

F O R E W O R D

THE PRESENT NUMBER OF "OUR HISTORY" CONTAINS THE TEXT OF A LECTURE DELIVERED BY MAURICE DOBB TO THE INSTITUTE OF STATISTICS OF THE UNIVERSITY OF BOLOGNA ON THE 24TH MARCH 1962. AS THE AUTHOR EXPLAINED TO HIS AUDIENCE AT THAT TIME, HIS TALK WAS AN ATTEMPT TO RESTATE POSITIONS ALREADY ADOPTED, IN HIS STUDIES IN THE DEVELOPMENT OF CAPITALISM, IN THE LIGHT OF DISCUSSIONS IN MORE RECENT YEARS. WHILE THERE MAY BE FEW NEW FACTS OR FUNDAMENTALLY NEW THEORIES PUT FORWARD IN THIS TALK, ITS PUBLICATION IN ENGLISH IS OPPORTUNE BECAUSE OF A REVIVAL OF DISCUSSION AMONG MARXIST HISTORIANS IN BRITAIN, AS THROUGHOUT THE WORLD, OF THE MANY PROBLEMS IN INTERPRETING THE STAGES OF SOCIAL DEVELOPMENT THROUGH WHICH HUMAN HISTORY HAS PASSED.

T R A N S I T I O N F R O M F E U D A L I S M
T O C A P I T A L I S M

by: Maurice Dobb.

The question of what was the nature and what were the moving forces of the decline of Feudalism as an economic system, and what connection, had this decline with the birth of modern Capitalism, is not entirely without interest, I think, for many underdeveloped countries today. However, it is in the context, rather, of historical interpretation that I want to deal with this question here. For historical interpretation, at any rate for one that attaches primary importance to distinctive modes of production in defining stages in the historical process, a true understanding of this crucial transition is, I believe, essential. Moreover, without it much in our definition of Capitalism as a mode of production, as well as of its origins, must inevitably remain blurred and unclear.

I should perhaps explain that when I talk about Feudalism, I am not referring to this as a juridical form or set of legal relations; I am speaking of it primarily as a socio-economic system. But in looking at it in this light, I do not wish to identify it with Schmoller's 'natural economy', even if it be true that trade and money-dealings, (certainly long-distance trade), occupied a smaller place in this type of economy than in others, both preceding and succeeding it. I refer to it as a system under which economic status and authority were associated with land-tenure, and the direct producer (who was himself the holder of some land) was under obligation based on law or customary right to devote a certain quota of his labour

or his produce to the benefit of his feudal superior. Regarded in this way, as a system of socio-economic relations, it is almost identical with what we generally mean by serfdom; provided that we do not confine the latter to the performance of direct labour services (on the lord's estate or in his household) but include in it the provision of tribute or feudal rent in produce or even in a money-form. Using Marc Bloch's phrase, it implies the existence of "a subject peasantry": he goes on to say, "the feudal system meant the rigorous economic subjection of a host of humble folk to a few powerful men...the land itself (being) valued because it enabled a lord to provide himself with 'men'". To which Bloch added: "whatever the source of the noble's income, he always lived on the labour of other men." Summing it up we can say that the differentiating feature of this type of exploitation is accordingly that the sanction behind it, whereby it is enforced and perpetuated, is so-called "extra-economic compulsion" in some form.

As I see it, there are two central problems connected with the transition from Feudalism to Capitalism - from a system of production resting on serf-labour or "a subject peasantry" to one based on hired wage-labour. These two problems correspond to two phases in the transition, an earlier phase and a later one. Firstly there is the question as to what historical motive-force it was that brought about the disintegration of the feudal system of exploitation, generating a virtual crisis of feudal society at the end of the mediaeval period in Western Europe; certainly in England, in the 15th Century, and more widely also in France and Germany (vide Marc Bloch's 'crise des fortunes seigneuriales'). I would add that this question has to be answered, not only with reference to the unevenness of the process and to differences in the chronological sequence as between different regions, but also in close relation to the so-called 'Second Serfdom' - the reinforcement and extension of serfdom, including the imposition of a servile relationship on previously free cultivators, which occurred in parts of Europe, in the 15th and 16th centuries. Secondly, there is the question as to the process whereby from this disintegration of Feudalism bourgeois or capitalist methods of production, based on wage-labour, arose. Did these new social relations of production spring up directly from the soil of feudal society, its appearance hastening the decline of the old system and directly supplanting it? Or was the process of burgeoning of Capitalism more complex and more long-drawn-out in time than this?

