

# LAND AND CAPITAL

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The worker can create nothing without nature, without the sensuous, external world. It is the material in which his labour realises itself, in which it is active and from which and by means of which it produces. (Marx, 1992: 325).

*Capital* is generally considered to be Marx's masterpiece. Less well known is that *Capital* was merely the first of six studies Marx had planned to write. *Capital* was not intended to be Marx's *final* statement on how the capitalist economy develops: it was to be his first. The book Marx intended to write after *Capital* was a book on landed property; followed by books on wage labour, the state, international trade and the world market. *Capital*, in other words, is not the end point of Marx's critique of capitalism, but the first of an incomplete series of books on capitalism (Rosdolski, 1977; Negri, 1984; Lebowitz, 1992).

This argument, however, is controversial. It is the view of many that, while writing *Capital*, Marx decided to abandon his original six-book plan. Engels, for example, in his Preface to volume three of *Capital* suggests that *Capital* was a completed critique of political economy: 'At long last I am able to make public this third volume of Marx's great work, which concludes the theoretical part' (Engels, 1991). More recently, Lapidés (1992) has argued that *Capital* is analytically complete though not fully elaborated in all areas.

The aim of this article is to provide evidence, based on Marx's writings on land, to suggest that *Capital* was not analytically complete and that he continued to investigate the social relations of land, especially in Russia, in preparation for writing his planned book on land. One reason why Marx did not progress further with his other planned books was because 'Soon after the publication of volume one of *Capital* the question of the historical connections of landed property became one of Marx's principal theoretical preoccupations, which lasted for the rest of his life' (Shortall,

1994: 178; see also White, 1996; Engels, 1991). Indeed, in the last decade of his life, as Marx studied the social relations of land in Russia, he began to refine some of his earlier views about capital written in volume one of *Capital*.

Marx's separation of his study of capital from land was deliberate. On 2 April 1858 Marx had written to Engels explaining the plan he would use to write *Capital*: Marx would begin by considering 'Capital in general' on the basis of two simplifying assumptions: (i) 'Throughout this section, wages are invariably assumed to be at their minimum' and (ii) 'Further, landed property is assumed to be zero, i.e. landed property, as a special economic relation is of no relevance as yet.' This simplification was necessary because 'Only by this procedure is it possible to discuss one relation without discussing all the rest.' Marx always intended to revisit this assumption of *ceteris paribus* in his planned sequel to *Capital* on Landed Property, but Marx died before he was able to bring land back into his critique.

It appears Engels was unclear about the significance of Marx's method of writing. In correspondence to Marx a week later, on 9 April 1858, Engels said 'The arrangement of the whole into 6 books could hardly be better and seems to me an excellent idea, although the dialectical transition from landed property to wage labour is not yet quite clear to me' (Engels, 1858). It is perhaps not surprising that, after the death of Marx, Engels collated Marx's notes on land and his preliminary writings on wage labour and other topics into two books which he called volumes II and III of *Capital*. Whilst being a vital act of preservation, this incorporation of Marx's notes on land into a book called *Capital* inferred that land was, somehow, a part of capital, rather than – as Marx had always argued – the third factor of production that was distinct from, and unlike, labour or capital.

The following exegesis considers Marx's comments on land in chronological order, beginning with his earliest writings where he was developing his materialist critique of Hegel.

## **Land as a Social Relation**

Marx always argued that capital was not a 'thing' but a social relation. His analysis of economic phenomena in terms of social relations became

clear in one of Marx's earliest works, his *Critique of Hegel's Philosophy of Right* (1843).

One of Hegel's arguments for how the state could be a source of social stability was primogeniture: the common law right of the first-born son to inherit the family's estate, to the exclusion of younger siblings. Marx criticised Hegel's understanding of land and inheritance. First Marx argued that having private ownership of land meant that a class relation was established between land owners who had sovereign and monopoly rights over the use, benefits and disposal of the land (*jus utendi et abutendi*) and all other people who were excluded from having use or access to the land.

