

# THE THEORY OF BOURGEOIS LANDOWNERSHIP TRANSFORMATION (1) \*

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“It is utterly impossible to understand the modern land ownership without taking into account capital as a basic category, for the simple reason that the modern land ownership cannot exist without capital. Indeed, retrospectively our history, we can see the modern landownership to be a mere one specific form of landownership which has been made into existence by capital; modified from the earlier forms and made fit to capital by capital. Because of this, among other things in the process of development of land ownership, can we study the gradual victory and formation of capital”.

— Marx, K., *Grundrisse der Kritik der politischen Ökonomie.* —

## Foreword

In England, it is well known, the bourgeois evolution of agriculture started within the feudal structure of agriculture in the 15th century, when the disintegration of serf system, that is, the commutation into money-rent took place universally. On the other hand, it's also well known that the agricultural structure of modern England was the system of so-called tripartite division into landlord (modern landownership), capitalist tenant farmer (capital) and landless agricultural hired labourer (wage-labour). This tripartite division, characterized by the domination of modern large-scale landownership and large-scale capitalist farming, was the goal for the bourgeois evolution of agriculture in England. It was in the first half of the 19th century that this structure was established as a dominant feature of agrarian society after the Second Agricultural Revolution which had proceeded side by side with the Industrial Revolution. We can say, therefore, that the 17th-century English Revolution (1640–1660) was a bourgeois revolution which was occurred just at the halfway stage between the startingpoint and the goal of the process of this evolution. As a general subject, this revolution had to sublimate the feudalistic relations of landownership in accordance with growing bourgeois interests. Then, what concrete subject was this revolution tasked? In what way did she bear it? In what

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\* Once I had written a manuscript paper titled “The Landownership Transformation in the English Revolution”, and was going to publish it in 1961. The following article was originally the introduction to this manuscript paper, and was thoroughly revised and enlarged in spring of 1963. Though circulated among my close young friends, it had never been published until it appeared as a part of my book, “Economics and Revolution” published in 1991. Partially revised in 1965 and in 1982, that is, some necessary additions made and redundant parts of footnotes deleted, contents of the article remain basically unchanged.

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manner and with what results did she resolve it? And so how did she condition the process of formation of the tripartite division and its establishment itself? It is my original theme to answer these questions.

Obviously, such a work has to be performed truly by fact-finding. But in advance of doing so, methodologically we should have certain criteria necessary for analysing facts as far as permitted by theory. At the same time, I think, it is necessary and convenient to state in the first place my theoretical viewpoint, which has been proved to be effective and valid by and through its application to fact-analysing. Because by doing so we can avoid frequent repetitions of theoretical explanation on the same point and I hope my readers will understand the key points of land reform in the English Revolution in relation to the general concept of bourgeois landownership transformation.

To begin with, the criteria for the analysis of economic development in history, by their nature, can be derived only from economics itself. To do this, it is essential for us to reorder the theory of economics, that is, the categories of economics in such a form as is likely to assist us to make clear the principle of historical changes, basing upon our understanding of the method of economics.

With a backbone of specific concepts of economics in this sense, this paper attempts to grasp theoretically and explain briefly the moments of bourgeois landownership transformation, in line with the process where an agricultural structure transforms itself by its own contradictions. By doing so, at the same time, we will get the criteria necessary for analysing the agricultural structure and the land struggle in England of that mid-17th century.

[1] In general, an agricultural structure, i.e. an internal economic construction of agrarian system is formed by a certain manner or mode of the following each two elements. One is a certain manner of occupation of land as a primitive base and objective condition of labour. Another is a certain *mode of direct process of agricultural production*, which is a process of direct embodiment of labour as a combination of two natural forces, that is, the nature represented by ground and the labour-power of human being as a nature. The historical formation and development of the capitalistic structure of agriculture (relationships between capital, modern form of land ownership and wage labour) is consisted of two processes which are preconditioning as well as contradicting each other. One is the development of capitalistic production of agriculture, that is, the agriculture conducted under the despotic command of capital, in which 'land as an object of use' monopolised by capital and wage labour as 'absolute poverty' are combined and mobilised by capital in accordance with capital's will to achieve its own purpose. Another process is the formation of capitalistic landownership, which is the precondition as well as the result of the development of capitalist agriculture. Capitalistic landownership is, on the one hand, conditioned by 'capital's monopoly of use of land', but on the other hand, it is the premise to that monopoly. Therefore in order to understand the bourgeois landownership transformation theoretically, first of all, it is essential for us to grasp in total both two processes of the change of agricultural production and the transformation of landownership, in context of their interdependence and contradiction.