In considering these questions I must inevitably draw upon English experience since this is what I best know. This limitation has serious disadvantages, as I am well aware. But it has at least one advantage: in that England has always been treated, rightly or wrongly, as the classic case of the rise of Capitalism; and as a result of the Norman Conquest the Feudal

System had previously been imposed on England in its most complete form. In connection with the second of the two questions that I have just emphasised, it is to be noted that in this 'classic' English case two whole centuries elapsed between the decline of labour services on the lord's estate as the main form of servile obligation (labour-rent as Marx called it) and the Bourgeois Revolution, and a further century and a half elapsed between the Bourgeois Revolution of the 17th Century and the coming of the so-called 'Industrial Revolution' with power-machinery and factory production. Any answer we give to our second question must take full account of this elongation of the process of transition; must explain why there was so long an interval between the decline of Feudalism and the full maturing of Capitalism. If it were true that "more or less complete forms of the capitalist order ripened in the womb of feudal society" (as was stated in the Soviet textbook on Political Economy)(2nd ed.p.59) this long interval would be hard to explain.

The explanation of the decline of Feudalism with which we are commonly confronted (sometimes; among 'Marxist' writers) is that a system rooted in so-called 'natural economy' was undermined, weakened and finally destroyed by the growth of trade and money dealings, which caused Labour services to be commuted to a money rent and encouraged commodity production for a wide market. We find, indeed, this antithesis between 'natural economy' and 'money economy', and the dissolvent influence of the latter upon the former, in the work of Gustav Schmoller and his school. Pirenne was to elaborate this into the view that it was the revival of long-distance trade from the 12th Century onwards, as a result of the revival of Mediterranean trade, that broke down the self-sufficient manorial economy of feudal Europe. The spread of commerce encouraged the demand among the aristocracy for imported luxuries; merchant caravans, forming permanent settlements at key points, stimulated a revival of town life and market exchange; feudal estates themselves were encouraged by the proximity of markets and of a thriving exchange to produce a surplus for sale outside the locality (whether a surplus of rural produce or of handicrafts), and feudal lords themselves became increasingly reliant on trade and on the obtaining of a money income. In his discussion with me in the pages of the American journal 'Science and Society', some ten years ago, Dr Paul Sweezy was evidently basing his own position on this conception of Henri Pirenne.

The picture we get is, accordingly, one of trade as the primary solvent of feudal society: of trade operation on the feudal system of production and exploitation as an external force. As regards its internal structure, Feudalism tends to be regarded in this conception as an essentially stable system, which, but for this historical 'accident' of the revival of long-distance trade, might have continued indefinitely long.

Once, according to this view, trade and 'money economy' have become enthroned as the historical destroyers of Feudalism it is easy enough to regard them as the direct begetters of capitalism. Here merchant capital plays the essential progenerative role. From the accumulated profits of expanding trade small capitals grow to become large capitals. Some of this capital, originating in the sphere of commerce, flows over first into the purchase of land and then into production - into the employment of free wage-labour in production. Thus the Soviet textbook of which I spoke a moment or two ago (and imitating it a recent volume edited by Otto Kuusinen) speaks of capitalist " 'manufactories' (i.e., large handicraft workshops employing wage-labour). competing with and ousting the old craft guilds as being' the crucial link - the form in which the metamorphosis of merchant capital into industrial capital was realised. Others (and I think this was essentially Sweezy's view) have seen the 'putting-out' system, or Verlag-System, organised by large merchants of the towns to employ craftsmen scattered in domestic workshops in the villages or suburbs, as the crucial road of transition to the matured factory system of the 'industrial revolution'.

