

Karl Marx and the Medieval Economy

JOHN H. PRYOR*

Dedicated to the memory of one of the finest students I have known, my dear friend George Vari, with whom I passed many happy hours in animated discussion of these matters over not-so-fine food and one or more glasses. A more brilliant mind and a more companionable person there never was.

In 1950 Paul Sweezy published a critique of Maurice Dobb's *Studies in the Development of Capitalism* (London, 1946) in the journal *Science and Society*. Dobb replied and thus was inaugurated a vigorous debate over the transition from feudalism to capitalism which was carried on in the pages of several journals for over two decades.¹ Then in 1976 Robert Brenner published an article in *Past and Present* entitled 'Agrarian class structure and economic development in pre-industrial Europe'. This article provoked a second debate between Marxist and non-Marxist historians over the historical processes by which the traditional economic structures of the 'feudal' Middle Ages evolved through the Early Modern period in Europe towards 'capitalism'.²

Ultimately, both of these debates proved to be almost completely sterile. However, they were of interest for at least one reason, namely, that throughout them the writings of Karl Marx were selectively quoted almost as scriptural authority in support of various arguments. But we all know how distorted the true meaning of scripture can become in the hands of those who choose to cite it selectively in support of their own particular agendas, and in the course of these debates it became apparent that similar intellectual processes were in evidence. It seemed, therefore, to be a worthwhile exercise to try

* *John H. Pryor is an Associate Professor in the Department of History at the University of Sydney. This paper is a précis of a much longer unpublished study of Karl Marx's analysis of medieval economy and society. For primary references see Table of Abbreviations following this essay.*

to synthesise what Marx had actually written about the Middle Ages. The purpose was not to add to the debates, but rather simply to find out what one of the greatest intellects of nineteenth-century Europe had known of the history, particularly the economic history, of the Middle Ages and how he had constructed his interpretation of it. No matter what one may think of Marx, his disciples, or of his influence in the modern world, the fact remains that he was one of the greatest, most original, and most influential thinkers of the nineteenth century.

Nowhere in all of his writings did Marx develop a coherent and comprehensive analysis of medieval society, its economic evolution, and the processes by which it evolved towards capitalist society. All we have are ideas and sketches scattered throughout his works over a period of some forty years. Nevertheless, to construct a consistent and intelligible picture of his understanding of the medieval economy from these many writings is quite possible without being unaware of Marx's undoubted intellectual development over these forty years. In general, ideas about the political and social structures of the Middle Ages found in the earlier works accord closely with the elaboration of their socio-economic bases in the mature works, testimony to the extent to which his thinking on the Middle Ages developed consistently but remained controlled by an overriding philosophy throughout his lifetime. Ideas presented simplistically in earlier works were often refined and elaborated in later works, but they were rarely contradicted.

The title of this essay does less than justice to the name of Friedrich Engels for, as so often, when one discusses the work of Marx on a particular subject, one is also discussing the work of Engels. Not only did the two men produce joint works such as *The Communist Manifesto*, but also the central piece in the Marxian corpus, *Das Kapital*, owed an enormous amount to Engels, who published volumes two and three from Marx's notes after his death. With specific reference to the Middle Ages, it was Engels who was the more interested of the two friends in problems of pre-capitalist economic systems during the last years of Marx's life. The sections in volume three of *Das Kapital* on 'Historical data concerning merchants' capital', 'Precapitalist conditions: interest in the Middle Ages', and 'Genesis of capitalist ground-rent' bear the imprint of Engels heavily. Any full study of Marxist thinking on the medieval

economy would have to consider the works of the two men as a single corpus. However, that study is beyond the scope of the present enquiry and here it is assumed that volumes two and three of *Das Kapital* were the work of Marx and works by Engels alone have been excluded.

