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EDITED BY HAVELOCK ELLIS.

EVOLUTION  
OF MODERN CAPITALISM

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# The Evolution of Modern Capitalism

A Study of Machine Production

BY

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"THE INDUSTRIAL SYSTEM," "WORK AND WEALTH: A HUMAN  
VALUATION," ETC.

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## PREFACE TO THE REVISED EDITION.

THIS new and enlarged edition of *The Evolution of Modern Capitalism* contains additions and alterations so great as to constitute it in effect a new book.

The chapters dealing with the concentrative forces in modern industry, the growth of industrial Combinations, Trusts, Cartels, etc., are entirely re-written. Large use has been made of recent English and American material, and much attention is given to new developments of capitalism in the transport and manufacturing industries of the United States.

In Chapter X. an analysis of the position occupied by the financier in modern industry is presented, with illustrations from recent developments in South Africa and America.

While most of the matter of the earlier historical chapters in the first edition is retained, numerous emendations and additions have been made, and an introductory chapter on the Origin of Modern Capitalism, based largely upon the researches in Professor Sombart's great work, *Der Moderne Kapitalismus*, has been inserted.

For material relating to capitalistic combinations in Great Britain I desire to express my deep indebtedness to the writings of Mr. W. H. Macrosty, whose collection and

analysis of instances form the best single fund of information. For recent American material relating to Trusts, I have made large use of the reports of the Industrial Commission and of the writings of Professor Richard Ely and Professor Jeremiah Jenks.

J. A. HOBSON.

October 1906.

#### PREFACE TO NEW AND REVISED EDITION.

In preparing this new edition of the *Evolution of Modern Capitalism* I have added a long supplementary chapter. The first part deals with movements of industry and commerce during the decade that preceded the war.

The year 1914 will mark a definite break in economic, as in other history. For the extended area of warfare, the number and importance of the belligerent nations, and the duration and destructiveness of the military and naval operations, have affected in important and innumerable ways the industry and commerce of the entire world. Never has any previous war exercised such disturbing influence upon the economic position of neutral nations, including not only the immediate neighbours of the belligerents but the most remote countries of America. Shipping, finance, and the world commerce of which these are the necessary instruments, have everywhere been subjected to damage and interference, partly by the actual processes of war, partly by the new strains made by the war upon the economic resources of the world, and the special arrangements made by Governments to meet them.

It has therefore been found convenient in this supplementary chapter first to summarise the economic movement of this opening period of the twentieth century, and then to set forth some of the new economic facts and forces revealed by the experiences of the war, the problems they contain, and the tendencies they exhibit, as a contribution towards a speculative forecast of capitalism in the early future.

August 1916.

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