There is much that can be shown, I believe, to be unsatisfactory about this view.' Firstly, there is the difficulty I have mentioned about explaining the chronology of the process: if the process of transformation was as simple and direct as this conception represents it as being, why was not the transformation, once it had started, completed in a much shorter time - in the English case within one or two centuries instead of four or five? Secondly, the counterposing of 'money economy' and 'natural economy' as the direct antinomy responsible for the dissolution of Feudalism is not only far too abstract a formulation, but it ignores (partly if not wholly) the influence of internal contradictions and conflicts of the feudal mode of production, for example the peasant struggles and revolts (in a variety of forms) which were virtually endemic in the centuries of its decline. Moreover, it ignores the fact that the existence of trade and of production for the market were by no means always inconsistent with serfdom as a labour-system; and increase of trade and money dealings far from uniformly acted as a dissolvent of serfdom, even in the form of direct labour services on the lord's demesne. On the contrary, growth of trade was not infrequently accompanied by an actual intensification of serfdom, as the 'second serfdom' east of the Elbe, of which Friedrich Engels spoke, is witness. Even within England itself it was in the relatively backward north and west of England that direct labour services disappeared earliest, while in the more advanced south-east, close to town markets and ports such as London, labour services were most stubborn in survival; and it was in the 13th century when agricultural production for the market was at its highest for some centuries that labour services increased.

Reflection on this and on the situation in eastern Europe, where intensification of serfdom was associated with the growing of export trade in grain led me to go so far as to declare in my discussion with Dr Sweezy that in many parts of Europe "the correlation was not between nearness to markets and feudal disintegration, but between nearness to markets and strengthening of serfdom." I should mention, perhaps, that the late Professor Kosminsky summed up the matter more concretely by stating that

"the development of exchange in the peasant economy, whether it served the local market direction, or more distant markets through merchant middlemen, led to the development of money rent. The development of exchange in the lords' economy, on the other hand, led to the growth of labour services."

Thirdly, the conception of Merchant Capital growing up in the interstices of feudal society, and then evolving directly into Industrial Capital and becoming the pioneer of the new mode of production based on wage labour is, I suggest, not only a gross oversimplification (for example, in its treatment of Merchant Capital as a homogeneous entity), but stands in direct conflict, again with many of the facts concerning the actual role of the big merchant companies and merchant princes of the time. This conception of the essentially progressive role of Merchant Capital in the transition is difficult to square with the actual social alignments at the time of the bourgeois revolution. Far from being uniformly progressive, the larger merchant families were often found in alliance with the feudal ruling class (on whom, indeed, they often relied for their trading privileges as well as for their custom), and the powerful trading companies and guilds (especially those engaged in the export trade) often, in defence of their own monopolistic rights, pursued policies which brought them into conflict with those who were interested in the development of handicraft industry (e.g. the conflict between wool merchants and clothworkers in England), and which hampered the growth of the latter. Moreover, it quite overlooks the important role, both in the economic transition and in the bourgeois revolution, of what one may call the 'democratic element' (as they were initially) - of the 'small men' who rose from the ranks of the petty producers themselves, alike in agriculture and in the handicrafts, who accumulated capital from small beginnings, battled for independence, and also in town government, and became employers of wage-labour because, having no stake in feudal society and no claim upon servile labour, they had nothing else but 'free labour' to draw upon.