In 1857–58 Marx foreshadowed the central thesis of the scholarly work of Alfons Dopsch,³ when he wrote in the *Grundrisse* that the Germanic conquests of the Roman Empire produced a ‘reciprocal reaction’ by which a new mode of production which was a synthesis of its Roman and Germanic predecessors was created. Moreover, he continued:

The Germanic barbarians, who lived in isolation on the land and for whom agriculture with bondsmen was the traditional production, could impose these conditions on the Roman provinces all the more easily as the concentration of landed property which had taken place there had already overthrown the earlier agricultural relations [free, allodial peasant farming]. (*Grundrisse*, p. 98. Cf. p.97)

The Roman and Germanic agricultural systems of late antiquity were highly compatible, based on private property in both land and men, and it was their synthesis which gave rise to the ‘Feudal Mode of Production’ (hereafter FMP). But Marx’s chronology for this development was hazy. The *Grundrisse* texts seem to place the formative period during the Merovingian era (ca. 480–751) while others place the development in the time of Charlemagne (768–814). Indeed, Marx had a real antipathy towards Charlemagne:

Military service ... was the chief means by which, as in a forcing house, Charlemagne brought about the transformation of free German peasants into serfs and bondsmen. (*Capital*, vol. I, p.798, n.3)

In Marx’s analysis, ‘feudal’ landed property developed on the bases of late-Roman and Germanic *villa* agriculture, in which free peasants had been turned into serfs who became merely a part of the ‘inorganic and natural’ conditions of their lords’ own reproduction. (*Grundrisse*, p.489) The further conditions necessary were the weakening of certain

productive forces during the late Empire: decline in agriculture, disruption of trade and consequent decay of market-oriented industry, and decline in population both in town and countryside. (*German Ideology*, p.34) Thus 'the Middle Ages started out from the *country*', (*German Ideology*, p.34) and the internal dynamic or contradictions of the mode of production became the relation between town and countryside. 'The Middle Ages (Germanic period) begins with the land as the seat of history, whose further development then moves forward in the contradiction between town and countryside; ...'. (*Grundrisse*, p.479) These conditions were such as to inhibit any significant division of labour beyond the social categories of '... princes, nobility, clergy and peasants in the country, and masters, journeymen, apprentices and soon also the rabble of casual labourers in the towns'. (*German Ideology*, p.35. Cf. *Grundrisse*, p.479)

These conditions of production dictated that the economy, in both town and countryside, would be essentially natural, oriented towards self-sufficiency and the production of goods with use-value, rather than exchange-value, by small-scale units of production:

... within the framework of feudal forms ... [production] ... served as the immediate source of subsistence for the producers themselves. Most products did not become commodities; they were accordingly neither converted into money nor entered at all into the general process of the social metabolism. (*Critique*, p.158. Cf. *Grundrisse*, p.508)

This analysis was extended beyond rural peasant production, both agricultural and rural crafts, to the production of craft guilds in towns.

With the urban crafts, although they rest essentially on exchange and on the creation of exchange values, the direct and chief aim of this production is *subsistence as craftsmen*, as *master-journeymen*, hence use-value; not *wealth*, not *exchange value as exchange value*. (*Grundrisse*, p.512. Cf. *Capital*, vol. III, p.391)

Thus in both town and countryside the FMP was oriented towards the production of use-value. Its purpose was that of a natural economy, although there was an apparent internal contradiction between purpose and practice.

The conception of private property in the Middle Ages as landed or feudal property took its origins in Marx's understanding of property

amongst the Germanic tribes. Private property, possession, or proprietorship of land followed from the individual's membership of the tribe, which retained the ultimate ownership by consequence of the need to present a united front during the *Völkerwanderung*. Some property remained communal in actuality but in general private possession succeeded it during the migrations as a result of particular historical circumstances. (*Grundrisse*, p.475; *German Ideology*, p.33; *Letter to Zasulich*, pp.144–5) Property in human beings, serfs and slaves, similarly followed from membership of the tribe. A conquered tribe or Roman populace became propertyless and was reduced to an inorganic condition of the conquering tribe's reproduction:

The fundamental condition of property resting on the clan system ... makes the clan conquered by another clan propertyless and throws it among the inorganic conditions of the conqueror's reproduction, to which the conquering community relates as its own. Slavery and serfdom are thus only further developments of the form of property resting on the clan system. (*Grundrisse*, p.493)

Feudal property was similarly founded on an association of conquerors, in this case military lords, against a subjected producing class. Thus the chief form of property in the Middle Ages became landed property with serf labour chained to it. (*German Ideology*, p.34) But this was serf labour, not slave labour. Marx appreciated the difference and made of the serf's possession of his means of production, his possession of tools, house, land, etc., a crucial condition of the relations of production of the FMP:

... in all forms, in which the direct labourer remains the 'possessor' of the means of production and labour conditions of his own means of subsistence, the property relation must at the same time assert itself as a direct relation between rulers and servants, so that the direct producer is not free ... Under such conditions the surplus labour for the nominal owner of the land cannot be filched from them by any economic measures, but must be forced from them by other measures.... (*Capital*, vol. III, p.918)

