monopolized by highly organized gilds, who were mainly occupied in each town in supplying the needs of that town, and who held control of entry into the craft could, and probably would, have hampered economic progress even more effectively than a persistent body of peasant proprietors. Commerce indeed was naturally controlled by the wealthy few, who no doubt were convinced that it was their duty to devote the resources at their disposal to the development of the world, and, as we have noticed, the opposition of the Church had for long been removed; but commerce is based on industry, for it consists in the exchange of the products of industry. There were two ways in which industry could be brought under the control of those in touch with the national ideal: (1) as soon as the artificer produces for a distant market he is in the hands of the merchants who conduct the exchange, this brings industry immediately and directly under the control of commerce; (2) the so-called capitalist system by which the instruments of production—that is to say the tools, machines, material, and organization necessary for the conduct of industry—come into the possession of a few rich men, be they merchants or be they captains of industry.

By these methods, happening of themselves or consciously pursued, industry and the industrial population also became part of that organism or body, of which the directing head consisted of those inspired by the national ideal. In no other country of the world at that time was the system of national organization at all comparable in sensitiveness, in no other country could the resources of the nation be applied so quickly and so completely to the attainment of an object.

It is of course notorious that there was a dark side to this economic policy—indeed by the time that the