There is, I believe, a fertile misconception associated with the idea that growth of ~~trade~~ necessarily leads to Capitalism: namely the idea that the presence of a bourgeois element in society (in the sense of persons using money-capital in trade) implies the presence of bourgeois methods and relations of production. As soon as one reflects upon the matter, it becomes clear that nothing

could be more mistaken. All societies since the very primitive have been characterised by trade. Classical society is an example of this; and historians have now discovered that even in the heyday of the mediaeval period there was more trade than was formerly thought. Such trade nourished traders: in other words a social stratum of commercial bourgeoisie. But these were generally remote from production: they were excrescences upon the mode of production, not part of it, and their presence in no way altered the character of this mode of production whatever it might be. (Did not Marx say that "Merchants' capital in its supremacy everywhere stands for a system of robbery" and that "in the antique world the effect of commerce and the development of merchants' capital always result in slave economy"?) Similarly the existence of a trading bourgeoisie in the late mediaeval period, who accumulated capital from the profits of trade and reinvested it as merchant capital, was not inconsistent with the existence of a predominantly feudal mode of production and exploitation. Its existence did not automatically dissolve the latter; nor were the interests of feudal nobility and traders necessarily in conflict with one another. Indeed, feudal seigneurs sometimes themselves engaged in trade (this was particularly true of monasteries), and their sons often went into partnership with merchants if they could acquire land and titles of gentility. Only if Merchant Capital turned towards production, and sought ways of investing capital in new forms of production did it serve as an instrument of transition to Capitalism. This is a matter to which we shall return.

Let us go back and consider what was the character of the system of production that formed the basis of feudal society. So far as the serf was attached to the land and had a holding of land from which he derived his own subsistence (as was true of all except household serfs), one can speak of the system of production as being the petty mode of production - individual or family labour with primitive implements on small plots of land. The same was true of handicraft production; and even when this was organised by the lord or his servants in large-scale workshops, production remained individual production with no more than a primitive division of labour and coordination of individual units. There was also, however, the lords' demesne or manorial estate; and in the heyday of feudalism the surplus labour of the serf took the form of work on this demesne or estate - work which was commonly organised as collective work on a larger scale. This can scarcely I think be embraced within the category of the 'petty mode of production'.

At a later stage of feudal economy, however, in the degree to which large-scale demesne or estate farming declined, surplus labour took the form of an obligation to deliver part of the produce of the serf's own holding (to which all or most of his labour-time was now devoted), or else its money-equivalent, to the feudal superior. Feudal exploitation, in other words, took the form of direct appropriation of a surplus product from the petty mode of production.

In England this change commonly took the form of commuting labour-service for a money-rent (often apparently with retention of the right to reconvert it into direct labour-services at the lord's behest). The change, in other words, represented a transition from what Marx termed labour-rent to money-rent; but the latter was still a feudal rent, enforced by feudal law or custom, and not a contractual rent deriving in any sense from a free market in land. It is true, of course, that this implied the presence of a market and some element of money economy; and one result (though not an invariable result) of the spread of trade, as we have seen, was to encourage the change to money-rent. In France, however, the 16th century witnessed a growth of rent-in-kind or product-rent on a basis which anticipated the metayage system. In Asiatic forms of Feudalism (for example, in India and in Japan) it may be noted that produce-rent or tribute was for centuries a predominant form of exaction.