Lordship and serfdom, then, were necessitated in the Middle Ages by the nature of feudal landed property and the retention of rights of possession by the serfs. The lord '*appears* as king of the estate', even though he actually 'belongs to the land' himself,

(*Economic and Philosophic Manuscripts*, p.266), and as the 'owners and sellers of the products'. (*Capital*, vol. III, p.384) The serf paid feudal rent, which, in accordance with the labour theory of value, was his surplus labour capacity. But because feudal rent was never more than a part of the real surplus labour capacity of the peasant, and because the amount always became fixed by customary law, it bore no relationship to the ever increasing productivity of peasant tenures. (*Capital*, vol. III, pp.921–2) There was, therefore, an inherent law of the FMP under which the rent constantly diminished as a percentage of the total product or, put alternatively, the non-rent element of the total product constantly increased as a percentage of it:

... the productivity of the remaining days of the week, over which the direct producer has independent control, is a variable magnitude, which must develop in the course of his experience, together with the new wants he acquires, together with the expansion of the market for his product, together with the increasing security which guarantees independence for this portion of his labour-power. (*Capital*, vol. III, p.922)

This law of increasing relative impoverishment of the landlord did not, however, provide the 'internal contradiction' of the FMP. According to Marx, all it did was debilitate progressively the mode of production as lords attempted to compensate for the declining value of their revenues by imposing harsher demands on the peasantry. No mechanism was provided in the construct for this debilitation actually to cause the disintegration of the structure from within and its replacement by something else. Other similarly debilitating forces, such as merchants' and usurers' capital, had similar effects, but Marx was categorical that they did not in themselves lead to a dissolution of the mode of production.

The peasant had possession of all conditions of his production with the single exception of landed property, which alone confronted him as an alien value in the hands of another, and which alone was the rationale for the demand for feudal rent from him. (*Capital*, vol. III, pp.922–3) Rent in labour, the simplest of the three forms of feudal rent, made of rent simply the value of surplus labour. In this form,

the whole process of rent extraction had to be coerced by the lord's political authority because the labour of the peasant for himself and for his lord were separated in time and space, because of the tangible and comprehensible way in which the rent was extracted, and because labour power was here bound to the soil and part of the natural forces of production together with it. (*Capital*, vol. III, pp.919–20)

Rent in kind required a higher stage of development of the economy. Surplus labour was no longer natural but was rather converted into a product of labour. The degree of coercion thus decreased and was replaced by legal enactment. (*Capital*, vol. III, p.923) The lord's direct control of the production process lapsed and passed to the peasant. And because the latter was now strongly motivated to produce as much as possible on his tenure, and because the fixing of surplus labour in terms of products provided far greater scope for him either to fall into poverty or else to accumulate capital, commutation of labour services promoted social stratification amongst the peasantry. But rent in kind did not alter the nature of rent as the sole prevailing and normal form of surplus labour. It still required for its existence a predominantly natural economy and a combination of agriculture and cottage industry by the rent payer. (*Capital*, vol. III, p.924)

However, the further transition to money rent certainly did alter the fundamental nature of feudal rent:

Money rent, as a converted form of rent in kind and as an antagonist of rent in kind, is the last form, and the dissolving form, of that form of ground-rent ... [in which ground-rent is] the normal form of surplus-value and of the unpaid surplus labour to be performed for the owner of the means of production. (*Capital*, vol. III, p.927)

Because the peasant no longer turned over the product, but rather its price, money rent required '... a considerable development of commerce, of city industries, of the production of commodities in general, and with them of the circulation of money'. (*Capital*, vol. III, p.926)

In its original form, money rent need not change the essential character of feudal rent. This could remain merely the form of transference of surplus labour and all property relations and social

relations could remain the same. (*Capital*, vol. III, p.926) But, eventually, money rent had to change the nature of production because it was predicated upon selling products on the market to obtain money to pay the rent. To some degree at least production had to be oriented towards production of values for exchange on the market. Thus the old self-sufficiency, independence, and detachment from social connections, was eroded. Moreover, the social relation between lord and peasant was turned into one based on money alone. (*Capital*, vol. III, p.927) This dissolved the hereditary attachment of both lord and peasant to the land and opened up a true market in land in which anyone, including urban bourgeoisie, could acquire land as an investment in order to realise a return on capital. (*Capital*, vol. III, p.932) Thus money rent acted, first, to emancipate the serf and to turn him into a hereditary tenant farmer and, secondly, to expropriate hereditary peasant tenures and to make them available for capitalist tenant farming; that is, for farming with hired labour rather than by the tenant himself. Once this happened, the whole nature of rent as feudal rent, as the normal form of surplus labour, was destroyed. (*Capital*, vol. III, p. 928)

