Feudal Only in Name

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Introduction

A growing number of voices have proposed to understand the contemporary political-economic order by comparison with feudalism. Critics like Evgeny Morozov, meanwhile, object that the talk about "neofeudalism" is confused, because it's still just the same old capitalism. In what follows, I'll examine the views of Michael Hudson, who has for years spoken convincingly of "neofeudalism," of J.W. Mason, who criticizes Hudson's view, and of Evgeny Morozov, who only mentions it in passing.[1] I won't be able to prove that any view of "neofeudalism" is right, but only that, if it's wrong, it's not because it's nonsense or un-Marxian, as these critics contend. There are serious terminological problems which must be resolved before any real debate is possible here, but they're due to the critics' own confusions about the fundamental distinction between profit and rent. Hudson uses Marx's own categories to give an updated account for the present, and something very close to his view can be derived from Marx's writings. The scholastic question whether "neofeudalism" is a new, worse type of capitalism or something altogether different, meanwhile, is less important than the perspective on contemporary economies gained by taking the idea seriously enough to think it through.

[1] E. Morozov, "Critique of Technofeudal Reason", in *New Left Review*, n. 133-134, 2022, p. 91.

Were It a Debate

Perhaps it's skepticism towards sensational rhetoric which motivates resistance towards the idea of "neofeudalism." Mozorov rejects it as "intellectual weakness" and "analytical swamps,"[2] and Mason's more-modest critique is similar.[3] Both contest its Marxian pedigree and believe "[c]apitalism is moving in the same direction it always has been."[4] But I think they're mixing up empirical questions of fact with methodological ones about the categories we need to understand the world. They insist on considering the contemporary economy with Marx's model of *the production and sale of commodities for profit*, from "*Capital*, Volume One".[5] And if one only looks at the economy through that categorical lens, as it were, then talking about "neofeudalism" sounds like nonsense indeed. But Hudson employs and updates Marx's account of interest and rent from volume 3. *That* is the categorical lens on which talk of "neofeudalism" is based, and his point is that the former lens is incomplete or inappropriate. So, the real confusion here stems from looking at claims about "neofeudalism" and the world through the wrong lens. Seen through the right one, they look very differently.

Hudson's view emphasizes the importance of rents, *rentiers*, and above all of finance, insurance, real estate (FIRE) and technology sectors. "An economy based increasingly on rent extraction by the few and debt buildup by the many is, in essence, the feudal model applied in a sophisticated financial system."[6] In the paper Morozov cites, he writes:

> "A financial class has usurped the role that landlords used to play – a class living off special privilege. Most economic rent is

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[2] Morozov (2022), pp. 92, 120.
[3] J.W. Mason, "Comments on Michael Hudson: Making Capitalism Great Again? A Critique of the 'Rentier Takeover' Thesis", in *Review of Radical Political Economics*, 53(4), 2021, pp. 574, 576.
[4] Morozov (2022), pp. 120, 126.
[5] Morozov (2022), p. 100.
[6] D. Bezemer, M. Hudson, "Finance Is Not the Economy: Reviving the Conceptual Distinction", in *Journal of Economic Issues*, 50(3), 2016, p. 761.

> now paid out as interest. This rake-off interrupts the circular flow between production and consumption, causing economic shrinkage – a dynamic that is the opposite of industrial capitalism's original impulse. The 'miracle of compound interest,' reinforced now by fiat credit creation, is cannibalizing industrial capital as well as the returns to labor."[7]

Later I'll address how Hudson's argument is closer to Marx than his critics. Now I'll reconstruct it as follows: (1) Economic rent-extraction and profit-formation are as different as mere distribution and production; gains from redistribution are relative, while gains from production change the total sum of wealth and money-value. Crucially, "rent" is meant in the general sense it had in classical political economy naming all fixed costs paid to monopolistic asset-owners, additions to price without any corresponding increase in production costs per unit, while the recipients of those rents are the "rentiers," whether corporations or individuals, who employ managers to gate-keep the assets.[8] (2) The economic core of feudalism was fundamentally unproductive rent-extraction (redistribution) by private monopolies, which enjoyed *de facto* state-like power, while the economic core of capitalism is classically profit-formation through commodity-production. (3) The FIRE and tech sectors engage in unproductive rent-extraction, are becoming increasingly predominant and monopolistic, and increasingly usurp political power from within the private sphere. So (4), their rise to prominence is reminiscent of feudalism in the economic sense at issue: extractive or redistributive forms of revenue and roles analogous to landlords. The "neo" in "neofeudalism" means it's feudal in just this sense, and what motivates the idea is just how vastly and deeply rent-extraction reaches into the present system.