Second, Marx argued that under the societal requirements of inherited landed property, the will of the individual land owners was irrelevant because – irrespective of what individual landowners thought or wanted – they were required by the social relations of primogeniture to dispose of their land only by passing the land on to the oldest male child. 'One might say that the *estate* always *inherits* the first-born of the family as an attribute bound to itself,' Marx quipped; adding 'The will becomes the property of property' (Marx, 1843).

In other words, primogeniture showed classes of people in society being organised according to the social relations of property rights 'independent of their will', and 'behind their backs'. People having possession of (landed) property had rights, duties, obligations, title, interests and powers over the property and all others wanting access to or use of the privatised land had no option but to enter into social relations with the landowners. These were material (social) relations in society between land owning class and the dispossessed, and these relations dominated how people lived their lives, their life opportunities and the resources they had to live.

Emancipation, Marx argued, required the abolition of the social relations of inherited privatised land ownership. This investigation of the category of land as social relations was a precursor to Marx analysing capital – the private property relations over the use and disposal of the tools and machinery required for production – as social relations.

## Land and Historical Materialism

In his next major work, *The German Ideology*, written in 1845, Marx stressed that land was a crucial element of his materialist conception of history. *Contra* Hegel's view that societies developed over time under the influence of spirit (*Geist*) or Freedom, Marx and Engels proposed the materialist conception of history. The first premise of all *human* history, Marx and Engels argued, was the existence of living human individuals who had to produce their own means of subsistence: 'The first historical act is thus the production of the means to satisfy these needs, the production of material life itself' (Marx and Engels, 1998: 47). To produce their means of subsistence, however, people had to organise themselves collectively into 'a definite *mode of life*' (Marx and Engels, 1998: 37; emphasis in the original). In other words, people established some form of collective organisation (such as families, clans and societies) so that the collective labour power of the groups, combined with the 'natural instruments of production' (such as the earth, water, air, oceans, soil, minerals, plants and animals, all of which Marx and Engels call 'land'), would produce the food, shelter, clothing and other requirements that were necessary to perpetuate the lives of the members of society and also perpetuate the particular organisation of the society itself.

Historically, Marx and Engels argued, it was the collective patterns of ownership of land – the social relations of land – that institutionalised particular social divisions of labour and political power within society. Tribal societies, they proposed, were organised on the basis of common ownership of the 'great mass of uncultivated stretches of land' and the ownership of labour that took the 'latent' form of slavery (of women and children by men) (Marx and Engels, 1998: 38). In the Middle Ages, the main form of property was feudal or estate property, where 'The hierarchical structure of landownership, and the armed bodies of retainers associated with it, gave the nobility power over the serfs' (Marx and Engels, 1998: 40). In each society, different forms of ownership of landed property were the basis for forming one association of people 'against a subjected producing class' and – significantly for their later critique of capitalism – the 'form of association and the relation to the direct producers were different because of the different conditions of production' (Marx and Engels, 1998: 40).

In Marx's later writings, for example his *Grundrisse*, he noted 'All production is appropriation of nature on the part of an individual within and through a specific form of society' (Marx, 1993: 87); and 'the members of society appropriate (create, shape) the products of nature in accord with human needs...' (Marx, 1993: 88).

Marx used a materialist analysis to show how early social groupings lived – by organising their collective labour (their social relations of production) in ways to utilise the fruits of land (nature). From this beginning he began to show how the development of the forces of production – rather than the mere expansion of the existing means of production – would come into conflict with the social relations of production and cause radical change: 'Each new productive force, insofar as it is not merely a quantitative extension of productive forces already known (for instance, the bringing into cultivation of fresh land), causes a further development of the division of labour' (Marx and Engels, 1998: 38). This process of historical development would be expressed more fully in his later writing in the Preface of *Contribution to the Critique of Political Economy* (Marx, 1970): that the development of the forces of production creates a contradiction with the relations of production, providing the conditions for a revolutionary restructuring of the way production and society is organised.