With money rent Marx entered squarely into the realms of commerce, exchange, commodity circulation, and circulation of money. In his construct commerce began with a conventional nineteenth-century analysis of the origins of commerce as 'carrying trade': trade connecting two societies not necessarily having anything in common either with each other or with the merchants who connected them. (*Capital*, vol. III, pp.382 ff.) Commerce at this stage was in surplus products which had actually been produced by the societies in question for use but which the merchant by his intervention converted into exchange-values, commodities.

The product becomes a commodity in this case by way of commerce. It is commerce which, under such conditions, develops products into commodities; it is not the produced commodity itself which, by its movements gives rise to commerce. (*Capital*, vol. III, p.386)

It was in commerce that merchants' capital first formed from the profit made on buying and selling, by exploiting the two extremes of the trade. (*Capital*, vol. III, pp. 382–6) When commerce was mere 'carrying trade' of this type, it had no influence initially over

the production systems within the societies in whose goods it traded. But it could eventually come to exert such influence.

Commerce impregnates production more and more with the character of a production for exchange. (*Capital*, vol. III, p.320)

It will subject production more and more to exchange value, by making enjoyments and subsistence more dependent on the sale than on the immediate use of the products. Thereby it dissolves all old conditions. It increases the circulation of money. It seizes no longer merely upon the surplus of production, but corrodes production itself more and more, making entire lines of production dependent upon it. (*Capital*, vol. III, p.389)

Although he did not locate the process in time, Marx did characterise early medieval commerce as 'carrying trade'. 'In the Middle Ages, the merchant is merely the man who ... "removes" the goods produced by the guilds or peasants'. (*Capital*, vol. III, p.330)

The commerce of merchants operating outside the boundaries of localised societies in the period up to the Carolingian era seems to correspond here. But thereafter, the types of effects which commerce developed during the Commercial Revolution of the eleventh to thirteenth centuries was seen by Marx to change the nature of production entirely.

Capital rapidly forms an internal market for itself by destroying all rural secondary occupations, so that it spins, weaves for everyone, clothes everyone etc., in short, brings the commodities previously created as direct use-values into the form of exchange values.... (*Grundrisse*, p.512)

When Marx wrote that, '... as soon as town industry as such separates from agricultural industry, its products are from the outset commodities and require for their sale the intervention of commerce', (*Capital*, vol. III, p.391) what he had in mind was the development of an internal market in the medieval economy through the influence of commerce. But at first, in the form of guild production, this did not overthrow the primary orientation of the FMP towards subsistence and the production of use-values. That remained in both countryside and town.

For Marx, guild artisan production was 'the feudal system of industry'. (*Communist Manifesto*, p.485) It corresponded to the FMP

in the countryside in spite of the fact that '... the urban crafts ... rest essentially on exchange and on the creation of exchange values'. (*Grundrisse*, p.512) This dichotomy was resolved through the idea that the purpose of urban production remained subsistence for the artisans. Consequently, guild production, its organization, and the urban property relations corresponding to it had the character of agrarian landed property and imitated the organisation of the countryside. (*Grundrisse*, p.107) The guilds reflected the personal bond of lord to peasant in the filial/patriarchal bond of master to journeyman or apprentice. Division of labour remained undeveloped and every master had to be proficient in his whole craft. Artisans owned their own means of production. (*German Ideology*, pp.34, 65) Guild regulations and the small scale of production retarded capital accumulation. and there was no market in labour. (*Capital*, vol. I, p.394) Modes of work, tools, skill, and organisation all became hereditary and it was in these that capital consisted. In fact the artisan's capital had a landed-property character: 'In the Middle Ages, capital itself—apart from pure money-capital—in the form of the traditional artisans' tools etc., has this landed-proprietary character'. (*Grundrisse*, p.107. Cf. *German Ideology*, p.66)