[2] A capitalistic structure of economy had its starting point within a feudalistic structure of economy. The development of the former meant a transformation of subordination, that is, the shift from feudalistic exploitation to capitalistic exploitation. Thus, explaining more concretely, the

emergence of capitalist agricultural production means a shift from the feudalistic farming (i.e., virtually self-sustaining small economy of peasant which is run always under the direct and indirect command of feudal landownership over people's life and labour) to the capitalist farming. The formation of capitalistic landownership means a bourgeois reconstruction of feudalistic, pre-capitalistic form of landownership (communal, hierarchic and multilayer forms of landownership). On the whole, the development of capitalistic structure of agriculture is the process of shift in agricultural system from feudalistic structure to capitalistic structure.

Therefore, at first, the process is, in the most abstract dimension, the development of capitalistic agricultural structure in itself. Secondly, in more concrete dimension, it is the shift from the feudalistic agricultural structure to the capitalistic structure. It is the second essential point for us to distinguish these two aspects strictly and proceed from the abstract to the concrete in order to grasp theoretically our object, that is, the bourgeois landownership transformation.

[3] Thus, the ensuing moments of the bourgeois formation and reconstruction of landownership, which proceeds in interdependence and contradiction with the capitalistic transformation of direct production process in agriculture, amount to the history and concept of bourgeois landownership transformation. Whole of the process of development of these moments in order is the whole historical process of bourgeois landownership transformation.

In this sense, the concept of bourgeois landownership transformation would be not only restricted but also enlarged. On the one hand, it would be strictly restricted to the transformation of landownership which proceeded merely in interdependence and contradiction with the capitalistic development of agricultural production. Without this restriction, we cannot talk about the bourgeois landownership transformation. So far there have been some discussions in which the bourgeois landownership transformation should vanish away into such a vague image as a moment of reform of landownership on the way to the formation of capitalism in different countries, without measuring the extent of capitalistic development of agriculture in itself. But in context of our narrow and strict concept, this vagueness could be denied. At the same time, on the other hand, considering that many scholars have used to understand it only as a moment of disintegration of feudalistic landownership, our concept would be enlarged more widely to a series of historical moments of the bourgeois formation and reform of landownership. This is the third essential point to grasp the bourgeois landownership transformation as our object.

[4] In this sense, even though a land reform carried out by a bourgeois revolution has a critical importance to the process of bourgeois landownership transformation (insofar as the revolution recognizes certain task to be resolved in this area and can realize it), it is no more than one stage and one part of the whole, much longer process of bourgeois landownership transformation. Only when we put a land reform of bourgeois revolution in a correct position of this longer process, we can understand its solid meaning in the context of political economy. This is the fourth essential point for us.

- \* A viewpoint of agricultural structure as a single unit and a viewpoint of whole social agricultural structure.

In studying the moments of landownership transformation, we can regard an agricultural structure as if it is socially homogeneous and an identical object. In other words, we can

treat it from a viewpoint of agricultural structure as a single unit, that is, a single unit structure of one landownership and one agricultural production. From this viewpoint, the moments of landownership transformation would appear one by one in a series, each representing its own historical meaning clearly, on the process in which this single unit structure would evolve in the most typical form.

But on the other hand, especially in the process of bourgeois landownership transformation which proceeds on a general base of spontaneous social division of labour and private ownership, an agricultural structure of society as a whole at a given point of time can never be homogeneous. It should appear only as a totality of combination (relationships) of various single unit structures, existing at the same point of time but different in the level of development from each other. Therefore, as a historical fact, the evolution of each single unit structure proceeds in the midst of this totality of composition. At a certain stage of evolution, the moments of landownership transformation appear more or less overlapping each other, namely, at one point of time two of them, and sometimes three of them may appear and operate simultaneously.

On the one hand, without the recognition of sequential transition of agricultural structure from the former viewpoint of 'single unit structure', we can not understand the structural meaning of the latter's combination (relationships), that is, the combination of various single unit structures. But vice versa, without the inter-relations of this combination, we can never explain the sequential transition of agricultural structure and so the inevitable appearance of moments of landownership transformation. Thus, both of these two viewpoints of this sense, that is, the single unit and the whole social structure of agriculture are indispensable to study the process of landownership transformation.