## **Land and the Classes of Capitalism**

Marxist political economic theory based on only volume one of *Capital* would assume there are two classes – the capitalist and wage-labourer class that starts with the existence of the capital relation itself (Marx, 1976a: 553) where the capitalist maintains the right to make the working day as long as possible and workers maintain their right to reduce the working day to a particular normal length, a struggle where 'Between equal rights, force decides' (Marx, 1976a: 344).

However, a recurrent theme in Marx's political and economic writings throughout his life concerned the existence and influence of the landed property class. His writings on the French Revolutions (*The Class Struggles in France, 1848 to 1850*, *The 18<sup>th</sup> Brumaire of Louis Bonaparte* and *The Civil War in France* of 1871), for example, concentrate on the revolutionary overthrow of societies structured by

feudal social relations and their replacement by societies structured by capitalist class relations.

The *coup d'état* by Napoleon III in 1851, Marx argued, could be best understood in terms of the transformation of France from a mode of production based on the feudal ownership of land to a capitalist mode of production based on the private ownership of property. Class struggle between the feudal owners of large land manors and the emerging industrial capitalist bourgeoisie caused a breakdown in feudal class relations (between the lords of the manor and the villeins, peasants or tenant farmers who were legally tied to a lord of the manor) and their replacement with new social relations between labour and capital. In this revolutionary struggle between feudal (landed) property relations and the owners of capital, feudal property in land (with all its societal obligations and rights over villeins) was both fragmented and privatised into small peasant freehold land. Instead, new capitalist social relations were developed: 'Under Napoleon, the fragmentation of the land in the countryside supplemented free competition and the beginning of big industry in the towns,' and '... in the course of the nineteenth century the feudal lords were replaced by urban usurers; the feudal obligation that went with the land was replaced by the mortgage; aristocratic landed property was replaced by bourgeois capital' (Marx, 1963: 127).

This process of the privatisation of land also produced a mass of formally 'free' labourers who moved to urban centres and, in order to survive, entered into employment relations with the owners of industrial capital selling their labour-power for wages and, in time, developing their consciousness as the new working class. Significantly, and unlike the new working class, because of the fragmentation of the new peasant freeholders of land 'there is merely a local interconnection among these small-holding peasants, and the identity of their interests begets no community, no national bond and no political organisation among them, they do not form a class' (Marx, 1963: 124).

Similarly, in the *Grundrisse*, in the section called 'Capital and modern landed property – Wakefield', Marx used historical evidence to discuss the process whereby the dissolution of the (feudal) relations of property in land (and therefore the control of land over labour) resulted in the establishment of the new working class. Marx argued that 'the cottiers, serfs, bondsmen, tenants for life, cottagers etc.' – people who had traditionally had use of feudal land in return for the provision of goods

and services to landowners – found that their traditional claims to the use of parts of the land were extinguished, and all (feudal) rights over land which had previously been held by peasants and the feudal overlords were transferred (privatised) into the hands of those who possessed the land. This process of the dismantling of the rights of feudal property and their replacement by private property rights over land, or ‘enclosure’, was subsequently discussed in detail by Thompson (1968).

One of the rights acquired by the owners of modern landed property in the replacement of the feudal rights of use and access of land with the new capitalist rights of use and access to real property or real estate was the capacity to charge ground-rent. This was to become the basis of a historically new social relation in capitalism between landlords (who owned land) and capitalists including capitalist farmers (who required access to land in order to invest in stock, equipment and buildings for profit). This historical development of capitalism out of feudalism, Marx argued, began with the privatisation of landed property and it is ‘precisely in the development of landed property that the gradual victory and formation of capital can be studied’ (Marx 1993: 252). Specifically:

the capitalist has seized agriculture, and everywhere, as is generally the case in England, has taken charge of agriculture just as he has of industry, and has *excluded* the *landowner* from any direct participation in the production process. (Marx, 2000: Part II, 152 – 153, emphases in the original).