Marx called money-rent, "as a converted form of rent in kind", "the last form and the dissolving form" of feudal rent ("in its further development", he says "money rent must lead either to the transformation of land into independent peasants' property or into the form corresponding to.....rent paid by a capitalist tenant.") Evidently it is most likely to be a "dissolving" and transitional form if the commutation of services into money-rent is achieved as a concession by the lord to pressure from the producer. This was widely true of the spread of commutation in England after 1300 and even of parts of France and Flanders after the Hundred Years War. Marc Bloch has said that "to the eyes of the historian.....agrarian revolt appeared as inseparable from the seigniorial regime as is, for example, the strike from large-scale capitalist enterprise"; and an English mediaeval historian, Rodney Hilton, in a study of 'Peasant Movements in England before 1381', has stated that "peasant resistance to seigniorial pressure seems first to become significant in England in the 13th century", after which it seems to have increased both in frequency and in intensity. One form assumed by peasant resistance to feudal exaction was peasant flight from the land - flight into the towns or to the waste or borderlands, and on the continent of Europe into the forests or migration towards the less populated east. Such movements drained the estates of labour, and was a powerful factor in promoting commutation and encouraging the actual leasing of demesne lands. In this respect small estates were apt to react differently from large, since the former tended to be less well supplied with labour in the first place as well as possessing less power to assert their claims or to bring back fugitive serfs. It seems to have been this kind of situation which underlay what has been called the general crisis of feudal society in Western Europe in the 14th and 15th centuries; and it was the verdict of the late Professor Kosminsky (in his contribution to Studi in Onore di Armando Sapori) that it was not a decline of population "but rather the liquidation of the seigniorial economy commutation and diminution of feudal rent" that underlay the economic decline of this period - a decline and crisis of feudal economy which had as the other side of the medal an "improvement in the situation of the peasantry and an expansion of simple commodity production."

It was precisely this improvement in the situation of the producers and an enlarged scope for simple that was to accelerate in these centuries that process of social differentiation within the petty mode of production which was to prepare the soil from which bourgeois relations of production were later to emerge. Some differentiation there had always been. To quote Mr Rodney Hilton again:

"The growth of a rich upper stratum among the peasants has been well enough documented in recent agrarian studies. Whether we look at peasant life in the south east, in the Thames Valley, in East Anglia or in the Midlands, we find standing out from the ordinary run of tenants with their fifteen or twenty-acre holdings, a small group of families, sometimes free, more often serf, holding a hundred acres or more".

(Economic History Review, Second Series, Vol.11
No. 2, p.130).

And he goes on to point out that it was precisely these larger peasants (most likely to be commodity-producers for a market and ambitious to expand) who took the lead in revolt against feudal oppression. In the degree to which this revolt succeeded, however, and a portion of the surplus product of the petty mode of production was retained within it, and the greater the chance for peasant leasing of additional land, the more this process of social differentiation was able to develop, since there was now scope for a modest measure of accumulation in the hands of this upper stratum of well-to-do peasants. Here the influence of factors internal to feudal economy interacted with that of such factors as the growth of towns and of trade. It was these more prosperous elements in the petty mode of production, both in agriculture and in the urban handicrafts, who not only had direct links with the market, but sought to improve and extend production, and as they expanded became employers of wage-labour. As universally happens among small commodity - producers, the process of differentiation which breeds the nascent employer, breeds also a supply of depressed if not actually dispossessed, wage-labour available for employment. In later centuries enclosure and concentration of land ownership were to complete the process of dispossessing the poorest stratum of producers, separating them from the means of production and creating a proletariat. But the completion of this process was to take some time.

The picture we have then, in summary, is this. A main factor in the decline of Feudalism in Western Europe, and particularly in England which witnessed a crisis of feudal economy in the late 14th and the 15th century, was the struggle of the small producers to loosen the bonds of feudal exploitation. Particularly conscious of these bonds were the upper stratum of well-to-do peasants, who were in a position to extend cultivation onto new land and to improve it, and who accordingly tended to be the spearpoint of revolt. Such tendencies were both

aided by and aided the spread of trade and of production for the market. But in the degree to which disintegration of the old order proceeded and the petty mode of production shook itself loose from feudal bonds and feudal exploitation, the process of social differentiation within the petty mode of production was accelerated; and it was from this process of social differentiation (with its double tendency to form a kulak class of richer peasants on the one hand, and a depressed class of poor 'cottagers' or landless 'squatters' on the other) that bourgeois relations of production were born. But the process both of disintegration and of differentiation took time; and for this very reason the new mode of production did not spring full grown from the old, but could only develop when the decline of the old had reached a quite advanced stage.

