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## CONFERENCE REPORTS

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### *Levels and Structures of Demand and Consumption from the XIIIth to XVIIIth Centuries*

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It is no easy task to report on the proceedings of the Sixth Study Week organized in memory of Federigo Melis by the *Istituto Francesco Datini* of Prato which was held in that city between 27th April and 3rd May of 1974. This conference can less readily be described by simply reporting on individual papers than any other similar gatherings that we have attended. Certain changes in organization (less time devoted to the reading of papers and communications which were cyclostiled beforehand and handed out to the members of the conference and were then only summarized briefly by the contributors) and the enthusiasm of those involved gave ample opportunity for discussion and made it possible to compare different methods, interpretation and statistics. One only hopes that the published proceedings will reflect the full richness of the debate and allow a more comprehensive appreciation of the achievements of the conference than would be possible simply from the brief remarks which follow.

The subject of the conference had already been debated, although less thoroughly, at the fifth session of the *International Conference of Economic History* held in Bloomington in 1968. It is a topic that gives rise to a number of problems. Firstly, it is not long since the problem of the relationship between demand and economic development first received close attention from economic historians. Such scholars as Kula and Vilar have often attacked the persistence of an empirical approach which they do not consider constructive and also the continued idealization of *histoire événementielle* which is used by scholars as an easy refuge from the need to change their ways and methods of interpreting the world. From this results the habit (still evident among many historians) of considering the facts alone,

just as Ranke advocated in the last century. While this certainly has not prevented historians from registering changes that have occurred in the cultural climate, it has often made them wary of confronting the logical or generalizing structures employed in other human sciences. This is shown in particular by the way in which economic historians lagged behind economists — whose discipline has been strongly influenced by the work of J. M. Keynes for at least thirty years now — when considering the question of demand, which in classical and neo-classical political economy was considered to be irrelevant as a factor in growth since, according to Say's famous law, production created its own market.

On the other hand the hasty application of Keynesian theory to pre-industrial social and economic institutions has not totally avoided the danger, always present when studying the past, of applying generalizations based on false or anachronistic premises. It was an orthodox Keynesian economist, Gardner Ackley, who pointed out that the analysis of effective demand as a growth factor was only valid when there were no obstacles to production and when there was general mobility of the factors of production. Spain in the Golden Age provides a striking example. The absence of the two conditions mentioned above not only prevented the enormous demand brought about by the arrival of precious metals from America becoming a growth factor but was also a decisive factor in the relative backwardness of the country, as this demand was passed on to neighbouring countries. In his paper on « Models of consumption in agrarian society » (given on the second day), Witold Kula, while expanding on certain points he has made elsewhere, explained that in those societies which have feudal relations of production it sometimes happens that market phenomena affect production in a way quite contrary to that in capitalist societies. Given the rigidity of consumption, a decrease in investment often corresponds with an increase in effective demand and, vice versa, an increase in investment to a fall in demand, which by balancing lower prices with increased production established the traditional level of consumption. Thus it is always misleading to divorce study of demand from that of the productive structures which determine it.

Taking, then, such problems which arise from the question of demand, and given that such false analogies by and large were avoided by the speakers, Europe in the modern period once again presented the conference members with two radically different, if structurally inter-connected, facets. On one hand there was feudal Europe, the consumption model of which was brilliantly described by Kula, and on the other a Europe emerging with difficulty from feudalism to which Keynesian models could usefully be applied. Following the English economist, if  $S > I$  and the propensity to consume is an inverse function of the level of income, one can postulate two possible models of static equilibrium for European pre-industrial societies emerging from feudalism which may serve — after accepting of course the limitations of any such