Thus, at first, commerce promoted the development of a form of artisan production whose organisation was in harmony with that of the manorial countryside. Marx equated guild production in the town with money rent in the countryside. Both were called into existence by commerce but both, initially, did not contradict the social relations of the FMP. But in fact both were the product of the circulation of money and commodities and consequently revealed the internal contradictions of the mode of production itself. The development of the internal market eroded the fundamental subsistence orientation of the FMP and evaporated the dependence of commerce in its 'carrying-trade' stage of evolution upon direct demand. (*Capital*, vol. III, pp.383–4). It also called forth a new division of labour, regional specialisation, to take its place alongside the two inherited from antiquity: town and countryside, commerce and production. (*German Ideology*, pp.34–5, 66–7)

Regional specialisation laid the foundations for certain trades to outstrip the guild structure and organise themselves on the basis of what Marx called primitive manufacturing. It was regional

specialisation in certain areas producing on a large scale, especially the cloth-producing areas of Italy and Flanders, which provided the only circumstances which gave rise to primitive manufacturing beyond the guild structure in the Middle Ages. (*German Ideology*, p.67; *Grundrisse*, p.511) This primitive manufacturing normally took the form of the 'putting-out' or 'domestic' system of manufacturing, in which merchants' capital was converted only partially into industrial capital. The merchant took control of the organisation of production, of the non-physical means of production. (*Capital*, vol. III, pp. 393–4) But he did not, generally speaking, acquire ownership of the physical conditions of production. (*Grundrisse*, p.510) Consequently, the putting-out system served 'historically only as a mode of transition'. In Marx's analysis it did not serve to overthrow the FMP but rather 'preserves it and uses it as its premise'. (*Capital*, vol. III, p.393) In fact:

This method is everywhere an obstacle to the real capitalist mode of production ... Without revolutionising the mode of production, it deteriorates merely the condition of the direct producers, transforms them into mere wage workers and proletarians under worse conditions who have already been placed under the immediate control of capital and absorbs their surplus-labour on the basis of the old mode of production. (*Capital*, vol. III, p.394)

Money was the sole form in which merchants' capital existed and its circulation was the sole condition of the latter's existence. (*Capital*, vol. III, p.382) Gold, or money, became '... the direct reification of universal labour-time or the universal equivalent'. (*Critique*, p.65) Without a universal equivalent, one could have only barter or exchange, not commerce. (*Critique*, p.90)

In Marx's understanding, money served three purposes: first, 'ideal', as in its function as a measure of [exchange] value'; second, 'in its function as a circulating medium'; third, '... as money, when by virtue of its function ... it congeals into the sole form of value, the only adequate form of existence of exchange value ...'. (*Capital*, vol. I, pp.130–46)

As a measure of value, and as the sole form of accumulating exchange value, money became subject to hoarding. In the 'carrying

trade' merchants hoarded surplus labour value in the form of money. The facility to accumulate abstract wealth in the concrete form of money encouraged the process whereby the conversion of commodities into money became not merely a means to facilitate commerce but rather the end of commerce. (*Capital*, vol. I, pp.130–3) The metamorphosis of commodities into money came to take place for its own sake, for the purpose of transforming particular physical wealth into general social wealth. (*Critique*, pp.127–8) The importance of this understanding to any discussion of the medieval increase in production for exchange within the FMP under the encouragement of commerce was obvious:

As the production of commodities further develops, every producer of commodities is compelled to make sure of the nexus rerum of the social pledge. His wants are constantly making themselves felt, and necessitate the continual purchase of other people's commodities, while the production and sale of his own goods require time and depend upon circumstances. In order then to be able to buy without selling, he must have sold previously without buying ... In this way, all along the line of exchange, hoards of gold and silver of varied extent are accumulated. (*Capital*, vol. I, pp.147–8)

With the development of an internal market, or widespread production for the market and circulation of commodities, circumstances emerged under which the alienation of commodities became separated from the payment of their price by periods of time. It was this process which gave rise to the widespread use of bills of exchange. (*Capital*, vol. I, pp.153–6) But, more importantly:

The development of money into a medium of payment makes it necessary to accumulate money against the dates fixed for the payment of the sums owing. While hoarding, as a distinct mode of acquiring riches, vanishes with the progress of civil society, the formation of reserves of the means of payment grows with that progress. (*Capital*, vol. I, p.159)

The circulation of money, increasing with the development of the internal market, then made it necessary for all to acquire money. The existence of money itself thus became a crucial factor in the erosion of production for use in the FMP. 'Every payment of money, ground rent, tribute, tax, etc., which becomes due at a certain date,

carries with it the necessity of securing money for such a purpose'.
(*Capital*, vol. III, p.704)