Once this capitalist system was operating, Marx noted, the imperatives of capital – to produce for profit, to exploit labour, to compete against other capitalists, and to accumulate – would impose themselves on landed property. The totality of the new incentives and economic contradictions were forces for further change: ‘its totality consists precisely in subordinating all elements of society to itself, or in creating out of it the organs which it still lacks’ (Marx, 1993: 278). For example, landowners increasingly used their land, not for personal consumption or to generate ground-rent, but to generate profit: ‘The ancient proprietor of land, if he is rich, needs no capitalist in order to become the modern proprietor of land. He needs only to transform his workers into wage workers and to produce for profit instead of revenue’ (Marx, 1993: 277).

However, there was a problem. The social relations of capitalism are not natural, automatic or inevitable: being social, they need to be continually

reproduced. For example, when a capitalist society ‘seizes hold of a new territory’ each capitalist quickly discovered that ‘his capital ceases to be capital without wage labour... [and without] modern landed property; landed property which, as capitalised rent, is expensive, and which, as such, excludes the direct use of soil by individuals’ (Marx, 1993: 278). In the case of the English government in the Australian colonies, for example, government action was needed to make capitalism possible: ‘Landed property is here artificially made more expensive in order to transform the workers into wage workers, to make capital act as capital, and thus to make the new colony *productive*; to develop wealth in it...’ (Marx, 1993: 278; emphasis in the original). If this did not occur, Marx surmised, land would be captured by workers (who would become colonist farmers) and the land would be used by these workers to become self-sufficient; a situation which had occurred, Marx suggested, in the short term at least, in America.

Marx’s comments on class and class struggle also engaged directly with political debates of his day. Marx excoriated those, such as Ferdinand Lassalle, for attacking only the capitalist class and not the landowning class (Marx, 1999). He attacked anarchists such as Proudhon in *The Poverty of Philosophy* because of their bourgeois interpretation of the nature of land. He mocked Henry George for his fundamental dogma ‘that everything would be all right if ground rent were paid to the state’ (Marx, 1881). In addition, Marx contributed *Papers to The International Workingmen’s Association* (sometimes called the First International) on the relevance of the nationalisation of land (Marx, 1872).

## Surplus Value

In the late 1840s, Marx had been reproached from various quarters for neglecting to portray the economic conditions which formed the material basis of the struggles that were underway between classes and nations (Marx, 1976b). Following the defeats of the working class revolutions in Europe from 1848-50 and an economic crisis, Marx began his study of capitalism in earnest. His economic writings began, in chronological order, with *Wage-Labour and Capital* where he first distinguished between labour-power, value and surplus value; the *Grundrisse*; the *Critique of Political Economy*; and the approximately 1,500 pages of notebooks which critiqued the prevailing theories of capitalist economies

and which were called *Theories of Surplus Value* when they were published some 40 years after the publication of the first volume of *Capital*. In these documents, Marx often uses land and rent to help clarify what is arguably the defining characteristic of Marxist political economy: the labour theory of value.

In *Wage-Labour and Capital*, for example, Marx clarifies the difference between different types of labour-power:

The slave did not sell his labour-power to the slave-owner, any more than the ox sells his labour to the farmer. The slave, together with his labour-power, was sold to his owner once for all.... He himself is a commodity, but his labour-power is not his commodity. The serf sells only a portion of his labour-power. It is not he who receives wages from the owner of the land; it is rather the owner of the land who receives a tribute from him. The serf belongs to the soil, and to the lord of the soil he brings its fruit. The free labourer, on the other hand, sells his very self, and that by fractions. He auctions off eight, 10, 12, 15 hours of his life, one day like the next, to the highest bidder, to the owner of raw materials, tools, and the means of life – i.e., to the capitalist. The labourer belongs neither to an owner nor to the soil, but eight, 10, 12, 15 hours of his daily life belong to whomsoever buys them (Marx, 1976b).