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[7] M. Hudson, *The Road to Debt Deflation, Debt Peonage, and Neofeudalism*, Levy Economics Institute of Bard College Working Paper, No. 708, 2012, p. 1.

[8] Cf. B. Christophers, *Rentier Capitalism*, Verso, New York, 2020. Cf. Nassau W. Senior, *An Outline of the Science of Political Economy*, Augustus M. Kelley, New York, 1965 [1836], pp. 91-92.

The critics, meanwhile, think finance-fueled tech-firms or the FIRE sector are nothing new. Mason objects that Hudson "exaggerates the differences between historical and present-day capitalism, and misses the ways in which 'finance' and 'industry' form complementary parts of a single process."[9] In this context of disagreement, however, Mason should prove rather than simply assert or assume they're two sides of the same coin, because Hudson voluminously *argues* his point. The history of "financialization" suggests banks no longer primarily lend to finance factories. Financial entities make gains through credit-fueled asset-price inflation and other unproductive, speculative avenues (e.g., leveraged buybacks), while industry swims in retained earnings and begins engaging in bank-like speculation.[10]

Mason points to Marx's model of production of commodities for profit (M-C…P…C'-M') from volume 1 of *Capital* and speaks of "industrial capitalism." He rejects the idea of rentiers who simply appropriate or redistribute incomes and wealth to themselves as rent. Yet the economic entities he refers to are not obviously in the business of *producing commodities for profit*. He writes:

> "A creditor or feudal overlord stands outside the production process. Peasants and debt peons have direct access to means of production but are forced to hand over part of the product. Capitalists by contrast get their authority and claim on surplus from control over the production process itself, today as much as when Marx wrote. […] Jeff Bezos (#1), Bill Gates (#2), and Mark Zuckerberg (#3) all gained their wealth through control over newly created production processes, not via financial claims on existing ones. Companies like Walmart and Google and Amazon are clearly ex-

[9] Mason (2021), p. 574. Cf. M. Hudson, "Finance Capitalism versus Industrial Capitalism: The Rentier Resurgence and Takeover", in *Review of Radical Political Economics*, 53, p. 4, 2021.
[10] In the words of Jan Toporowski: "in an era of finance, finance mostly finances finance" ("The Wisdom of Property and the Politics of the Middle Classes", in *Monthly Review*, Vol. 62, no. 4, 2010, p. 12). Cf. Mazzucato et al., "Mapping modern economic rents: the good, the bad, and the grey areas", in *Cambridge Journal of Economics*, 47(3), 2023, pp. 517, 520.

amples of industrial capitalism, relentlessly seeking to push down costs of production. Indeed, of the top twenty names on the list, all but one are founders and active managers of non-financial companies or their immediate families."[11]

What exactly are the "newly created production processes"? To the extent that Walmart and Amazon deal in commodities, they're "commercial" capitalists (merchants) who re-sell them to consumers and thereby "realize" aggregate profits for a share in the latter (M-C-M'). But one must note the degree of their monopoly, the centrality of membership-subscription-fees, and that most of Amazon's gains are from webhosting. Similarly, Microsoft writes software programs to obtain patents (IP) from the state and contracts with *other* industrial corporations who produce and sell products to consumers for a "royalty fee" that comes out of those profits – or directly charges the user fees. And Facebook is a rent-extractor like Google, as I address momentarily. What makes them "rentiers" is not that they're literal shareholders directly siphoning off profits, but that, at the aggregate level, their net income is not from sales of commodities they produce (profit); it's a cost paid out of other entities' incomes for accessing assets (rent).