This seems to be the point at which to remind you of an illuminating distinction to which Marx first drew attention between what he called "two roads" of transition. According to the first of these "the producer becomes a merchant and capitalist". This he calls "the really revolutionary way". According to the second, it is the merchant who "takes possession in a direct way of production": a way which though it "serves historically as a mode of transition", "nevertheless cannot by itself do much for the overthrow of the old mode of production, but rather preserves it and uses it as its premise"; and eventually becomes "everywhere an obstacle to a real capitalist mode of production".

This pregnant suggestion is, I believe, abundantly borne out by the facts of English economic development in these crucial centuries of transition from the 14th century to the 16th and 17th; and is an important key to understanding the complex developments that were occurring in the handicraft industries, with the proliferation of Livery Companies and Corporations as well as contests of divergent interests within them, and the spread of a country craft-industry (largely on the so-called 'putting-out system') outside the towns and outside the jurisdiction of the older town guilds. This extension of handicraft industry was evidently pioneered in two main ways. Firstly, a section of the merchants at the head of companies such as the Clothworkers, Drapers and Leather-sellers, Cordwainers, Cutlers and Pewterers began to turn their capital towards the encouragement of domestic handicraft production in the countryside and the suburbs of towns on the 'putting-out system' - advancing raw materials to the craftsmen (later supplying as well their actual working implements, as in hosiery knitting), and marketing the finished product. Secondly, the more prosperous among the craftsmen as well as also the kulak element among peasant farmers established their own contacts with the market, and accumulating a little capital themselves organised the putting-out of work to poorer craftsmen on a half-wage, half-subcontracting basis. In the 16th and early 17th century there were also examples of production in larger workshops or 'manufactories', as well as of considerable capitals being invested in mining operations and some new industries like soap-boiling, paper, cannon-founding, brass-making and brewing, about which Professor Nef has written extensively; but in England at anyrate such large enterprises were the exception rather than the rule (and their owners, incidentally, were apt

to be on the side of the Crown rather than of the Parliament in the English Civil War).

Thus small to middling-sized 'clothiers' were a feature of the small country towns in Tudor England; and it was the clothing towns and districts that were apt to be strongholds of the Parliamentary cause in the English Civil War - for example, the clothing districts of Gloucestershire in the West of England and in East Anglia. Similarly, a marked feature of this period was the prosperous 'improving' yeoman farmer, of whom Professor Tawney speaks, consolidating holdings and 'enclosing' them, and not uncommonly purchasing manors and setting up as minor country squires or gentry. On the continent, especially in Germany, there was a similar spread of the Verlag System; but here it seems to have been more exclusively dominated and monopolised by large 'merchant manufacturers' of the cities, and to have represented accordingly Way No. 2 rather than Way No. 1.

Such contrasts, indeed, on an international scale seem to be crucial to any appreciation of the differences one finds in different countries, both in the historical genesis of Capitalism and in the character of Capitalism when it has finally emerged. In turn, the key to such contrasts is, I believe, to be found in the extent to which Feudalism had disintegrated and the petty mode of production attained a substantial degree of independence before some form of capitalist production first took the stage. This has been well emphasised by the Japanese economic historian Professor Kohachiro Takahashi with an eye particularly to the peculiarities of economic development in his own country. He expresses the contrast in this way:-

"Certainly the way in which capitalism took form in every country was closely tied up with previous social structures, i.e., the internal intensity and organisation of feudal economy there. In England and France feudal land property and serfdom either disintegrated in the process of economic development, or were wiped out structurally and categorically in the bourgeois revolution These revolutions in Western Europe, by the independence and the ascent of the petty commodity producers and their differentiation, set free from among them the forces making for the development of capitalist production; while in Prussia and Japan this 'emancipation' was carried out in the opposite sense. The organisation of feudal land property remained intact and the classes of free and independent peasants and middle-class burghers were undeveloped Since capitalism had to be erected on this kind of soil, on a basis of fusion rather than conflict with absolutism, the formation of capitalism took place in the opposite way to Western Europe, predominantly as a process of transformation of putting-out merchant capital into

industrial capital. . . . It can be said that in connection with varying world historical conditions the process of establishing capitalism takes different basic lines: in Western Europe, Way No I (producer into merchant), in Eastern Europe and Asia, Way No II (merchant into manufacturer). There is a deep inner relationship between the agrarian question and industrial capital, which determines the characteristic structures of capitalism in the various countries".