Similarly, in the second chapter of *Theories of Surplus Value* Marx provides a critique of the theories of the Physiocrats, the theorists that Marx calls ‘the true fathers of modern political economy’. The importance of the Physiocrats was their focus on production (rather than circulation) as the location for the extraction of surplus-value, their focus on the production of surplus-value (rather than merely value), and their recognition of the importance of social conditions of production to the production and capture of surplus-value: ‘the separation of the labourer from the soil and from the ownership of land is a fundamental condition for capitalist production and the production of capital’ (Marx, 2000: 51). However, Marx also criticises the Physiocrats’ for misunderstanding how surplus-value is produced by an agricultural worker in a capitalist economy:

The agricultural labourer, depending on the minimum of wages, the *strict nécessaire*, reproduces more than this *strict nécessaire*, and this more is rent, *surplus-value*, which is appropriated by the owners of the fundamental condition of labour – nature. So what

they say is not: the labourer works more than the labour-time required for the reproduction of his labour-power; the value which he creates is therefore greater than the value of his labour-power; or the labour which he gives in return is greater than the quantity of labour which he receives in the form of wages. But what they say is: the amount of use-values which he consumes during the period of production is smaller than the amount of use-values which he creates, and so a surplus of use-values is left over (Marx, 2001: 51).

By the time Marx wrote volume one of *Capital*, he was discussing value, its various forms and its origins in labour-power without any reference to landed property and rent. Scholars and activists alike could read this volume and be totally unaware of the significance of land for Marx's thinking.

## **Rent Relations between Land and Capital**

Marx's notes, collated and published by Engels as the third volume of *Capital*, explore the relations between land and capital; and in particular, the distinction between and significance of differential and absolute rent in capitalism.

In capitalism, landed property uses two social processes to capture a portion of the wealth of society, the surplus value created by workers working for capital: differential rent and absolute rent. Differential Rent I (DR I) arises from competition *within* industry sectors that rely on access to land (including the agriculture, forestry, fishing, mining, manufacturing, transport and construction sectors). DR I arises when equal applications of capital are applied to different quality lands. Some sites of land, for example, may have higher levels of fertility, a better location, the free availability of natural resources such as water, or a topography that makes capital invested on it more productive than other land sites where the same amount of capital may be invested. In this case, capital invested on the more advantageous land sites will be more productive; and when the capitalist sells that product at the market value (as discussed above in the section on the formation of market-value) the capitalist with capital on the favourable land will capture a greater magnitude of surplus-value than capitalists who were based on less

favourable land. Some or all of this surplus surplus-value is then appropriated as rent by land owners.

Differential rent II (DR II) also arises from competition *within* a land-based industry sector. Unlike DR I which is based on *equal* applications of capital to unequal lands, DR II arises when *unequal* applications of capital are applied to equal lands. In this case, as with all industry sectors, a larger-than-normal investment of capital (in new equipment, machinery, technology, etc.) gives a capitalist a short-term productivity advantage over their competitors in the sector. This short-term advantage arises because the firms with a higher-than-normal rate of investment in an industry sector gains a temporary increase in surplus surplus-value. Over time, capitalists on other lands will also invest in new equipment, etc., on the land and the market-value across the industry will readjust and the first-mover advantage will be lost. However, in the initial period, when the capitalist invested higher-than-industry-normal quantities of capital on the land and the capitalist was therefore able to capture surplus surplus-value, the landowner can appropriate a portion of temporary surplus surplus-value as DR II.