Similarly, Morozov claims that tech-corporations like "Spotify" produce and sell a "commodity" for a profit: "a unique, personalized user experience." "Google… produces a commodity," which he characterizes in terms of "access." He writes:

"Google's extensive data holdings are a different matter; they do merit a discussion of rent. But one cannot pretend that its business is all about these data holdings, as if Google were a mere rentier – and not also a standard capitalist firm. […] If one accepts that Google is in the business of producing search-result commodities – a process that does require massive capital investment – there is no great difficulty in treating it as a regular capitalist firm, engaged in normal capitalist production."[12]

[11] Mason (2021), pp. 575-577.
[12] Morozov (2022), pp. 110-111, 117, 120.

What exactly is the "commodity" being "produced" and sold for profit? As a public-facing search engine, Google displays information to users who seek it and gathers information from them without transferring ownership of anything to them or any exchange of money. But as a pecuniary business enterprise, Google assembles that information into the databases (assets) Morozov mentions, for which it charges interested advertisers or governments fees to access. This isn't a "standard capitalist firm." Similarly, Spotify obtains rights to make intellectual property (music) accessible, paying less in "royalties" to owners than membership fees it charges users to listen. The decisive question for the profit-rent distinction here isn't just whether the tech-sector is "fully automated" or "appropriate[s] surplus value produced elsewhere."[13] It's whether a commodity is really, literally being produced and sold for a profit here at all. And no. These companies get a net revenue resembling arbitrage, but there is no product purchased-sold or transfer of ownership. Their gains are money-rent.

The more-complicated case Hudson is primarily concerned with – the FIRE sector – is in principle the same thing. It concerns how financial institutions make pecuniary gains by creating credit-debt on a balance sheet ("endogenous money") for a fee, not by producing and selling commodities for profit.[14] A debtor who takes out a loan pays a fee (interest) for access to the asset gate-kept by a creditor (liquidity, principal), who issues credit to the debtor with a corresponding debt-burden, the credit and debt netting to zero. The debtor can spend the credit but will be stuck with the debt; he hasn't bought a commodity and has no commodity to sell. But the creditor certainly can commodify and sell his asset (the credit), which is *just the debtor's debt* (liability to pay) to someone else (e.g., CDO, MBS). When this happens, a financial claim or entitlement to a portion of a debtor's prospective income has been sold and bought by someone

[13] Morozov (2022), p. 120.
[14] M. McLeay, A. Radia, R. Thomas, "Money creation in the modern economy", in Bank of England, *Quarterly Bulletin*, 2014 Q1.

else. And when many financial institutions issue credit-debt like this, so many people can buy up a sum of assets (e.g., shares, real estate), the aggregate-level effect *inflates* the prices of those assets. Consequently, when those buyers sell those assets to newcomers who want in on the action later, they get more money than they initially paid; and if the asset prices inflate faster than commodity prices, the so-called capital gain this *credit-fueled asset-price inflation* generates amounts to real gains for them. Ultimately, it's just another form of pecuniary gain-seeking by gate-keeping assets for fees – a financialized form of rent-extraction.

Morozov claims, it's "hazy areas in Marx which feed many of the current debates," and "[t]hinking of technology firms the way Marx would have likely thought about them – that is, as capitalist producers – surely yields better results" than "neofeudalism."[15] But there's more than a little irony here. He and Mason are using the wrong categories for the job because they're searching in the wrong place. They focus on Marx's model of producing commodities for profit and insist on treating the FIRE and tech sectors like industries; jamming the proverbial square pegs into round holes yields very blunt tools indeed. That's the real source of confusion. But if we consider Marx's categories of interest and rent, which lend themselves more naturally here, Hudson's view clearly makes more sense.

Commodities for Profit or Assets for Rent?