scheme — to identify certain features of their economies. When studying particular situations these are naturally bound to overlap, intersect and modify one another and then finally to become by stages inadequate due to exogenous factors (e.g. technical progress, foreign demand, changes in the relationship between the classes etc.). On one hand, by following certain statements by Keynes on the economy of backward countries, we can establish a causal link between a low average level of income, a high propensity to consume, the presence of effective demand and a low rate of unemployment with a consequent lack of motivation for State intervention in the economy, and at the same time a low rate of accumulation and low rate of investment. On the other hand, emphasising other aspects of these societies, we can construct a causal sequence between major inequalities in income and a high rate of private accumulation, but also scarcity of effective demand and so scarce opportunities for investment, hence hoarding, unemployment (expressed as pauperism, vagabondage, banditry) and the intervention of the State and Church to correct the imbalance by means of expenditure on war and charity. In considering many of the studies presented at the conference we shall have to refer to certain aspects of one or the other of these interpretative schemes. In defining the economic functioning of either the first or the second group of societies, however, the methods of inquiry were often of considerable importance and opened up new possibilities of inquiry which, one hopes, will not be ignored by international economic history.

The studies themselves were spread over six days, each of which was devoted to one particular subject. In the first session, discussion of methodological problems relating to the general topic ('Levels and distribution of income in relation to the level and structure of consumption') was prefaced by an excellent introductory paper by Peter Mathias entitled «Wages, consumption and leisure in the eighteenth century» which concentrated on the «backward sloping supply curve for labour», that is, on the problem of a reduction in offered employment resulting from an increase in demand expressed in terms of increase in salaries. Mathias' main line of argument was that in terms of demand the economic growth factor in England was the greater expansion of the domestic market in respect to the foreign market, since «the expansion of foreign trade was intimately associated with the expansion of effective internal demand, through the sterling credits pumped into the international economy in payment for imports to the U.K.». In turn the expansion of the domestic market was the result both of demographic growth and of the growth in real income, including wages. The «leisure preference» which resulted from the rigid level of consumption among those peripheral social groups on whom «the effect of proof», in Duesenberry's term, was not operative, may have had an effect in the short term but in the long term did not stop higher wages creating more employment and finally effective demand. The entrepreneurs, even while complaining of the workers'

idleness, continued to offer higher wages when they needed more labour and in general growth was more intensive where wages were higher. Also of great interest were Mathias's remarks on the reasons why throughout traditional economic thought (until classical political economy came to consider the problem through the theory of the movement of wages to a level which would allow the labour force an expansion rate compatible with that of food supplies) the real difficulty of translating in the short term higher wages into higher income from labour was « illegitimately transposed into a normative world of social theorizing » together with the entire mercantile ideological armoury on the utility of workers' poverty and the moral dangers caused to society by high wages. The Oxford historian rightly related these attitudes to the interests of the entrepreneurs who were operating in a period of technical development when costs were determined essentially by the cost of raw materials and labour and when wage increases could not be compensated by increases in productivity. At the same time Mathias posed a problem. How did a productive sector geared to satisfying foreign demand in a situation where the domestic market was of overwhelming importance come to determine the general tone of the economic debate, as is shown in the lack of interest in the level of effective domestic demand which is implicit in the « utility of poverty doctrine » and characteristic of large sectors of mercantile thought? In fact we are asking whether, while acknowledging the enormous importance of the domestic market once the feudal structures had collapsed and production for the market instead of for auto-consumption had begun on a large scale, one ought not to stress, as Hobsbawm has done for example, the decisive, if not quantitatively pre-eminent, role played by the conquest of large sectors of the world market by English manufactures at the cost of other nations. It is the leading role played by this factor which alone can explain the concentration not only of the economic debate, but also of the country's economic and military policies themselves, on « foreign outlets ». However these are problems which are still widely debated and which require much more detailed consideration.

The three papers that followed were of a different kind. Jean-Claude Toutain's paper entitled « Economy and history: methodological notes on consumption » contained a wealth of valuable methodological points and his historical work shows the mark of the economist's critical awareness. But Toutain made an appeal which is often neglected by professional economists. The point of arrival of a given historical process, in this case that of the development of personal consumption, should not be seen in absolute terms ». « (...) The development of consumption », Toutain claimed, « is less an irrepressible and 'natural' development towards some absolute condition of better eating closely related to wealth than the product of urbanization which is accompanied by a specific way of life ». Institutional, social and psychological circumstances profoundly affect our patterns of consumption, making them a