DR I and DR II are not independent of each other, and they have an interactive, not cumulative, effect. Furthermore, both DR I and DR II act, in different ways, as barriers to investment, competition, productivity-improvements and capital accumulation in the agricultural sector. If the majority of land available for investment is relatively fertile, well located and hospitable this sets the industry benchmark for socially necessary labour-time and market-value; and by doing so prevents capitalists from investing in more marginal land. Land, in other words, determines the locations where capital will invest. Likewise, capital invested on marginal land will continually try to improve their levels of productivity by adopting innovative techniques to improve labour productivity in order to negate the disadvantages of particular sites. On the other hand, DR II reduces the incentive for capitalists to invest in better technology on land because the capitalist will not capture all the benefits of the additional capital but see some of the surplus surplus-value being captured by the landowner. As a result, investment in the land-based industry slows (relative to investment in other industries) and diffusion of productivity-increasing investment across that sector is slow.

Absolute rent (AR) on the other hand, arises, not from competition *within* an industry sector, but from competition *between* industry sectors. Inter-

industry competition forces capital to move from labour-concentrated sectors to capital-concentrated sectors. If there is a transfer of capital from one sector into a land-based sector, the quantity of capital in the land-based sector is increased (whilst it has decreased in the non-land sector). This additional capital has two impacts. First, the new capital is used to create additional quantities of surplus-value that were not possible before the investment occurred. Second, in the process that establishes the price of production, the land sector will now receive a greater portion of the total surplus-value because it has a greater quantity of capital used up in the sector. In other words, the excess surplus-value in the economy will be distributed through the mechanism of the general rate of profit to industry sectors on the basis of the magnitude of capital used up in production. As a result, the increase in capital invested in the land-based sector attracts a larger portion of the total surplus-value in the economy. It is significant that the new capital that moves into the land-based industry sector must be invested on *new* ('undeveloped') land. Absolute rent arises because landed property can capture some of the new, additional surplus-value that is produced because additional capital was invested on new land.

Marx gives a practical example of the notion of extended reproduction of capital, where constant capital is extended to be used in new sources of production:

In the extractive industries, mines, etc., the raw materials do not form part of the capital advanced. The object of labour is in this case not a product of previous labour, but something provided by nature free of charge, as in the case of metals, minerals, coal, stone, etc. Here the constant capital consists almost exclusively of instruments of labour which can very well absorb an increased quantity of labour (day and night shifts, for example). All other things being equal, the mass and value of the product will rise in direct proportion to the labour expended. As on the first day of production, the original agencies working to form the product, man and nature, continue to cooperate, and now, as creators of the products, they are also creators of the material elements of capital. Thanks to the elasticity of labour-power, the domain of accumulation has extended without any previous increase in the size of the constant capital (Marx, 1976a: 751-752).

There is a limit, however, to how much rent can be captured as absolute rent. Absolute rent cannot rise above DR II because, if this occurred,

capital would be invested on *existing* land rather than onto new land sites. In other words, AR is paid to land owners because of the migration of capital (and labour) from one sector to a new sector, and thus distributing surplus-value from the economy-wide ‘pool’ of surplus-labour to the newly-invested capital through the price of production which is then appropriated as rent.

In Marx’s discussions of land and rent he almost always used the example of land used for agricultural purposes, where capital invested in land and the landlord captured a portion of the surplus-value appropriated from labour by the capitalist. However, Marx also applied his arguments to other industries where capital is invested in land, including ‘building land, mines, fisheries, forests, etc.’ (Marx, 1991: 755-756) as well as explicitly to building sites, ‘land in big towns’, land in rapidly growing cities. Interestingly, Marx noted in passing that capitalists may require land, not just for its inherent physical, chemical, geological and other physical or ecological values, but also as ‘space’:

Two elements come into consideration here: on the one hand the exploitation of the earth for the purpose of reproduction or extraction, on the other the space that is required as an element for any production and any human activity. On both counts landed property demands its tribute (Marx, 1991: 909).