In *Capital*, Marx presents a model of capitalism in which the industrial production of commodities and profit-formation dominate.[16] In volume 1, he distinguishes selling commodities for money to buy other commodities (C-M-C), as most working consumers do, from buying commodities with money to sell them for more money later

[15] Morozov (2022), pp. 101, 126.
[16] K. Marx, *Capital*, Vol. III, Penguin, New York, 1991, p. 970 [hereafter e.g.: C3, p. 970]: "we are only out to present the internal organization of the capitalist mode of production, its ideal average, as it were".

(M-C-M′), which turns out to be a description of commercial capitalists.[17] He also distinguishes the latter from industrial capitalists, who exchange money for commodities like means of production or labor-power (wages) to produce more commodities, which they'll exchange for a sum of money greater than the costs of their production (M-C…P…C′-M′).[18] He also argues that profit can be formed at the aggregate-level of an entire economy ("surplus-value", ΔM) only if labor is employed or exploited this way productively, because mere market exchange just variously redistributes the same sum or wealth or value in circulation; indeed, if everyone tries to profit simply by marking up prices on a constant sum of products, what follows is just price-inflation, not formation of an aggregate profit at constant prices. This is where most readers stop. And it's the standpoint of the critics' critique.

However, in volume 3, Marx distinguishes further forms of pecuniary gain-seeking: speculative gains of financiers from lending at interest (M-M′)[19] and ground-rent of landlords.[20] Fees like interest or ground-rent are just transfer payments which redistribute value and wealth from other people to those asset-owners. In *Theories of Surplus Value*, Marx defines rent as payment for the temporary right to use some physical thing which has no cost of production significantly corresponding to price.[21] It's the monetary "price" paid for access to something which doesn't produce any "value", a term Marx reserves for wealth newly produced and sold.[22] Landlords receive rent because the "monopoly" they possess on the land allows them to extract payments.[23] Land or nature are necessary for physi-

[17] C3, pp. 380-386, 390-400, 443.
[18] Cf. K. Marx, *Capital*, Vol. I, Penguin, New York, 1990, pp. 709-710 [hereafter e.g.: C1, pp. 709-710]. Cf. ibid., *Capital*, Vol. II, Penguin, New York, 1992, p. 109 [hereafter e.g.: C2, p. 109].
[19] C3: chapter 24.
[20] C3: chapters 37 and 47.
[21] In *Marx-Engels Collected Works*, vol. 31, Lawrence & Wishart, London, 2010, pp. 466-468 [hereafter e.g., MECW 31, pp. 466-468].
[22] C1, pp. 197, C3, p. 772.
[23] C3, pp. 960-961, 752, 762, 776, 944, 910-911.

cal production, which might require financing in capitalism, but they're a cost that eats into profits or wages and play no positive role in production. The existence of landlords simply assures that working people don't own their dwellings and so must seek employment,[24] while money *per se* is sterile.[25]

In Marx's model, the aggregate profit of industry (ΔM) is the fund from which commercial capitalists receive profits (M-C-M′) for their role in realizing the value of products in market-exchange, financiers receive interest (M-M′), and landlords receive ground-rent; the single literal *source* of those revenues is expanding production and ever-increased reinvestment.[26] The various revenues of classes and subclasses are just *forms* which the total value produced takes upon distribution to them, due to the characteristic kinds of property which they own and what they do in society. Hence, Marx portrays the branches of the owner-class as a lot of greedy "brothers" fighting over an inheritance.[27]

One must be very clear about this crucial distinction. Commodities, for Marx, are use-values produced for profit, for sale to others on the market, which definitively transfers ownership of them from the seller to the buyer, so the new owner could re-sell it to someone else.[28] But the payment of access-fees like rent or interest is a matter of temporary access, not a transfer of ownership. A donut, for instance, is a commodity *par excellence*. The elements of its price are costs of production and profit, and it can be sold and resold until it's consumed. But a CD recording of some piece of music leads a dual-life between commodities and gate-kept assets. It's a physical use-value with a cost of production, sold for profit, and can be resold ("used"), yet the recording it contains is under "copyright" and may not be duplicated or sold without paying "royalty fees" or consent

[24] C3, p. 948.
[25] C1, p. 874, C2.p. 566, C3, pp. 523-524.
[26] C3, pp. 460, 474, 480, 567; C1, p. 770; MECW 20, pp. 134-135.
[27] C3, p. 362.
[28] C1, pp. 131, 179.

of its owner. Subscriptions to Spotify or "buying" songs from iTunes, by contrast, is solely a matter of rent without any commodity, transfer of ownership, or possible resale. Once the server is running, it's pure gain for rentiers and a net cost for economies. The critics should consider things in this light.