part of the way in which we organize our life in common rather than a simple aspect of the dieticians' statistical calculations. In his paper entitled « A case of expanded consumption: the ecclesiastical population of towns in the early Middle Ages », Jerzy Kloczowski posed the problem of the relationship between the massive expenditure on consumption created by the great number of religious communities that emerged throughout the Middle Ages and the development of cities in which the ecclesiastical population was concentrated in greater numbers than in the countryside. Was the fact that « the Europe of the cathedrals » to use DUBY's expression, occurred in most cases simultaneously with the « Europe of the cities » and economic growth a sign of the positive stimulants which massive expenditure on sacred buildings gave to the surrounding areas (as in T. H. JOHNSON'S Keynesian view), or were the cathedrals, as LOPEZ has argued, an example of the petrification of capital which hindered productive investment and so even greater growth? This argument has been carried on for some decades, and Kloczowski drew his arguments mainly from current literature on the subject, giving no conclusive answers. Certain aspects of the paper given by Achilles (« Variations in expenditure on foodstuffs by peasant farmers and dependent farmworkers with similar incomes around 1790 ») were also of particular interest. On the basis of statistics for Lower Saxony Achilles was able to confirm on one hand that the peasant diet was on average of better quality than that of an urban wage-earner, and on the other that the peasants' food consumption was relatively independent of variations in prices and income. In fact in the years of bad harvest consumption remained almost unaffected and caused debts that were, so to speak, floating and which, when incurred on a large scale, were the cause of often successful claims for the reduction of rents. The accumulation of debts that soon became uncollectable by the creditors was not the only weapon employed by the lower classes in defence of their fixed level of consumption. As Carlo PONI was to emphasise in discussion of the paper, theft itself often became a normal means of increasing the quota of production owed to the labourer and was justified by the Church as the « *compensatio occulta* » for an unfair distribution of the product.

On the second day the subject was « Food and Clothing » and the papers by Witold KULA, to which we have already referred, and Kotelnikova on « the economic and social conditions of Tuscan sharecroppers in the XVth century » confirmed that the level of peasant consumption was not automatically determined by the level of their income. The peasant's indebtedness to the lord was a matter of course, in KULA's view. At times he even used seed corn for consumption, knowing that the landlord himself would make him a loan because he was always worried that the peasant might flee and abandon the land, for the basic obstacle in the economic system was the labour shortage. As always in the work of this Polish historian a single example is used to illuminate a system of relationships that are structurally interlinked and which

typify the way in which the economic and social structure under examination in fact functioned. But Kula's paper, in contrast with his other more general works, especially « Feudal Society », rather than presenting any major new discoveries, consisted mainly of detailed examples of particular issues, the general methodological aspects of which need not be restated here as they have been widely discussed elsewhere. However some important points arose during the discussion that followed. Wyczanski, one of the leading authorities on the history of food consumption, made the point that, in the case of certain levels of wealth, food consumption, instead of diminishing proportionately, increased for reasons of prestige. Maurice Aymard mentioned the influence of population growth on consumption, noting that demographic expansion reduced the areas available for hunting, fishing and also for cultivation and so might reduce an item in real income that was often of crucial importance for the poor. De Maddalena, referring to what Kula had said about the difficulty of finding adequate documentation on the consumption of poorer families, proposed that research should be geared to macro-economic analysis and should concentrate on the patterns of consumption at a global level, using such information as the volume of grain subject to tax or registered with the commissions which had responsibility for provisioning. This suggestion seemed particularly interesting in that it would allow us eventually to define such fundamental characteristics of pre-industrial European societies as the relationship between consumption, savings, and GNP in a much less approximate and hypothetical way than is at present possible.