In other words, in capitalism land is far more significant for profit-making than just being a resource for agriculture. Agricultural land has *physical* or *biological* qualities (such as fertility and rainfall) that make it attractive to investment by capital. However, in addition, capital may invest in land for its *spatial* properties (such as location, position, situation, shape and size); *topographical* properties (such as height above sea level and *orientation* (such as land facing the sun)); *proximity* to infrastructure (such as public transport) and concentrations of industrial activity (agglomeration); desirable *natural features* (such as beaches, harbours, rivers, mountains or forests) or undesirable features (such as swamps); and the capacity for land (such as mountains and rivers) to be a physical *barrier to movement* between different locations.

In short, Marx’s insights in volume three of *Capital* into how land acts as a barrier to investment by capital in the agricultural sector also can be expanded to explain many other forms of land use.

## Land and the Social Basis of Communism

The focus of *Capital* is, understandably, on the social relations and classes that make up capitalism; and it is generally assumed from these writings that he made almost no comments about the nature of social relations in communist societies. However, by exploring Marx's comments on land, we discover that he raised many issues about communist modes of production.

In Notebooks IV and V of the *Grundrisse* Marx considered the extent to which many different types of common property in land – including communal or people's land, the *ager publicus*, and 'the part of land which cannot be divided if it is to serve as means of production' (Marx, 1993: 483) – could be the basis of a communal society, a community of individuals. Marx discusses four types of communes, defined by their four different types of landed property which form the basis of their different economic and social orders. These types of communal property are: where all land is owned by all communally (the Asiatic model); where individuals own their own personal land but work on land held communally; where land is owned by the state (the Roman model); and the Germanic model where all land is owned by individuals who come together occasionally 'to pledge each others' allegiance in war, religion, adjudication, etc.' (Marx, 1993: 484).

Marx's discussion about communal land is important because Marx used historical evidence to show that communist forms of society are not ideals but have existed in the past:

In all these forms – in which landed property and agriculture form the basis of the economic order, and where the economic aim is hence the production of use values i.e. the *reproduction of the individual* within the specific relation to the commune in which he is its basis.... (1) Appropriation [is] not through labour ... (2) this *relation* to land and soil, to the earth, as the property of the labouring individual ... is instantly mediated by the naturally arisen, spontaneous, more or less historically developed and modified presence of the individual as *member of a commune* – his naturally arisen presence as member of a tribe etc.' (Marx, 1993: 485).

This discussion of the nature of a post-capitalist society has a particular significance for our understanding of his writings in *Capital*. After

completing volume one of *Capital*, Marx became interested politically in the revolutionary potential in Russia (where the first volume of *Capital* had received a wide circulation). In addition, Marx was interested in the economic implications of Russia because land was playing an important role in modifying the development of the social relations of capitalism. Specifically, Marx began to explore the extent to which the Russian *obshchina* – ‘a form of the primeval common ownership of land’ – was capable of acting as a barrier to the development of capitalism and bourgeois landed property. As he noted in the ‘Preface to the Russian Edition of 1882’ of *The Communist Manifesto*:

The Communist Manifesto had as its object the proclamation of the inevitable impending dissolution of modern bourgeois property. But in Russia we find, face to face with the rapidly developing capitalist swindle and bourgeois landed property, just beginning to develop, more than half the land owned in common by the peasants. Now the question is: can the Russian *obshchina*, though greatly undermined, yet a form of the primeval common ownership of land, pass directly to the higher form of communist common ownership? Or on the contrary, must it first pass through the same process of dissolution as constitutes the historical evolution of the West (Marx and Engels, 2002: 196)?

At that time there was a debate in Russia between Marxists (who argued that Russia would need to develop into a capitalist society so it could develop a proletariat which, in time, would carry out a socialist revolution) and the Narodniks (who argued that the existing peasant organisations of Russia, based on their communal relations over land and their revolutionary tradition of peasant uprising, could bring about a communist society without passing through a capitalist phase).