The facility to accumulate wealth in a concrete form was what gave rise to the possibility of usury. (*Capital*, vol. III, p.696–7) Thereafter, it, like merchants' capital, was predicated upon some commodity circulation and some circulation of money in order to convert products into money to pay the interest. According to Marx, in the Middle Ages usurers' capital found three uses: first, in commerce, where merchants used it as capital to make a profit on it; second, by the extravagant feudal nobility for consumption; and third, by small producers owning their own means of production who found themselves temporarily short of capital. (*Capital*, vol. III, pp.697–8) Usurers' capital demanded for its existence a labouring class with ownership of its means of production and therefore a need to finance production in certain dire circumstances. It could not, therefore, be an agent for dissolution of the mode of production. It:

... paralyzes the productive forces instead of developing them, and at the same time perpetuates these miserable conditions in which the social productivity of labour is not developed at the expense of labour itself, as it is under the capitalist mode of production. (*Capital*, vol. III, pp.699–700)

When borrowed by feudal lords,

... while ... the feudal lord fall[s] into the clutches of the usurer, the mode of production remains the same. Only, it becomes harder on the labourer. The indebted ... feudal lord becomes more oppressive because he is himself more oppressed. Or he makes finally room for the usurer, who becomes a landed proprietor ... Into the place of the old exploiters, whose exploitation was more or less patriarchal, because it was largely a means of political power, steps a hard, money-mad parvenue. But the mode of production itself is not altered thereby. (*Capital*, vol. III, p.701)

Thus, because the use of usurers' capital in production was predicated upon possession of the means of production by the producer, it took its place in Marx's thought alongside merchants' capital as a force

debilitating the FMP but one which did not in itself lead to a new mode of production.

Merchants, usurers, hoarders of money, guild masters, etc. became in Marx's thought an identifiable class, the bourgeoisie, located in towns and existing in contradistinction to, and mutual antipathy towards, feudal nobility, peasantry, and guild labour force. This bourgeoisie was a product of forces of commerce and usury etc. which were generated within the FMP: '... the means of production and of exchange, on whose foundation the bourgeoisie built itself up, were generated in feudal society'. (*Communist Manifesto*, p.489)

The bourgeoisie's formation as a class was a product of the development of the internal market and regional specialization in the FMP.

In the Middle Ages the citizens in each town were compelled to unite against the landed nobility to defend themselves. The extension of trade, the establishment of communications, led separate towns to establish contacts with other towns, which had asserted the same interests in the struggle with the same antagonist. Out of the many local communities of citizens in the various towns there arose only gradually the middle class. (*German Ideology*, p.76)

According to Marx, the historic mission of the bourgeoisie was to overthrow the value system of the FMP, in particular to dispel the conception of the feudal nobility that the purpose of wealth was for consumption and display:

In the face of the habitual mode of life of the old feudal nobility, which ... 'consists in consuming what is in hand', and more especially displays itself in the luxury of personal retainers, it was extremely important for bourgeois economy to promulgate the doctrine that accumulation of capital is the first duty of every citizen, and to preach without ceasing, that a man cannot accumulate if he eats up all his revenue, instead of spending a good part of it in the acquisition of additional productive labourers, who bring in more than they cost. (*Capital*, vol. I, p.645)

It was the bourgeoisie who were really the subject of Marx's interest in the Middle Ages. For class struggle between peasants and lords he spared barely a word in all of his works. (But see *Communist*

Manifesto, p.482.) But the struggle between the bourgeoisie and feudal nobility attracted a great deal of his attention in many contexts. He considered that the fundamental grounds for struggle between the two classes evolved out of the formation of debtor and creditor relationships which were a product of delayed payment in circulation of money and formation of the internal market. The opposition between debtor and creditor, which began as 'transient and alternating', in which the roles of 'seller and buyer ... are in turns played by the same actors ... [was] ... not nearly so pleasant, and is far more capable of crystalization'. (*Capital*, vol. I, p.152)

In the middle-ages the contest ended with the ruin of the feudal debtors, who lost their political power together with the economical basis on which it was established. Nevertheless, the money relation of debtor and creditor ... reflected only the deeper-lying antagonism between the general economical conditions of existence of the classes in question. (*Capital*, vol. I, p.152)

Here lay the key to Marx's analysis of the dissolution of the FMP and the transition towards capitalism. There was a deeper-lying antagonism between the economic conditions of existence of the bourgeoisie and feudal nobility and peasantry. Alternatively stated, there was a deeper antagonism or internal contradiction between the development of the internal market within the FMP and its original orientation towards self-sufficiency.