Kotelnikova also mentioned that the level of consumption sometimes exceeded income. In the XVth century in particular, in contrast with the previous century, the average share of the harvest assigned to the Tuscan sharecropper was sufficient to meet 1-3 months consumption, and less often 6-8 months. But even in this case, as the Russian scholar conceded in replying to comments on her paper made by Aymard, if one excludes the income derived from domestic industry and farming conducted outside the contract, indebtedness became an unavoidable means of survival. However, in contrast to the picture given by Achilles, which clearly derived from a situation in which the distribution of social power was quite different, indebtedness often led to premature termination of the sharecropping contract and the eviction of the sharecropper rather than in any reduction in the landlord's share of the crop. However Kotelnikova's analysis was of a general nature and, as Giorgio Giorgetti pointed out in the discussion, the level of consumption of the sharecropper who owned a *podere* (farm) was to be distinguished from that of the sharecropper without a *podere*, who was a semiproletarian.

Kasotanov and Wyrobisz, in their papers entitled respectively « Demand created by the great landowners in Russia for consumer objects in XIVth-XVIth centuries » and « The Polish noble courts in the XVIth-XVIIth centuries and the consumption of non-agricultural goods » discussed the consump-

tion of the noble classes in societies that were still feudal. In Wyrobisz' view the demand created by the dozen or so great courts and the hundred or so minor noble courts in Poland (whose existence was due to the concentration and accumulation of landed property in the hands of the magnates during the course of the modern period) was not directed only abroad towards luxury goods that were purchased with agricultural commodities. Nor did it alone sustain the feeble monetary sector of the East European feudal economy in face of a subsistence peasant economy. In fact, the Polish historian said, there was hardly ever an adequate supply of money to satisfy the considerable needs of these communities, which at a sweep embraced the lord's family itself and the permanent court entourage, clients and soldiers, amounting to several thousand consumers in all. The result was then that this type of demand, instead of creating a larger market and stimulating the growth of a free, national craft industry, brought about the creation of a sort of subsistence craft industry controlled entirely by the court. Sometimes this developed within the royal cities but outside the guilds, and sometimes in private cities to which the feudatory attracted craftsmen by offering various privileges. In this way, then, the nobility's pattern of consumption further reduced the monetary sector and served to fragment the internal market, and this is further proof that the stimuli of demand were only effective where productive and market structures were suitable. In Wyrobisz' view the areas in which this analysis is valid coincide with the areas of backwardness, roughly speaking Eastern Europe and parts of Spain. On the other hand, as Villani remarked in a comment on the paper, in certain backward areas such as Southern Italy where the nobility certainly had a predominant position there was also a different market structure from the time when expenditure was no longer centred in courts scattered about the countryside but in a capital where the income earned in the provinces was petrified. It did not give rise to growth because of the backwardness of the countryside and the relations of production that were prevalent there.

The last paper of the day, that by L. Makkai and V. Zimanyi on « The structures of production and consumption: an example from Hungary in the XVIth to XVIIth centuries », offered another example of the varying results of increased demand in different social and economic situations. According to views expressed elsewhere by Zimanyi (who was the author of the second part of the paper to which we shall mainly refer) with the price revolution the trade relations, which in the XVth century had favoured industrial products, suddenly changed in favour of agricultural commodities, hence favouring also the Eastern European countries. This meant that the old relations of production were preserved and ultimately that their backwardness was reinforced. In Hungary itself, which traditionally exported wine and livestock and imported textile products, the peasants enjoyed a diet of a high standard because of the proportion of meat it contained. Due to high foreign demand and the good

price they could acquire, this also hindered the process of proletarianization and the reorganization of production along capitalist lines. By contrast, in the manufacturing sector, which was mainly situated in the West, the *challenge* of the reduction in relative prices, to use Toynbee's terms, obtained a *positive response* in the form of restructuring and technological renovation. Thus when the exceptionally favourable conditions of the XVIth century declined in the XVIIth century all the limitations and contradictions of Hungary's backward social and economic structures were revealed. Although this provides an extremely attractive explanation, however, it is not one that can be accepted fully. On one hand, in fact, the difficulties which would have brought about the restructuring of the manufacturing sector should be seen, not in terms of the relationship between prices of manufactured and agricultural goods, but rather in terms of diminishing profits which, in fact, increased because wages rose at a slower rate than prices (cf. the « profit inflation » discussed by Hamilton). On the other hand, as a considerable number of studies have attested, in countries which first experienced the industrial revolution the most important stimuli of this type were firstly the modernization of the agricultural sector (the « new agriculture ») and secondly increased demand arising from it. So rather than contrasting the agricultural with the manufacturing areas of Europe it is important to consider the different behaviour of the agricultural sectors in the two areas, especially the contradictory development of relations of production under the stimulus of increased demand, which in its turn was determined — and here we return to the questions we asked at the beginning of these notes — by the nature and degree of development of their social and economic systems. And this of course was pointed out by Hoszowski in the article he wrote in 1961 which was the first attempt to show the effect of the price revolution on all the countries of Central and Eastern Europe.