The Connection between Feudalism and Rents

When he speaks of "neofeudalism," Hudson is linking new forms of rent-extraction to feudal economies and straightforwardly drawing on Marx. Marx distinguishes and characterizes three "modes of production" in terms of the specific economic "form" in which the surplus is "extorted" or "pumped out" of the working population for a ruling class:[29] ancient economies, in which slaves are bought-sold-owned and produce goods for their masters; feudal economies, in which serfs yield payments to landed nobility (vassals) indebted in turn to a lord; and modern capitalist economies, in which wage-labor is exploited to produce and sell commodities for profit. In his discussion of "medieval" era, "Middle Ages," "feudal period," and "former mode of exploitation," in chapter 47 of volume 3, Marx clearly understands the feudal mode of production in terms of extraction of fee-payments, three forms of which he distinguishes: "rent" paid in "labor" (Corvée),[30] products ("in kind"),[31] and "money."[32]

Admittedly, rent – as it functions in capitalism – and feudal dues, "tithes" or "tribute obligations" of vassals, are not entirely identical.[33] We may not use economic categories ahistorically, Marx warns, because forms of production, distribution, exchange, or consumption only receive their specific meaning in the context of definite

[29] C1, pp. 325, 170; C3, pp. 927-928; MECW 20, pp. 132-133; MECW 9, pp. 19-20.
[30] C3, p. 925f.
[31] C3, p. 930f.
[32] C3, p. 932f.
[33] C3, pp. 924, 926.

modes of production.[34] Important differences notwithstanding, however, they're similar or analogous because they're both claims to other people's wealth or income backed by force – species of a common genus: fees, transfer payments, unproductive costs.

Marx distinguishes between rent as it functions in feudal economies and "rent in the modern sense," which means after the capitalist mode of production arises.[35] But he still calls both "rent," at least seen from the present standpoint of capitalism. In the "transition period from the feudal to the capitalist mode of production," he thinks, "the nature of rent changes."[36] Its function is "transformed."[37] In feudalism, the surplus "appears as rent."[38] "Rent and not profit is the form in which the unpaid surplus labor is expressed."[39] But in capitalism, "rent… no longer appears as the normal form of surplus-value,"[40] though "rent in kind still survives from the Middle Ages."[41] In feudalism, fees paid to landlords are the limits to the profits which business people can obtain, but once industrial capital has become dominant, Marx thinks, aggregate profit would be the limit to rent-extraction, because, analytically speaking, rents should only be a part of aggregate profits.[42]

Admittedly, Marx uses "rent" almost exclusively for land and natural resources-powers. And one searches in vain in Capital for a theory of intellectual property rights, tech-patents, or a FIRE sector uncoupled from industry. Hudson uses "rent" in the broader sense to update the classical categories (in spirit, not the letter) and to explain a world Marx did not consider. Why is that off-limits?

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[34] K. Marx, *Grundrisse*, Penguin, New York, 1993, pp. 100-108.
[35] C3, p. 918.
[36] C3, p. 935.
[37] C3, p. 752.
[38] C3, p. 940.
[39] C3, pp. 926; 928-929, 940.
[40] C3, p. 939.
[41] C3, p. 923.
[42] C3, pp. 934, 936.

The "Feudal" Core of Developed Capitalism

"Neofeudalism" should come as no surprise to Marx's readers. Developed capitalism contains the very aspects of feudalism which should fade, Marx thought, and his work already contains the idea.

