS OF ACTION

Aware that our statements may be taken as a dispensable exercise intended to “forecast the past,” we dare to establish the assumptions required for the existence and subsistence of slave-mercantile capital; we also propose to identify the immediate results of its action.

Therefore, said form of capital may only emerge because the following conditions were simultaneously present: a) prior existence of slavery and captive supply sources; such sources are presented according to a double nature: institutional sources – the power of the State – that serve as political and legal basis for the reduction and subjection of people to the condition of captive individuals, and the physical or biological sources, that ensure the constitution, replacement and an occasional increase in slave stocks; b) absence of alternatives, valid from an economic point of view, to the use of slave labor; c) existence of markets able to absorb the merchandise produced based on slave-labor exploitation; d) individuals that were qualified and that counted on the resources required for supplying captive labor through the capture and sale and/or the mere intermediation (purchase and resale); e) individuals who targeted value appreciation based on the exploitation of slave labor and which had available the resources required for mobilization of means of production and captive labor.

The combination of such assumptions, as already mentioned, gave rise to the emergence of slave-mercantile capital. Its action results immediately in the replacement of some of those assumptions, now derived from the existence of slave-mercantile capital: a) slave owners take possession of a substantial part of the surplus value generated in the production process, seeing therefore realized their desideratum of appreciating value; b) the slave, a direct worker, emerges in the same condition of subjection as he entered in the production process. Also immediately and deriving from *a* and *b*, occurs the emergence and crystallization, on the slave merchandise producing side, of the economic interests connected to slavery, a fact that lends rigidity to the exploitation system and operates in the sense of its maintenance and expansion. Here, it should be pointed out that in modern times there are no cases where the mere vegetative growth of the captive population belonging to those who personified the slave-mercantile capital was sufficient to meet the needs of slave labor<sup>7</sup>.

---

<sup>7</sup> “Even in the United States, after the conversion of the neutral territory between the wage labor states of the North and the slave labor states of the South into a slave breeding region for the South, where the slave thus raised for the

On the other hand, the slave-mercantile capital could only operate in an intermediary manner on its other assumptions, not being possible, therefore, to replace them, because such assumptions were external to that capital and were defined as given. Specifically, we refer to slave supply sources and to world markets. The permanence of slave-mercantile capital throughout the times depended on those elements, as already noted. In regard to the second aspect, we bow to Gorender's final argument, because, as "Rome was prevented from making itself an economic colony and engender colonial slavery," (Cf. quotation above) the modern colonial world could not make itself a metropolis. However, in regard to such captive labor supply sources we recall – to make it clear that this is not about the existence of material resources required for the purchase of slaves – the words of Marx: "The sale and purchase of slaves is formally also a sale and purchase of commodities. But money cannot perform this function without the existence of slavery. If slavery exists, then money can be invested in the purchase of slaves. On the other hand, the mere possession of money cannot make slavery possible." (MARX, 1925, vol. II, p. 39). This is clearly evident, because slave-mercantile capital as such proves to be unable to provide all the elements required for capital reproduction, and therefore cannot support a specific mode of production. This same argument may be evoked to disqualify the opinion according to which, starting from a certain point in our history, it was up to the Brazilian slave economy to reproduce itself autonomously. That assumption proves to be even more mistaken if we remember that the process of accumulation proper of slave-mercantile capital did not liberate it from assumptions that were external to it; on the contrary, it made slave-mercantile capital even more dependent on those assumptions, because the more slave-mercantile production grew, the greater were its demands in terms of slave supply and production flow. One may conclude therefore that the constitution of a reflex and dependent economy in Brazil did not result merely from the metropolitan exploitation or from the fact that the colony was oriented to the supply of products to the European market, but derived essentially from the heart of the form of capital whose dominance marked our history until 1888.

---

market had become an element of annual reproduction, this method did not suffice for a long time, so that the African slave trade was continued as long as possible for the purpose of supplying the market." (MARX, 1925, p. 559).