With the theme of the third day — « Charity and Assistance » — we passed to that sector of a nation's consumption which can be called public expenditure in spite of the difficulties that often arise in distinguishing the private from the public sector in pre-industrial societies. As the introductory papers by A. Vauchez (« Assistance and Charity in the West between the XIIth and XVth centuries ») and J.-P. Gutton (« Charity and Assistance in Europe between the XVIth and XVIIIth centuries ») explained, the fully public nature of expenditure on the poor was in fact the final stage in centuries of development in charitable organizations. The development was clearly traced in the studies by the two French historians and is bound up both with the history of the concept of charity and with the changes in certain aspects of collective attitudes such as those described by Alberto Tenenti, Michel Foucauld and, at this very conference, by Karol Gorski, as we shall see later. The medieval attitude towards the pauper who was venerated, according to the Franciscan mystical thought shared by numerous religious movements that

bordered on heresy, as a living likeness of Christ, began to change with the economic and social crises of the XIVth and especially the late XVth and early XVIth centuries, when at least in the cities the complex, wealthy and extensive charitable institutions of the early Middle Ages proved inadequate when confronted with the flood of uprooted peasants brought in by the dissolution of the traditional structures of the countryside. When this occurred the ruling classes came to see the virtue of poverty as a spiritual element distinct from the state of poverty which was the source of vice, violence and rebellion. The middle classes tended to disassociate themselves from it, secularizing the charitable organizations, handing them over to the civic authorities and excluding undesirables from them. As Bronislaw Geremek explained in a paper entitled « The reform of assistance to the poor in the XVIth century and ideological disputes » in which he described the heated debate on poverty that took place in the XVIth century, if the crisis of the late Middle Ages and the early modern period when capitalist structures were established in the countryside did not mark the origin of pauperism it certainly gave it a new dimension. It raised problems of reorganizing charitable institutions and not only where the Reformation was taking place, as has often been held. These profound changes were taking place everywhere, even in some Catholic countries, which belies the automatic connection which is often drawn between the Protestant Reformation and reform of charitable institutions. But this, as Geremek pointed out, was not the case in Poland, where the contemporary measures taken to control pauperism had in fact the objective of preventing any malfunction in the working of the newly strengthened feudal structures which, because of the shortage of labour, were the direct result of the increase in the numbers of vagabonds.

The development of charitable institutions in the XVIIth and XVIIIth centuries was traced in Gutton's sensitively written paper. It was in the XVIIth century in particular that the repression of beggars and vagabonds began and they were shut up — like madmen (cf. Foucauld) — in prison-factories where they were to undergo a process of re-education with a view to their re-instatement, once they had been purged of their anti-social characteristics, into the world of production which was now in full expansion in the more advanced countries. We can say, even though we may run the risk of exaggeration, that the function of these prison-hospital-factories invented by the mercantilists was, in historical terms, to channel the work force that had been freed by the dissolution of the feudal world into the stream of the new mode of production. Its rhythms, personal relations and objectives were quite new and different from the traditional ones, requiring on the part of the ex-peasant an effort to adapt himself which not all were able to make and which could also cause their dispersal. In other words, the workhouses were clinics for the unadapted victims of social and economic change. However, Gutton pointed out, not only were they resisted by the mass of workers who

saw men of their own social background enclosed in them and who were also damaged by the competition from their products, but they were also opposed by the old structures, by the traditional attitudes of the old world — especially where this still prevailed, as in Spain and Eastern Europe. In these countries in particular, but also in more advanced ones, the new institutions (savings banks, peasants' corn banks etc.) survived with difficulty. These were desired by those enlightened groups who had in the XVIIth century gained a wider and more correct view of the phenomenon of poverty. This was no longer seen as a living example of original Christian poverty or as a re-appearance of the demonic forces in man, but was finally seen in the perspective of history and the contradictions within society. Enlightened *bienfaisance* and medieval *charité* still co-existed in XIXth century Europe.