Historically, the dissolution process unfolded, in Marx's construct, within the context of the disappearance of serfdom and other relations tying peasants to their lords and to the land and consequently of the freeing of the land for capitalist tenant farming and of the freeing of the peasantry for a labour force.

... when further their [English landowners] tenants chased off the smaller cottagers etc., then, firstly, a mass of living labour powers was thereby thrown onto the *labour market*, a mass which was free in a double sense, free from the old relations of clientship, bondage and servitude, and secondly free of all belongings and possessions, and of every objective, material form of being, *free of all property*; dependent on the sale of its labour capacity or on begging, vagabondage and robbery as its only source of income. (*Grundrisse*, p.507)

In the towns the context was the erosion of guild authority and the progressive development of primitive manufacturing. But these contexts were only contexts and nothing more than that. They were not the 'prime mover' that the *Science and Society* debate searched for.

It is quite clear that in Marx's thought what precipitated the breakup of feudal manorial structures was the third form of feudal rent: money rent. This in turn was predicated upon the existence of commerce, the circulation of money, and the development of an internal market. In fact the mere existence of commodity circulation, commerce, and monetary circulation called into existence further production of commodities and their conversion into wealth in the form of money:

Originally, the commerce was the premise for the transformation of the crafts, rural domestic industries, and feudal agriculture into capitalist enterprises. It develops the products into commodities, either by creating a market for them, or carrying new equivalents in the form of goods to them and supplying production with new raw and auxiliary materials. In this way it opens up new lines of production, which are based at the outset upon commerce, both as concerns the production for the home and world market and as concerns conditions of production originated by the world market. As soon as manufacture gains sufficient strength, and still more large scale industry, it creates in its turn a market for itself and captures it with its commodities. Now commerce becomes the servant of industrial production.... (*Capital*, vol. III, p.396.)

But it is also clear that Marx did not consider that this development of an internal market within the FMP dissolved it *ab initio*. On the contrary, he regarded it as being initially compatible with it. The FMP was not non-commercial *per se*. In fact commerce was integral to its functioning, in its early development as carrying trade and in its later development as internal market. Since urban artisan products were from the outset 'commodities and required for their sale the intervention of commerce', it is clear that Marx did not consider the early development of the internal market as being incompatible with the FMP. If he had seen it in this way, he would have had to have considered both guild production and agricultural production under money rent to have been non-feudal and the FMP to have been effectively dissolved by their appearance. But he did not see it this

way. On the contrary, he saw both guild production and money-rent agricultural production as properly 'feudal' in their social relations of production. However, the forces which gave rise to them, the development of the internal market, were ultimately to become incompatible with the orientation of the FMP towards subsistence.

The 'prime mover' was the development of the internal market, which in the course of time transformed all values into exchange values, gave rise to the division of labour between town and countryside, generated artisan production based on the production of exchange values, and made the accumulation of wealth in money an end in itself.

Capital rapidly forms an internal market for itself by destroying all rural secondary occupations, so that it spins, weaves for everyone, clothes everyone etc., in short, brings the commodities previously created as direct use values into the form of exchange values, a process which comes about by itself through the separation of the workers from land and soil and from property (even in the form of serf property) in the conditions of production. (*Grundrisse*, p.512)

One should be quite clear what the nature of the 'prime mover' was in Marx's analysis. It was not commerce in general, nor the 'carrying trade' in particular. Rather it was the development of the internal market. The carrying trade might have little or no effect on the societies with which it traded if those societies resisted its influence. Marx was categorical that the development of commerce *per se* would not necessarily give rise to capitalism. 'But the development of merchants' capital by itself is incapable of bringing about and explaining the transition from one mode of production to another....' (*Capital*, vol. III, p.385) Further:

To what extent it [the development of commerce] brings about a dissolution of the old mode of production, depends on its solidity and internal articulation. And to what this process of dissolution will lead, in other words, what new mode of production will take the place of the old, does not depend on commerce, but on the character of the old mode of production itself. (*Capital*, vol. III, p.390)