On the other hand, as already mentioned, we believe that the emergence and development of a relatively autonomous “internally-oriented” economic life, not only proved to be compatible with the *slave-mercantile capital* form, but to a large extent, such economic life resulted from slave-mercantile capital. As we know, several authors already discussed the issue we are now studying; notwithstanding, in view of the conclusions reported in this article, we feel the need to go back to the following statements of Gorender: "To raise methodological barriers we need a radical inversion of approaches: production relations in colonial economy have to be studied from the inside to the outside, unlike what has been done, that is, from the outside to the inside (both starting from the patriarchal family or from the legal system of the land, and from the market or the colonial system). The inversion of approaches is what will enable us to connect production relations with the existing production forces and prepare the colonial slave mode of production category in its specific determination." (GORENDER, 1992, p. 7). As the author says clearly, a new approach is required, but such change should not lead us directly to the formulation of an allegedly *colonial slave mode of production*, because such change, in our opinion, necessarily implies the discussion of the *slave-mercantile capital* category and the establishment of the consequences resulting from its existence.

## **THE SLAVE-MERCANTILE CAPITAL FORMULA**

Although we are aware of elements of natural economy proper of slavery, such elements will not be discussed here because we will focus on the slave-mercantile capital formula in strictly logic terms. Therefore, we will not contemplate salaried workers, equally present in the context of modern slavery, and free people that generally in the condition of aggregate members were directly or indirectly connected to the economic activities developed by slave owners. By doing so, we hope to be able to establish, certainly in abstract terms, the slave-mercantile capital formula.

Contemplated in the simplest and most abstract terms possible, that is, if we merely consider the pecuniary outlays actually incurred by slave owners in the cash purchase of slaves and merchandise — here understood as means of production and consumption goods intended to the maintenance of slavery — to be used, in an exclusive manner, in the production of goods intended to commercialization, the representation of slave-mercantile capital should comply with the following conditions:

$$D < \frac{D2}{D1} - M < \frac{Me}{Mp} \dots P \dots M' - D'$$

Where:

**D** = monetary-capital.

**D1** = spending with the purchase of merchandise.

**D2** = spending with acquisition of slave stock<sup>8</sup>.

**M** = merchandise-capital.

**Me** = merchandise intended to the maintenance of slavery<sup>9</sup>.

**Mp** = means of production.

**P** = production capital.

**M'** = capital-merchandise, in concrete terms: merchandise resulting from the production process.

**D'** = appreciated monetary-capital, that is: the result of realization of M' price.

In that:

$$M = Me + Mp$$

$$D = D1 + D2$$

$$D' = D1 + d$$

$$d = D2 + L \quad \text{where: } d = \text{surplus-value.}$$

**L** = slave-owner profit, net of spending with acquisition of slave stock<sup>10</sup>.

---

<sup>8</sup> "Although 'invested' as monetary-capital, the initial investment in the purchase of slaves does not fit into any concrete element of the slave production fund. In other words, the initial investment in the purchase of slaves does not operate as capital. In the actual process of slave production, *such investment is converted into non-capital*. It would be incorrect to state that *it is immobilized*, because we would then have to include it in fixed capital. It would be correct to conclude that monetary-capital invested in the purchase of slaves becomes *sterilized-capital*, a capital that does not contribute to production and is no longer capital." (italics by GORENDER, 1992, p. 182-3).

<sup>9</sup> "The slave receives the means of subsistence necessary for his maintenance in a *natural form*, which is as fixed in kind as in extent — in *use values*. The free worker receives them in the form of *money*, of *exchange value*, of the abstract social form of wealth. However much the wage is now in fact nothing but the *silver* or *gold* or *copper* or *paper* form of the necessary means of subsistence, into which it must constantly be resolved — *money* functioning here as the merely transitory form of exchange value, as mere *means of circulation* — *abstract wealth, exchange value*, and not a specific traditionally and locally limited use value, still remains for the worker the purpose and result of his labour." (italics by MARX, 1975, p. 87).