The paper by A. W. Coats (« The relief of poverty, attitudes to labour, and economic change in England 1660-1782 ») added many details to the picture that had already been sketched in. It is important to note that, as the weighty tradition of studies on English pauperism (among them are those by Marshall, Leonard, and Sidney and Beatrice Webb) revealed, the development of charitable organizations in England followed quite contrary lines to those on the continent « (...) the combined influence of the decline of religion and the spread of scientific ideas » said Coats, as well as « the so-called rise of economic individualism meant, in social affairs, a decline of paternalistic central government interference and a growth of parochial responsibility ». This was certainly not the only instance of administrative decentralization in the institutional history of the country. The most important contribution of Coats's study was the connection which he drew between the general trends of the English economy and the attitude of the ruling classes to the problem of poverty which was revealed in the various laws pertaining to it. The English historian distinguished three phases. In the first, between 1660 and the end of the century, the workhouses were considered very optimistically as possible sources of profit to be gained from the super-exploitation of the poor. The second, between 1700 and about 1750, saw on one hand a fall in agricultural prices and a consequent rise in the purchasing power of wages, and on the other the difficulties of the international market which could be overcome with a reduction in labour costs and an increase in production. These led to even greater hostility towards poverty and the use of the workhouse as a deterrent to those who preferred not to work and to be maintained by the parochial charitable organizations. Then there was a third phase in which prices rose far more than wages and the ruling classes' interest in problems of charity revived, as *Gilbert's Act* of 1782 demonstrated. Coats also made important suggestions for an evaluation of the phenomenon of charity in more general relation to society, the economy and production. This had been largely absent from previous papers on the theme, to which we have already referred, but was vital in order to link the topic to the central themes of the congress.

Coats said that on the one hand expenditure on charity « constituted a sizeable transfer of incomes to persons with a high propensity to consume from those with a comparatively very high propensity to save » even if the results in terms of effective demand were not necessarily very significant. On the other hand charity lessened social tensions and by raising standards of living and diet helped to increase productivity and also, ultimately, to contribute to a demographic growth that was indispensable to England's sudden economic development in the XVIIIth century.

The problems of the relationship between expenditure on charity and effective demand were the central issues of the final paper of the day, « Expenditure on charity in an XVIIIth century city: the case of Geneva » by Anne M. Puiz. In Geneva, as in England, expenditure on charity generally speaking, not only injected purchasing power into sectors with a high propensity to consume but also, in as much as it affected not only vagabonds and beggars but also wage-earners in times of crisis, meant that paradoxically income was transferred from non-productive to productive sectors, which entrepreneurs and workers included in their calculations. The remarks made by Puiz on the part played by expenditure on charity in evening out the general level of consumption, whether or not those responsible were aware of this, were of particular interest. In difficult times it acted as an injection of purchasing power, for while charitable expenditure itself increased, the amount of money collected decreased. And on the other hand, in prosperous times expenditure decreased and contributions increased, thus absorbing purchasing power. It must be said that groundwork of this kind should open up promising areas for research into those problems mentioned at the beginning of these notes.