Consider the three "factors of production": land, labor, capital. In capitalism, they're all superficially "commodified" to various degrees, but they can never be completely commodified, because they're basically rental-relations. Land can be bought and sold now *as though* it were a commodity, but it's not a use-value that wage-labor produces for sale for profit. It's not a product and has no cost of production. It's a finite resource or natural monopoly. The "price of land… is just capitalized [and thus anticipated] rent," which simply raises other overhead costs of production.[43] Similarly, labor-power is bought and sold *as though* it were a commodity. But if ownership of labor really is definitively transferred, that's slavery, not capitalism. The capitalist who buys labor-power "hires" (*mietet*) the worker temporarily,[44] and the worker "hires himself" (*vermietet*) out.[45] But "Miete" just means "rent." It's more accurate to say workers *let out* their ability or obedience, capitalists rent it, and the wage is a form of money-rent. Money lent for interest is also treated *as though* it were a commodity, but it's just the monopolized asset of creditors who charge an access-fee.[46] In this sense, Karl Polanyi's term "fictitious commodities"[47] is more apt than Marx's characterization of the peculiar relation between their prices and value as "irrational".[48]

In his journalism on the French Crédit Mobilier, Marx describes a system which he calls "industrial feudalism," where production is just a "pretext" for financial "stockjobbing" by "practical managers"

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[43] C3, pp. 941; 944-945, 948.
[44] C1, pp. 292, 271. Cf. *Marx-Engels Werke*, vol. 23, Dietz, Berlin, 1962, p. 200.
[45] MECW 9, p. 203. Cf. *Marx-Engels Werke*, vol. 6, Dietz, Berlin, 1961, p. 401.
[46] C3, pp. 480, 491.
[47] K. Polanyi, *The Great Transformation*, Beacon, Boston, 2001, chapter 6.
[48] C3, p. 475; MECW 32, pp. 462-463, 477, 489; 519-520, 530-531.

over "wages laborers" for "industrial kings" — a "monopoly" conducted for financialized "*rentes*."[49] Similarly, in volume 3, he considers the possibility of a more advanced mode of production being "subsumed under feudal relationships; e.g. 'tenures in common socage'… which simply involved monetary obligations and were *feudal only in name*."[50] By "only in name" Marx suggests it's feudal only in the sense contained in the name (*fee*), not that it's not feudal at all. It's the subordination to a mode of appropriation or form of revenue that's fundamentally rent-like, albeit in money-form. And that's just what "neofeudalism" means: an economy of "toll-gate keepers" getting something for nothing, in Thorstein Veblen's words, free income for absentee owners, "a remnant of feudalism."[51]

Something resembling rent appears in the very heart of the most developed form of capital ownership, the "joint-stock holding company," in which capitalists become rentiers or something like financialized landlords because their form of appropriation is like money-rent. Marx writes:

> "(…) the actual functioning capitalist [is transformed] into a mere manager, in charge of other people's capital, and of the capital owner into a mere owner, a mere money capitalist. […] total profit is still drawn only in the form of interest, i.e. as a mere reward for capital ownership, which is now as completely separated from its function in the actual production process as this function, in the person of the manager, is from capital ownership. Profit thus appears (…) as simply the appropriation of other people's surplus labor (…)"[52]

Marx describes a qualitative transition to a new kind of operation, not just a superficial, practical change that only concerns the quantitative increase in size and complexity of enterprises. In this organizational form, "ownership now exists in the form of shares,"[53]

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[49] MECW 15, pp. 20-23.
[50] C3, p. 1016. Italics added.
[51] T. Veblen, *Absentee Ownership*, Transaction, New Brunswick, 1997, pp. 53, 51.
[52] C3, pp. 567-568.
[53] C3, p. 571.

entitlements to portions of corporations' incomes, the prices of which can be inflated and traded speculatively before they're redeemed and paid out.[54] "All these securities actually represent nothing but accumulated claims, legal titles, to future production," or rather prospective gains.[55] This kind of revenue is formally identical to that of financiers who trade in credit-debt for interest (M-M'), which is also just a "deduction" from aggregate profit,[56] and Marx remarks its similarity to ground-rent.[57] So, capitalist development itself gives rise to "a new financial aristocracy, a new kind of parasite,"[58] "the modern bankocracy,"[59] mere "money capitalists," "rentiers."[60] This is just Veblen's "gentleman-investor" or Eckart Kehr's "feudalized bourgeoisie."[61] What's especially interesting is Marx's claim pushed to its logical conclusion: "This is the abolition of the capitalist mode of production within the capitalist mode of production itself."[62] The monopolistic concentration of capital would still extract an absolute mass of surplus-value through exploitation, but *capitalist* production "would die out."[63]

