# The *Grundrisse* (The 1857-58 Manuscript)

## The Chapter on Capital: Part 5

*Capital and Landed Property* (pp. 275-281)

May 22, 2026

Marx sets out another "plan" (the fourth so far in the manuscript[1]).[2] The plan leads him directly[3] into the following discussion.

In the "money market", capital, which is here "posited in its totality", "determines prices, gives work, regulates production, in a word, is the source of production." (Marx 1973, p. 275, italicisation suppressed) But at the same time it (capital, that is, "posited in its totality") is also obliged to posit a form of wealth (the only form of wealth) that is is distinct from itself. This form of wealth is *ground-rent*.

Capital—both "[b]y its nature as well as historically"—is the creator of modern landed property, of ground-rent. It does this through the *dissolution* of the old form of property of land: "[t]he new arises through the action of capital upon the old." (Marx 1973, p. 276) As such, capital is the creator of modern landed property and modern agriculture.

Marx poses the "inner construction of modern society" as a "circle" (actually a syllogistic figure) of the form ground rent-capital-labour (or, alternatively—"but capital must always appear as the active middle"—labour-capital-ground rent). How capital arises from labour Marx comments is obvious: it arises "by itself", as capital "is brought back into its active foundation".

---

[1] The previous plans are on p. 108 (in the "Introduction"), pp. 227-8, and p. 264.

[2] "*Capital*. I. *Generality*: (1) (a) Emergence of capital out of money. (b) Capital and labour (mediating itself through *alien* labour). (c) The elements of capital, dissected according to their relation to labour (Product. Raw material. Instrument of labour.) (2) *Particularisation* of capital: (a) circulating capital [Marx writes in French: "*capital circulant*"], fixed capital [French again: "*capital fixe"*]. Turnover of capital. (3) *The singularity of capital*: Capital and profit. Capital and interest. Capital as *value*, distinct from itself as interest and profit.

"II. *Particularity*: (1) Accumulation of capitals. (2) Competition of capitals. (3) Concentration of capitals (quantitative distinction of capital as at same time qualitative, as measure of its size and influence).

"III. *Singularity*: (1) Capital as credit. (2) Capital as stock-capital. (3) Capital as money market. [...]" (Marx 1973, p. 275)

[3] To the degree that Marx continues straight from the plan to the discussion which follows in the same paragraph, such that it is difficult to identify where the former ends and the latter begins.

The question is: how does wage labour emerge from landed property?

The central mechanism, Marx seems to say, is the transformation of landed property into money rent (Marx also signals the creation of the modern farmer) through the action of capital on older forms of property. When this happens, "cottiers, serfs, bondsmen, tenants for life, cottagers, etc." became (landless) wage labourers.[4] Thus, wage labour "in its classic form ("which has replaced the very earth as the ground on which society stands") is created by modern landed property, i.e. by landed property as moulded by capital. (Marx 1973, pp. 276-7)

This transformation—of how the agricultural labourer is paid, of how the holder of land arrives at his revenue—presupposes "a total restructuring of the mode of production (agriculture) itself; it therefore presupposes conditions which rest on a certain development of industry, of trade, and of science, in short of the forces of production." (Marx 1973, p. 277, italicisation suppressed) It is not a change of form. It "presupposes a total revolution and development of material production." (Marx 1973, p. 277)

Marx makes clear here that he is talking about the development of *industrial* capital: "[a]lthough capital can develop itself completely as commercial capital (only not as much quantitatively), without this transformation of landed property, it cannot do so as industrial capital." The development of manufacture presupposes the beginning of the dissolution of old forms of landed property, but it takes the development of industry for this dissolution to be completed, and the latter is impulsed by the emergence of capitalist relations in agriculture. In this respect, "England [...] [is] the model country for the other continental countries." (Marx 1973, p. 277)

If the first form of industrial capital, large-scale manufacture, is predisposed on the dissolution of landed property, the dissolution of landed property is conditioned on the one hand by the (subordinate) development of capital in its "primitive", medieval forms in the urban centres and on the other by the growth of manufacture and trade in other countries (as evidenced, Marx suggests, by the effect of Holland on England in the sixteenth century and the first half of the seventeenth), where agriculture had been superseded by cattle-raising, with grain being imported "from countries which were left behind, such as Poland". (Marx 1973, p. 277)

> It must be kept in mind that the new forces of production and relations of production do not develop out of nothing, nor drop from the sky, nor from the womb of the self-positing Idea; but from within and in antithesis to the existing development of production and the inherited, traditional relations of property. (Marx 1973, p. 278)

Marx now makes a set of general statements on the emergence of the capitalist mode of production, as contrasted with its mature functioning form, which in turn leads him to a discussion of colonialism.