(Science and Society, New York, Fall 1952: pp 344-5)

There is one further point. What has been said about the petty mode of production during the period of feudal decline must not be taken to mean that there was an intermediate mode of production which somehow filled the interval between the period of high feudalism and capitalism. This, or something close to it, has, indeed, been suggested at times: for example, again by Dr Sweezy in the above mentioned discussion. What he suggests is that we call "the system which prevailed in Western Europe during the fifteenth and sixteenth centuries 'pre-capitalist commodity production'". This I do not feel is either necessary or very satisfactory. It is true, as we have seen, that petty commodity production predominated in this period. But then so also was this the case in varying degrees throughout the feudal period. Even if it be true that in these later centuries feudal revenue had declined and the form of feudal exaction had generally changed to that of money-rent, the subordination of petty commodity production to feudal fetters and exaction had not ended; and one could only speak of the situation correctly as being non-feudal if there were no longer a feudal ruling-class with its peculiar source of income still surviving. There can be no doubt, I think, that the ruling class in these centuries was still the feudal aristocracy, even in England where its ranks had been considerably thinned by the Wars of the Roses in the 15th Century, and where in the Tudor period there was recruitment to its ranks from among the merchant princes (this constituting the parvenu element in the older families). This was the period of the growth of political absolutism - a State form different from the looser, more decentralised form of government of earlier centuries, which had seen considerable autonomy for the various territorial lords each within his own region. But it remained a feudal absolutism; and in England the Stuart period at the beginning of the 17th century saw power and influence (including economic influence and privileges, such as grants of monopoly) concentrated in the Court, up to the challenge of the bourgeois revolution in the 1640's.

Similar considerations apply to the quite common notion of a distinctive Merchant Capitalism preceding the rise of a matured Industrial Capitalism (a notion sponsored inter alia by Professor M.N. Pokrovsky in his History of Russia from the Earliest Times to the Rise of Commercial Capitalism of forty years ago). Now, if 'Merchant Capitalism

is intended merely as a descriptive term for that first and early stage of capitalism prior to the industrial revolution and to the arrival of machinofacture -then one need not quarrel simply about a word. But if the use of the term is intended to imply (as I think it generally is) the existence of a distinctive, and in some sense intermediate system of production and of social relations of production (subsequent to Feudalism but prior to the arrival on the scene of Capitalism proper), then I suggest that this kind of classification is mistaken and misleading. We may well ask what special kind of animal this so-called 'Merchant Capitalism' was. That capitalist relations of production appeared on the scene some time before the Industrial Revolution; that there was an immature and undeveloped first stage of capitalism, in England for two centuries before 1800 - this is all quite true. But, if we understand the situation correctly, I believe we shall see it as a precursor stage, and not at all a separate system or mode of production.



E R R A T A

- Page 4: line 11: Read "Kuusinen" NOT "Kuusines".
Page 5: line 2 : last word but one is "growth".
Page 5, line 11: Read "directly" NOT "direction".
Page 5, between lines 41 & 42: Insert line omitted: "later for dominance in the gilds and companies of the period, and".
Page 6: line 9: first word is "mode".
Page 8, line 2: insert, as last two words "commodity production".
Page 11, between lines 35 and 37: insert line omitted: "Tudor aristocracy, the new upstart families filling the gaps in the".-

This is the 29th Quarterly number of OUR HISTORY published by the History Group of the Communist Party. It is hoped to cover some of the following subjects in further numbers during 1963:-

<u>SONGS OF THE LABOUR MOVEMENT:</u>	<u>CHARTISM & THE TRADE UNIONS</u>
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