[5] On the whole, in order to consider the basic theoretical issues concerning landownership transformation necessary for this study, we should examine the nature and content of sequential relationships (inter-dependence and contradiction) between landownership and agricultural production in the process of capitalistic development of agricultural structure. In doing so, we have to start from the simple commodity economy and go on to see the process of its evolution to capitalist economy. This approach alone makes it possible for us to confirm the most abstract but yet fundamental moments of bourgeois landownership transformation which are free from any obstructive and disturbing conditions.

Next, we consider them in the more realistic context of transition of agricultural structure from the feudalistic to the capitalistic. By doing so, we can get more concrete moments of landownership transformation as bourgeois settlements of contradiction between the feudalistic structure of agriculture and the capitalistic structure of agriculture.

Finally, we should confirm the conditions of bourgeois democratic land reform at a specific time as a bourgeois revolution and the content of their historical character to influence the subsequent course of evolution.

## I The Four Moments of Bourgeois Landownership Transformation

### — The development of agricultural structure from the simple

#### commodity economy to the capitalistic economy —

### 1. Peasant Commodity Production and Peasant Landownership

— Social division of labour and private ownership —

[1] Commodity production and commodity circulation are the general premise of capitalist mode of production. Therefore, the first and prerequisite event towards the historical formation of capitalistic structure of agriculture is the transformation of economy in kind among peasantry as direct producers into commodity economy.

This change requires two conditions.

While the condition for economy in kind is a direct self-contained linkage between farming as a base and domestic handicraft labour,<sup>1)</sup> the transformation of peasant economy into commodity economy proceeds together with the development of social division of labour which sublates this linkage. The first condition is this social division of labour, that is, separation of manufacture from agriculture (division of labour between agriculture and manufacture), specialisation of agriculture among different regions and different types of management (geographical division of labour, namely, emergence of local speciality, and specialisation of production in a certain kind of product, i.e., cereals, livestock, orchards, and so on), and exchange of products as commodities.<sup>2)</sup>

Yet the division of labour itself can be also found within traditional social forms.

For example, (1) the self-contained, permanently fixed communal division of labour, which is necessary to complement the reproduction of a self-sufficient and cooperative body of community (so-called *demiourgos*, although including various phased differences), (2) the division of labour based on estates (classes), i.e., qualitatively distinguished labour crystalized in a social structure as 'services performed directly by people themselves and provisions in kind' (estate as division of labour), (3) the natural and paternalistic division of labour within a self-sufficient peasant family, and so on.<sup>3)</sup>

In all these cases, in so far as division of labour is more or less crystalized in a intentional and authoritarian organisation of social labour as a 'self-contained whole of production', it is never mediated by exchanges of different kinds of products between direct producers. 'Only such products can become commodities with regard to each other, as result from different kinds of labour, each kind being carried on independently and for the account of private individuals'.<sup>4)</sup> Then, such social divi-

1) Marx, K., *Das Kapital*, Bd. III, *Marx Engels Werke*, Bd. 25, SS. 794–795. In the following, the pagination follows *MEW*, and the translation is relied on the edition by Foreign Language Publishing House, Moscow, 1954.

2) Lenin, V.I., 'The Development of Capitalism in Russia' (in the following, we will abbreviate this title in 'Development'), *Lenin Collected Works* (we will abbreviate in *Collected Works*), Vol. 3, pp. 37–38, Progress Publishers, Moscow, 1964, pp. 37–38; Do, 'On the So-called Market Question', *Collected Works*, Vol. 1,; Marx, *a.a.O.*, Bd. 1, SS. 55–57.

3) *Ebenda*, Bd. I, SS. 56, 90–92, 102, 378–379. For further reading, see how Hisao Otsuka characterises 'demiourgos' in his article 'A Basic Theory of Community', *Hisao Otsuka Selected Works* (we will abbreviate in *Selected Works*), Vol. 7, Iwanami Publishers, 1955.

sion of labour as makes a basis of commodity production is the division into 'various kinds of useful labour each being carried independently of others by each independent individual producer as his private affair'.<sup>5)</sup>

The transformation of peasant economy into commodity economy cannot start unless the non-communal and non-estate-hierarchic division of labour in the above sense penetrates into communities or feudal domains. Conditions of peasant commodity production contradict with communal or estate-hierarchic relations of ownership. The private occupation of conditions for labour by peasantry as an opposite to the collective/estate-hierarchic ownership, and so the beginning of isolation and independence of peasants from collective, estate-hierarchic relations of ownership are decisively important to the process of this transformation.<sup>6)</sup>

Thus, we can say that while the exchange of products as commodities among peasants premises their facing each other in 'reciprocal independence', 'as private owners of those alienable objects, and by implication as independent individuals', the peasant commodity production has to premise their private occupation of conditions for labour (first, movable properties such as tools, then land) in some extent.<sup>7)</sup> This is the second condition.