The paper by Jean Favier « Service of the ruler and of the ruled: paths to fortune and wealth in medieval France » which opened the session on the fourth day, devoted to « Administrative Services », was equally valuable from the same point of view. As Michel Baelde (« Opportunities for enrichment of the 'administrative' bodies in the former Low Countries from XVIth to XVIIIth centuries ») Carmelo Trasselli (« On the administrative services in Sicily ») and Gerald E. Aylmer (« Office-holding, wealth and social structure in England 1580-1720 ») were to confirm, in their papers, public service almost always contributed to wealth and social status, whether the path chosen was that of the law-courts or of financial contracts with the State. But it is most interesting that the flow of income into the administrative sector also affected the structure of the market. The taxes levied on the country as a whole, and often more heavily on the countryside, were, as Favier emphasized, into salaries which were spent in the capitals in which the income from the investments made by the leading members of provincial society (these were usually in land, but were always investments involving little risk) were also concentrated. This factor, together with the high propensity to consume shown by these social groups and the fact that their consumption was scarcely affected

by crises, because of the irregularity of wage payment in the administrative sector and the employees' habit of living on credit, stimulated the growth of a certain type of service and a craft industry that was devoted to satisfying this domestic market which was much more prosperous and well established than in the smaller cities. Here there was a relative abundance of capital and a low rate of interest. This is one aspect of the historical analysis of the relationship between the city and the countryside which is especially important where administrative centralization and bureaucratic structures are accentuated, as in France.

Administrative expenditure in England had less effect on the structure of the market and the level of demand. As Aylmer explained, both the bureaucratic machine and the relative amount of income expanded during the XVIIth century. The administrators' earnings were composed, until 1642, almost entirely of more or less legal payments paid directly by their clients — what the author called a form of indirect taxation — which was widespread (cf. also Baelde's paper) in other European countries. Then, from 1642 until the Restoration, salaries were increased so much that they exceeded the other form of payment. Finally, after 1660 the clients' payments again exceeded salaries which were nevertheless still much higher than in the period preceding the Cromwellian revolution so that the administrators' incomes, both as individuals and as a body, grew considerably. But, as Aylmer concluded, this was not to the extent of making « the burden of the state (...) economically crippling » or « office-holding so fatally attractive as to draw too many of the ablest people away from other pursuits ». This points to an important aspect of the social organization of what was to be the foremost industrial nation, but it does however risk turning the problem on its head by attributing to the specific relationship between the ruling classes and the administrative institutions the development in productive activity which was what, in fact, reduced the « fatally attractive » character of public office. Aylmer had already stated that « the ease or difficulty with which wealth could be increased and status enhanced other than by means of office-holding is perhaps the most decisive — and in many modern discussions also the most neglected — element of all ».

The studies on the fifth day seemed less involved with the basic problems facing the conference. This was certainly not due to the topic itself, which was « Education and Religion », both topics of fundamental importance in the field of demand and public and private consumption. But the various authors presented studies and notes that were often confined to the chosen topic, perhaps because of a healthy scholarly caution which is necessary in a field where there is a lack of preliminary studies. The two introductory papers were sound preliminary studies — the first, by Quinton Aldea on « The economy of local churches from 1400 to 1600 » was a full and exhaustive analysis containing valuable statistics and data on Spain, on sources and

methodology, for example, in which he defined ecclesiastical goods as « accumulation of wealth which in no way benefitted the common good ». The second, by Miquel Battlori (« Economics and university colleges — XVth-XVIIth centuries ») was on the budgets of university colleges, which were almost always in the red. The papers given by Gino Benzoni (« The demand for urban culture in Italy in the XVIth and XVIIth centuries ») and François Furet (« Indicators, growth rates and the geographical distribution of literacy in France from XVIIth to XIXth centuries ») were also very interesting, as was the fascinating and novel study by Karol Gorski on « Psychological tendencies and necessities and aspects of consumption in the modern period ». This dealt with the world of collective psychology, the « cultural climate », as he put it, « which is to be found somewhere between the economic and the spiritual life and creates tendencies which are often felt as psychological necessities ». This is a field of study in which the French *Annales* school has shown interest for only a short time so it is relatively unexplored and not yet completely defined in methodological terms. This in fact was revealed by the elegantly ambiguous way in which Gorski replied to the questions he set himself on the influences, structure and levels of consumption, the changes in collective attitudes to hunger, the family, religion, wealth, entertainment, fashion, fear, beauty and by the formulation of the problems throughout the study.