He was still considering these issues two years before his death. In his *First Draft of Letter to Vera Zasulich* (1881), Marx recalled his comments in *Capital* about the historical inevitability of countries to develop from pre-capitalist modes of production to capitalism. This historical inevitability, he stressed, only applied to Western Europe where *private property*, based on personal labour had been supplanted by capitalist *private property*. This was a very different historical situation in Russia because:

Since the land in the hands of the Russian peasants has never been *their private property*, how could this development be applicable? (Marx, 1881)

In his analysis of the then-existing Russian landowning communes, Marx provided one of his rare statements about the features of a communist society, including the differences between private, state and common property. In a communist society Marx noted there would be communal ownership (of land and other productive assets) as the natural basis of collective production and appropriation; and business could be conducted on the basis of the contract of *artel* (or semi-formal associations for enterprises where workers lived communally and payment for work done was distributed according to verbal agreements, quite often in equal shares). He concluded that the social relations of capital at that time were not all-powerful and the *communal* social relations of Russia, which had withstood pressure for centuries from capitalist Europe to become capitalist, could become the basis for a communist society *unless* the state intervened and forcibly broke up the communal land rights and instituted private property rights.

## Discussion

This paper has provided evidence to show that *Capital* was always intended to be but the first of Marx's publications in his critique of capitalism; and the second of which was to be a critique of landed property. This proposal has been supported by considering all of Marx's many writings on landed property, from his earliest materialist interpretation of Hegel to his last notes on the developments of land in Russia prior to the Russian revolution.

This paper has also attempted to make a contribution to the long, if subterranean, tradition of the political economy of land by Marxist theorists and revolutionaries. In communist countries, following Marx's death, the main focus on land was typically on *agricultural* land. This was not surprising given successful Marxist revolutions occurred in countries where much of the population was based on the land (Priestland, 2009). In Russia, for example, Lenin's promise in 1917 of 'Peace and Land' included using the state to redistribute confiscated land back to the peasants in the form of communal land rights. Upon Lenin's death, Stalin reversed this economic direction and established a new

program of rapid heavy industrialisation and the collectivisation of agricultural land into state-owned property. In China, Mao Tse-Tung argued, in his influential *Report on the Peasant Movement in Hunan*, for the revolutionary potential of the peasantry.

In the 1970s and 1980s in capitalist countries, the main focus of Marxist scholars was on *urban* land. In Australia, significant Marxist perspectives on *urban* land were also developed at this time by scholars including Leonie Sandercock (1975) on urbanisation and the influence of property developers on politics; Frank Stilwell (1980) on urban regions; and Blair Badcock (1984) on capital as an architect of spatial structures. In other countries, urban land was explored theoretically and empirically by scholars including Doreen Massey and Alejandrina Catalano's *Capital and land: Landownership by capital in Great Britain* (1978), David Harvey's *Limits to Capital* (1982) and Ben Fine's edited debates *The Value Dimension; Marx versus Ricardo and Sraffa* (1986). By the late 1980s there was also a growing interest in the significance of land as nature as beginning with James O'Connor's *Capitalism, Nature, Socialism: A Theoretical Introduction* (1988).

More broadly, this paper has suggested there is much more theoretical work needed to the development of a geographically and spatially (and historically) informed political economy; and an ecological Marxism. It is to be hoped that – as there is greater recognition of the significance of land used for primary production, urban land and nature – future Marxist critiques of political economy will treat land as Marx did: not as a thing or an asset or some other category but as a social (and class) relation of property. And second, that Marxist critiques of political economy recognise, as Marx wrote in one of his last published writings, *Critique of the Gotha Program*, that:

Labour is *not* the source of all wealth. Nature is just as much the source of use values (and it is surely of such that material wealth consists!) as labour, which itself is only the manifestation of a force of nature, human labour power (Marx, 1999; emphasis in the original).

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