"... in order to be productive, the slave labor force must be *used*. Labor constitutes the live process of labor force use. The purchase of slaves simply made slaves available to their owner without giving the owner the productive use of the labor force. To use such labor force, the plantation owner may not limit himself to the expenditure made in the act of purchase, but will have to incur in a new expenditure: *maintaining the slaves*. Slaves will have to receive, day-after-day, food, clothing, shelter, time to rest, medicines to treat any diseases, etc." (italics by GORENDER, 1992, p. 167). "Expenditures incurred with the daily support of slaves — which are distinctive from the slave purchasing price — could be identified with variable capital... if we remain obstinate in the assumption that colonial slavery constitutes a type of capitalism." (GORENDER, 1992, p. 182). As already pointed out, we do not consider colonial slavery as a "kind of capitalism," but rather we understand that in the context of colonial slavery it gave rise to the existence of a form of capital: slave-mercantile capital.

<sup>10</sup> "Therefore, we could also conclude that the investment in the initial purchase of slaves could only be recovered by the slave owner *at the expense of the overwork of slaves, of their surplus product*. Such investment constitutes

Therefore:

$$\mathbf{D}' = \mathbf{D1} + \mathbf{D2} + \mathbf{L}$$

Seen in terms of its stages, the cyclic process of slave-mercantile capital is not different from that presented by Marx for industrial capital<sup>11</sup>. Also in our case we may see the existence of three well-defined stages of slave-mercantile capital.

In Stage one:

$$\begin{array}{ccc} & \mathbf{D2} & \\ \mathbf{D} < & & \mathbf{Me} \\ & \mathbf{D1} - \mathbf{M} < & \\ & & \mathbf{Mp} \end{array}$$

the slave owner emerges as the purchaser of merchandise intended to the production process. During such stage marked dissimilarities are defined in relation to industrial capital, which result from the specificity of slavery in regard to labor recruiting.

The slave owner, to start production and reproduce it in subsequent periods, has to invest a portion of the initial capital (**D**) in the acquisition of slave stock. That portion, represented by **D2**, indicates the cost incurred by the slave owner to have available the labor he needs. For such he will have to resort to the slave market. The negroes made captive in the African continent and brought to America or the slaves already residing in the colony and put to sale by their owners will make up the supply side. The settlement of the slavery relationship has as its basic assumption the constitution of such market because the mere need for this type of worker even though combined with the availability of resources, would prove to be insufficient to co-substantiate such subjection relationship on stable bases and in the required magnitude. Once purchased, a slave may become "an integral part of the productive capital of his purchaser" similarly to the labor force sold to the capitalist owner by the salaried worker.

The remaining portion of capital (**D1**) will be intended to the purchase and/or maintenance of equipment and facilities that are fundamental for production (**Mp**) and for the

---

an inevitable discount from the revenues or from what we could call slave-owner profit. From an accounting point of view, it does not make any difference if it is considered a portion of the cost of production or obligatory deduction from the profit, similarly to a tax. From the point of view of economic theory, the only correct solution should be to include it in the surplus product and consider the actual revenues of the slave owner reduced on the same proportion as the amortization of the investment made in the acquisition of the slave stock." (italics by GORENDER, 1992, p. 183).

11. Cf. MARX, 1925, vol. II, chap. I.



expenditures with housing, clothing and food required to keep the slaves alive and productive (**Me**). Here, instead of a monetary payment as is the case for salaried workers, the slave owner himself takes responsibility for providing the goods intended to maintain the worker. The source of such goods may come from an external supply, mainly European or even the production made in the colonial territory, or from the local production unit itself.

In the second stage, the slave owner combines the elements acquired in the first stage; through the productive consumption of such elements, a *quantum* of product with an amount exceeding that existing at the beginning of the process is generated. In that production stage – where those elements may be found "in the state or in the form of productive capital" – sufficient value is created for the replacement of the spending with depreciation of the means of production and with the maintenance of slaves, and also surplus value is generated.

The surplus value generated in the production process of slave-mercantile capital (**d**) should therefore be able to provide not only the net profit for the slave owner but also the amount of capital required for the acquisition/replacement of slaves (**D2**). This means that, similarly to Gorender, we see the expenditure with the acquisition of slave stock as a deduction of the total surplus value.

However, without the realization of merchandise, that is, without the third stage (**M'** — **D'**), one could not go on with the productive process. Therefore, the merchandise-capital has to take the form of monetary-capital at the end of the process to be able to restart the appreciation cycle. Only as monetary-capital, the capital takes the form of "general means of purchase and general means of payment," thus becoming able to intermediate elements for the subsequent production cycle.