Commerce itself could not, under any circumstances, determine the way in which a particular society would react to its influence. It was a blind force for change, not a determinant of the direction of

change. In the period of transition from carrying trade to internal market during the Commercial Revolution of the High Middle Ages, Marx would have said that there was no inevitability for this transition. His laws of history were not inevitable and perpetual but rather specifically determined in historical circumstances. Nevertheless, within Marx's construct of the European Middle Ages, commerce was the prime mover for change because it created an internal market. Once this had occurred, the FMP developed the internal contradictions which Marx identified as leading to its dissolution. But the actual widespread emergence of capitalist production occurred only when all the social, economic, and political conditions were ripe for it. This occurred not in the Middle Ages at all but rather in the sixteenth to seventeenth centuries with the appearance of a 'world' market.

There is no doubt ... that in the 16th and 17th centuries the great revolutions, which took place in commerce with the geographical discoveries and rapidly increased the development of merchants' capital, form one of the principal elements in the transition from feudal to capitalist production. The sudden expansion of the world market, the multiplication of the circulating commodities, the zeal displayed among the European nations in the race after the products of Asia and the treasures of America, the colonial system, materially contributed toward the destruction of the feudal barriers of production'. (*Capital*, vol. III, p.391. Cf. *German Ideology*, p.69)

Even if it is indeed true that Marx nowhere drew a coherent sketch of his understanding of the FMP and its evolution towards the Capital Mode of Production—and, for that matter, neither did Engels—it is nevertheless apparent that he did have a consistent understanding of these issues and that it permeated his writings from the mid 1840s until his death. It is possible to reconstruct this understanding. No doubt, others will disagree with my own reconstruction, at the very least on points of detail. But, even if they do, they will agree that Marx ought not to be quoted selectively as 'scripture' in support of particular points of view. Only by attempting to reconstruct his overall understanding can his writings on these issues be properly addressed.

Notes

- 1 The papers are collected in R. Hilton, ed., *The Transition from Feudalism to Capitalism*, London, 1976.
- 2 Papers collected in T. H. Aston and C. H. E. Philpin, eds, *The Brenner Debate: Agrarian Class Structure and Economic Development in Pre-Industrial Europe*, Cambridge, 1985.
- 3 A. Dopsch, *The Economic and Social Foundations of European Civilization*, 1st German edn, 1918–20; 1st English edn, 1937; rpt, New York, 1969.

Table of Abbreviations

<i>Capital</i> , vol. I	Karl Marx, <i>Capital</i> . Vol. I: <i>A Critical Analysis of Capitalist Production</i> , 3rd edn, ed. F. Engels, trans. S. Moore and E. Aveling, Chicago, 1919.
<i>Capital</i> , vol. III	Karl Marx, <i>Capital</i> . <i>A Critique of Political Economy</i> . Vol. III: <i>The Process of Capitalist Production as a Whole</i> , 1st edn, ed. F. Engels, trans. E. Untermann, Chicago, 1909.
<i>Critique</i>	Karl Marx, <i>A Contribution to the Critique of Political Economy</i> , ed. M. Dobb, trans. S. W. Ryazanskaya, New York, 1970.
<i>Communist Manifesto</i>	Karl Marx and Friedrich Engels, <i>Manifesto of the Communist Party</i> , in Karl Marx and Friedrich Engels, <i>Collected Works</i> , London, 1975–, Vol. VI, pp.477–519.
<i>Economic and Philosophical Manuscripts</i>	Karl Marx, <i>Economic and Philosophic Manuscripts of 1844</i> , in Karl Marx and Friedrich Engels, <i>Collected Works</i> , trans. M. Milligan and D. J. Struik, London, 1975–, Vol. III, pp.229–346
<i>German Ideology</i>	Karl Marx and Friedrich Engels, <i>The German Ideology</i> , in Karl Marx and Friedrich Engels, <i>Collected Works</i> , trans. C. Dutt, W. Lough and C. P. Magill, London, 1975, Vol. V, pp.19–539.
<i>Grundrisse</i>	Karl Marx, <i>Grundrisse: Foundations of the Critique of Political Economy (rough draft)</i> , trans. M. Nicolaus, Harmondsworth, 1973.
<i>Letter to Zasulich</i>	'Marx to Zasulich, March 8, 1881', in <i>Karl Marx: Pre-Capitalist Economic Foundations</i> , ed. E. J. Hobsbawm, trans. J. Cohen, New York, 1964, pp.142–5.