Conclusion

Above I've argued that Hudson's view of "neofeudalism" – a financialized type of rentier capitalism – is neither incoherent nor un-Marxian, as his critics suggest. On the contrary, his view of the FIRE

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[54] C3, pp. 608, 590.
[55] C3, p. 599.
[56] C3, p. 634.
[57] C3, p. 760. MECW 32, p. 470.
[58] C3, p. 569.
[59] C1, pp. 919, 885.
[60] C3, pp. 640-433; C2, p. 497; MECW 32, pp. 475-476; MECW 33, p. 208, 284.
[61] T. Veblen, The Vested Interests and the Common Man, The Viking Press, New York, 1946, pp. 31, 127. E. Kehr, *Economic Interest, Militarism, and Foreign Policy*, UC Press, Berkley, 1977, pp. 12, 118-119.
[62] C3, pp. 567-569, 570, 743.
[63] C3, p. 368.

and technology sectors is more precise and truer to Marx's categories, and something very close to "neofeudalism" can be found in Marx's own writings. While I cannot prove which view is empirically true here, I'll conclude by suggesting some ways in which Hudson's development of the Marxian account for contemporary purposes would require updating some of Marx's own positions.

Marx thinks the historical mission of industrial capital is to subsume all the other, historically older forms of capital and ownership and integrate them into itself.[64] And here one must recognize how capitalist development hasn't gone exactly as Marx expected – at least not yet – as Hudson emphasizes. Marx also thinks the ultimate money-form for settling payment obligations is an exogenous factor (e.g., gold), and crises are reset-mechanisms for untenable relations, when returns to investors exceed aggregate growth (or incomes from which those claims are drawn).[65] So, he also thinks a state or central bank cannot intervene to prop up asset prices when speculative bubbles bursts, and a national fiat-currency cannot serve as the standard for the international system.[66] Yet both of these have happened. Today, the state's central bank supports asset prices through credit-creation, as in 2007-2009, and its credit-money (fiat) is the reserve currency for the global system, that is the USD since 1971.

This isn't to say the resources one needs to understand these developments can't be found in *Capital*. Marx's view of "credit" or "fictitious capital" in volume 3 describes endogenous money created on a balance sheet without the intervention of any cash, coin, or gold.[67] And indeed, Hudson is just trying to update Marx with his own resources here. But doing so reveals a Ponzi-dimension which alters the picture considerably. Credit-creation fuels unproductive gains for owners through asset-price inflation, rather than production. In a fiat system, it's just not true that all debts must be paid off with

[64] MECW 32, pp. 463-465. Cf. C3, pp. 735, 760.
[65] C3, p. 357.
[66] C3, pp. 621, 648-649.
[67] C3, p. 625, 649.

"realized surplus-value" from industry.[68] If they're contracted to purchase assets for speculative gains, if all that's stated in the contract is a sum of "dollars", and if institutions play along, then debts can be redeemed with yet more credit-money. Firms like Uber or Airbnb operate on credit-debt at losses for years before establishing a platform in which they charge access-fees for allocating extant wealth and services. Those who rest assured that nothing has changed, that interest and rents are always just a "part" of (<) aggregate profits from industry, or that the worst thing that can happen if the former exceeds the latter is a crisis (reset), meanwhile, risk making Marx's theory irrelevant. There's plenty of extant wealth to be redistributed unequally through rents as the proverbial pie ceases to grow or even shrinks. Marx didn't expect it, but it's conceivable and possible. "Neofeudalism" might just name how much worse the outcome will likely be than what many critics mean by "capitalism."

[68] C3, pp. 474, 611.