## **FINAL CONSIDERATIONS**

We believe that we not only proved the pertinence and relevance of the concept but also expressed some of the main characteristics of slave-mercantile capital, as well as some of the implications resulting from the existence of that specific form of value appreciation.

We also believe that we have shown that much of what is said about the slavery mode of production actually refers to the form of capital discussed in this article. Therefore, both modern slavery economy in general and the Brazilian society in particular owe their existence and basic structural shaping to slave-mercantile capital, and should be seen, therefore, neither

as a mere projection of the commercial capital on the production level, nor as a mere appendix of the European economy, intended exclusively to complement it and to serve only to foreign interests. It is not useless to repeat that the lack of consideration of slave-mercantile capital leads to the distortion of the nature and essential character of the economy and society established in the Americas. Exploring our final statements, deepening our knowledge on their implications as to our socio-economic formation and promoting a broad debate on the theme – this is what we sought to raise with this article – is not only fundamental for the definitive clarification of the central problems addressed in this paper but will certainly shed new light on old theoretical divergences concerning capital formation.

In view of the conclusions above, we understand that some developments are required to be faced.

Therefore, if the category discussed in this article is accepted, we will have to improve it and refine it. This is certainly the most expressive and challenging task ahead of us in the near future.

We will also have to establish precisely, and for each of the areas of the New World that experienced slavery, the historical and socio-economic consequences resulting from the existence of slave-mercantile capital.

A parallel but not less important discussion will certainly refer to the revaluation of the assumption under which, starting from a certain period of time of historical formation, certain slavery economies in the Americas acquired autonomy and tended to be replaced, regardless of the assumptions that were external to them.

In addition, in light of our theoretical propositions, we should also give rise to a study of the empirical conditions involved in the overcoming of slavery in each area and/or nation of the Americas, so that we can appraise, in terms of concrete events that marked such overcoming, the explanatory power of our assumption.

## **REFERENCES**

CARDOSO, Ciro Flamarion S. Severo Martínez Peláez y el carácter del régimen colonial. In: ASSADOURIAN, Carlos Sempat *et alii*. *Modos de producción en América Latina*. 3.ed. Córdoba: Cuadernos de Pasado y Presente; Buenos Aires: Siglo XXI, 1975.

CASTRO, Antônio Barros de. A economia política, o capitalismo e a escravidão. In: LAPA, J. R. do Amaral (org.), *Modos de produção e realidade brasileira*. Petrópolis: Vozes, 1980, p. 67-107. (Coleção história brasileira, 5).

FRAGOSO, João Luís Ribeiro. *Homens de grossa aventura: acumulação e hierarquia na praça mercantil do Rio de Janeiro (1790-1830)*. Rio de Janeiro: Arquivo Nacional, 1992.

FRAGOSO, João & FLORENTINO, Manolo. *O Arcaísmo como Projeto: mercado atlântico, sociedade agrária e elite mercantil em uma economia colonial tardia. Rio de Janeiro, c. 1790-c. 1840*. 4.ed. Rio de Janeiro: Civilização Brasileira, 2001.

GORENDER, Jacob. *O escravismo colonial*. 6ª ed. São Paulo: Ática, 1992. (Ensaio, 29).

GORENDER, Jacob. Questionamentos sobre a teoria econômica do escravismo colonial. *Estudos Econômicos*, v. 13, n. 1, p. 7-39, jan./abr. 1983.

MARX, Carlos. *El Capital: crítica de la Economía Política*. México-Buenos Aires: Fondo de Cultura Económica, volumes I e II, 1964, volume III, 1965.

MARX, Carlos. *Elementos fundamentales para la crítica de la economía política (Grundrisse) 1857-1858*. 11ª ed. México D.F.: Siglo Veintiuno Editores, vol. 1, 1980.

MARX, Karl. *Capítulo inédito d'O Capital: resultados do processo de produção imediato*. Porto: Publicações Escorpião, 1975, (Biblioteca Ciência e Sociedade, 12).

PRADO JÚNIOR, Caio. *Formação do Brasil contemporâneo: colônia*. 20ª ed. São Paulo: Brasiliense, 1987.