Chapter 7

Simple Commodity Production and Value Theory in Late Feudalism

Octavio Colombo

The object of this study is to analyse the conditions of existence for peasant simple commodity production in late feudalism. This issue is closely linked to the problems related to the functioning of the theory of value in a pre-capitalist context, which shall be examined in particular detail. Although the argument is a general one, we shall support it with historical references from village documents dating to the later Middle Ages in Castile.

The structure of the peasantry in the Castilian central plateau bounded by the Duero and Tajo rivers presents unique general features that define the structural limits of the phenomena to be analysed. Such elements are: the predominance of agrarian production; the predominance of small units of production – normally family-owned ones – geared to consumption; the social organisation of these independent units within a framework of community structures (the so-called concejos). All of the above implies the non-separation of the producers from the means of production, and therefore a commodification process that is partial and focused mostly on the local markets. Finally, producers find themselves subject to feudal forms of surplus extraction, mainly in the form of money.

We will present our argument in the following order. Firstly, we shall discuss two different conceptions with regard to the functioning of the theory of value in pre-capitalist contexts which can be traced to the works of Marx and Engels (section I). Then we will explore the more general content of the Marxist theory of value, especially in relation to the concept of simple commodity production (section II). This will be followed by an examination of some general features of simple commodity production in a feudal context (sections III to V): the unpredictability of production, the influence of extra-economic elements on the determination of prices, and the effects derived from different forms of pre-capitalist surplus appropriation. Some general conclusions are summarised in the last section.
Due to its widespread circulation, influence and intellectual authority, the ‘Supplement’ written by Engels in 1895 for Volume III of *Capital* is without a doubt the most significant text analysing the functioning of the theory of value.\(^1\)

In his polemic with Werner Sombart and Conrad Schmidt, who had expressed objections to the historical and analytical centrality of the law of value, Engels developed the problem that came to be known as the ‘historic’ transformation of values into prices of production. In defence of the Marxian law, he held that labour time as the sole regulator of the exchanges had been valid throughout the whole period of commodity production, from its remotest origins up to the emergence of the developed forms of capitalist production. The sheer simplicity of the productive operations and the consequent transparency of the labour time employed, coupled with haggling – a common practice in non-developed markets – would have allowed for the direct commensurability of different concrete labours as well as the close adaptation between values and prices.

Engels’s position has an epistemological root, which he had put forward many years before when he stated that the logical development of the economic categories is ‘nothing but the historical method, only stripped of the historical form and diverting chance occurrences’.\(^2\) Therefore, since political economy begins with the study of the commodity, and consequently with the law of value, Engels considered that this law was the first and simplest relationship existing in history, a methodological discussion that will be addressed later on.

It is not difficult to find a similar idea in the work of Marx. Strictly speaking, all Engels did in his ‘Supplement’ was to develop the logical possibilities contained in a brief statement by Marx.\(^3\) For value to govern the exchanges, Marx posits succinctly that:

*nothing more is necessary than 1) for the exchange of the various commodities to cease being purely accidental or only occasional; 2) so far as direct exchange of commodities is concerned, for these commodit-

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3 Marx states that ‘it is quite appropriate to regard the values of commodities as not only theoretically but also historically prior to the price of production’ (Marx 1966, p. 177).