On the one hand, "in the completed bourgeois system every economic relation presupposes every other in its bourgeois economic form, and everything posited is thus also a presupposition"; on the other, the "totality" of the system "has its presuppositions, and its development to its totality consists precisely in subordinating all elements of society to itself, or in creating out of it the organs which it still lacks." This latter process "is historically how it becomes a totality. The process of becoming this totality forms a moment of its process, of its development." (Marx 1973, p. 278)

[4] When this happens, we see "the application of science [...] for the first time, and the development of the full force of production."

But: once a society in which capital is developed fully in its totality seizes hold of a country in which it is not, then the capitalists of the former find that their capital, without wage labour, ceases to be capital; and that a presupposition of wage labour is modern landed property, which presupposes capitalised rent and the monopolisation of the soil.

It was out of this that the "Wakefield system" emerged.[5] "Wakefield's theory is infinitely important for a correct understanding of modern landed property," Marx notes. On the one hand, capital creates landed property and through this produces wage labour as "its general creative basis". In the clearing of land it in the form of modern landed property it transforms rural labourers into wage labourers. On the other, it arises out of the circulation of exchange value and "posits labour as wage labour." as its "general supposition".

In relation to landed property, capital posits it as both its "precondition" and its "opposite". The dilemma is the following. If landed property is a "transitional development" for the development of (industrial) capital (i.e. a necessary "springboard" for its emergence), once this development is achieved then private property in land (the ownership of land in the hands of rent-extracting landowners) is a "limitation on profit" and no longer "a necessary requirement for production."[6] (Marx 1973, p. 279) On the one side, capital "endeavours to dissolve landed property as private property and to transfer it to the state"; on the other, "wage labour itself reaches the point where, on one side, it endeavours to remove the landowner as an excrescence".

> Landed property is thus negated from two sides; the negation from the side of capital is only a change of form, towards its undivided rule. (Ground rent as the universal state rent (state tax), so that bourgeois society reproduces the medieval system in a new way, but as the latter's total negation.) The negation from the side of wage labour is only concealed negation of capital, hence of itself as well. (Marx 1973, p. 279)

(Marx digresses. The market, he says, "which appears as an abstract quality at the beginning of economics", assumes different forms. First, there is the money market; this includes what Marx calls the "discount market" (the market of bills of exchange and other credit instruments), the loan market and the bullion market. Then there is the share market, and the insurance market. The share market in turn is divided into a domestic market and an overseas market.

Then there are commodity markets: the product market and the raw material market. Marx then sets out a list of commodities, and, noting that it remains "[t]o be seen at what point the abstract category of the market has to be brought in" (Marx 1973, p. 281), ends the digression without drawing any specific conclusions.)

---

[5] Edward Gibbon Wakefield (1796-1862) was an English-born colonial administrator in Canada, New Zealand and Australia. The "colonial system" he elaborated was founded on the sale of land in the colonialised countries to capitalists (rather than to small-scale tenant farmers) at an inflated price, so that its new owners would exploit it on the basis of waged labour, raising the level of agricultural productivity. Marx discusses Wakefield's theories in more detail in the final chapter of *Capital* I (on "The Modern Theory of Colonisation".)

[6] The question Marx is wrestling with here is this. Even if landed property is a requirement for the development of capital in its mature form, once this form develops then the landowning class lives parasitic on the value that capital extracts from labour. How can capital tolerate the existence of a land-owning class which does not only no contribute to the production of value but can also be seen in certain respects to hinder it? As David Harvey (2006, p. 332) once put it, Marx "cannot, on the one hand, treat the landlord as a purely passive, parasitic agent, appropriating surplus value without doing anything in return, and on the other hand provide a theoretical basis for the continued appropriation of rent under capitalism and for the social reproduction of a distinctive class of landed proprietors." Marx would wrestle with this problem up to the writing of *Capital*.

## References

Harvey, David. 2006. *The Limits to Capital*. London: Verso.

Marx, Karl. 1973. *Grundrisse: Foundations of the Critique of Political Economy (Rough Draft)*. Translated by Martin Nicolaus. London: Pelican Books.

Marx, Karl. 2006. "Karl Marx. Ökonomische Manuskripte 1857/58." Pp. 1-747 in *Marx-Engels-Gesamtausgabe*, Abteilung II, Bd. 1. Berlin: Akademie Verlag.