The final day was devoted to the most important item of public expenditure in pre-industrial Europe: « War ». According to the calculations made by Contamine, the author of an introductory paper in which he took up and developed topics which he had already tackled in several important studies, this amounted to roughly 1/3 to 2/3 of state and city budgets in the late Middle Ages, although as public budgets were slender the quota of military spending on the GNP was also slight. In Contamine's view, it was only when war was fought on national soil and gave rise to devastation that it was important as a destroyer of wealth. One must remember that this view is the opposite of Davenant's, who claimed that a foreign war was less damaging than war at home since the latter alone brought about expenditure which affected the structure of domestic demand. Contamine did not attribute any specific role to war in terms of demand on economic development, but we would like to devote some attention to this paper especially as it comes at the end of this account of the proceedings, since it can be linked with Favier's paper on the administrative services because of its geographical and chronological background, and also because the analysis was concerned with modifications in the structure of demand caused by the phenomena under examination, and this touches very closely the central theme of the conference. From the point of view of demand, the market in military goods in the period under examination was characterized not by the usual state monopoly but by a variety of purchasers — from peasants who

had to defend themselves from robbers to knights and lords who were obliged to have arms ready for use when the king requested it and also cities which, once they had obtained the necessary permission, built fortified walls around them. Even when private wars had been outlawed and the right to carry arms restricted there were still rebellions, while the particular structure of the English army, based on a system of captains (as they would be called today) to provide cannon fodder and especially mercenary troops, created a massive demand in addition to that created by the State, although the latter did however still control and regulate it. The structure of the arms market was never comparable with that of foodstuffs, for example. (The paper by Mario del Treppo, entitled « The mercenary army as a factor in production and consumption between the XIVth and XVth centuries », had it been delivered, would have provided precise information and some interesting observations on mercenaries). On the other hand, while the demand for agricultural and craft products was inelastic in the short term, the military market was extremely unstable, although its instability was reduced, but not eliminated, by the establishment of permanent armies. As a consequence it was extremely difficult for the suppliers to estimate demand accurately, which in turn explains the attempts by gunmakers to influence the development of wars in order to solve problems of over-production.

Apart from the paper in which F. Ruiz Martin calculated the « Costs of maintaining Spanish land and sea forces », the final day included a study by Geoffrey Parker of « War and economic change: the economic costs of the Dutch revolt ». This is a long-standing problem to which Parker has already made an outstanding contribution. The English historian's paper was very sensitively written and the conclusion was very precise: the Eighty Years War « served to retard the growth of the northern republic (and particularly of its landward provinces) to inflict permanent damage on the economy of large areas of the Spanish empire, and to ruin for two centuries the prosperity of 'Belgium' ». Also in the case studied by Parker, then, war must have been insignificant as a source of effective demand not only in Spain, which, as we have said, was incapable of responding to positive market stimuli but even in the case of the more dynamic Holland. In her case — at least this is what we take to be the author's meaning — her position on the world market would have made good any gap in demand and have created opportunities for investing any savings. While this argument is quite plausible it requires further explanation.

In another review which was published in this journal on the *Fifth Study Week* at Prato we referred to the lack of studies of a general or methodological kind at that conference. In a sense the same could be said of this conference, although the fact that we have had to skim over the discussion periods which were often concerned with linking the more general aspects of the studies that were presented may have accentuated the reader's impres-

sion that the studies were somewhat isolated. Despite the fact that the topics discussed on individual days covered individual aspects of the general problem of central concern, the multiplicity of topics did occasionally give rise to a fragmented rather than a multilateral approach, such as the organizers had hoped for, to the real nucleus of issues. On the other hand, despite the range of topics discussed, there were still many that remained totally neglected. Amongst the most important of these we would include the relationship between population and consumption and the relationship between the destruction of traditional relations of production, the destruction, that is, of subsistence economies on one hand and on the other the emergence of a capitalist market and the creation of channels for transmitting demand to the productive structures now no longer impeded by feudal or guild shackles.

To conclude, then: many problems were tackled, while others were neglected or left unsettled, some of which were those we posed at the start. But at the same time this conference has indubitably established the value of the study of demand both for the past, in history, and for the present.