To sum up, in the process of transformation of peasant economy into commodity economy, the production and distribution of commodity by peasants as direct producers, and the social division of labour as well as the private occupation of conditions of labour represent the same state of things.

[2] The social division of labour based upon private occupation of conditions for labour by peasants, that is, the possession of labour-products according to their own labour and the exchange of these products between them, is the condition of peasant commodity production and commodity exchange. The further the peasants' private occupation of conditions for labour is advanced step by step, together with the development of social division of labour, the more the base of their commodity production is strengthened also step by step. Vice versa, the expansion of commodity production and commodity exchange among peasants gives impetus to the development of social division of labour among them and to the strengthening of the private nature of their possession, that is, the relationship of 'reciprocal independence' among peasants and their independence from the collective ownership or estate-hierarchic forms of ownership based upon the personal dependence.

To generalise our historical experiences from this viewpoint,

'Private property, as the antithesis to social, collective property, exists only where the means of labour and the external conditions of labour belong to private individuals ... . The private property of the labourer in his means of production is the foundation of petty industry, ... petty industry, again, is an essential condition for the development of social production and of the free individuality of the labourer himself. Of course, this petty mode of production exists also under slavery, serfdom, and other states of dependence. But it flourishes, it lets loose its whole energy, it attains its adequate classical form, only where the labourer is the private owner of his own means of labour set in action by himself: the peasant of the land which he cultivates ...'.<sup>8)</sup>

4) 5) Marx, *a.a.O.*, Bd. I, S. 57. Also see *Ebenda*, SS. 87–89.

6) Lenin's 'On the So-called Market Question', *op.cit.* contains a penetrating insight into this issue.

7) Marx, *a.a.O.*, Bd. I, S. 102.

8) *Ebenda*, Bd. I, S. 789.

Therefore, on the one hand, the gradual transformation of peasant agricultural production from natural economy to commodity economy, and on the other hand the gradual strengthening of private character of peasant occupation of land, which appears as the development of social division of labour and their independence of collective and estate-hierarchic forms of ownership, and personal independence of them as a subject of their own labour, these two evolutions proceed interdependently. At last, only on a basis of free and private ownership of land by peasantry (peasant proprietorship of land), the peasant commodity production, performed by a free subject of their land and labour, 'lets loose its whole energy' and 'attains its adequate classical form'. This very free peasant landownership (free proprietorship of land in parcels by independent peasants), on the one hand, is the outcome of a certain development of peasant commodity production, and on the other hand, it is a historical form of landownership which makes a basis and precondition for the fullest development of peasant commodity production, though within a narrow limit of this petty mode of production itself.

[3] The formation of isolated, scattered and free private ownership of land by peasantry, i.e., free peasant proprietorship of land as the sublation of collective, estate-hierarchic forms of ownership, is the first and prerequisite moment for the fullest development of bourgeois landownership transformation at its earliest stage, which is realized by the maturity of a new condition of agricultural production, that is, the transformation of peasant natural economy to their commodity economy, i.e., the development of peasant commodity production.

[4] In this case, we have also to keep in mind the following points.

First, peasant commodity production cannot be the predominant which covers his whole production, according to its nature of petty production based upon the direct combination of peasant and land. Rather, in this mode of production, most of the products are consumed directly by a peasant himself as direct means of life,<sup>9)</sup> and thus peasant self-sufficient economy can be continued. The commodity production is getting more and more predominant, only as far as the class differentiation of peasantry begins to proceed, the peasant commodity production transforms into the capitalist commodity production, and even the labour force becomes a commodity.

Second, if the condition of peasant commodity production is the private occupation of labour conditions by peasantry in some extent, combined with the development of social division of labour, the first, prerequisite moment of the bourgeois landownership transformation is the formation of private occupation of land by peasantry in this sense (so-called 'de facto peasant proprietorship' in its widest sense).<sup>10)</sup> Therefore, the free peasant proprietorship of land is only an extreme form of that moment. This latter manner of land possession is 'the most favourable condition for flourishing' for peasant commodity production, but is not indispensable condition.

Third, already on the way of progress of the peasant private occupation of land by peasantry to the free peasant proprietorship, the gradual maturation of peasant commodity production and by its

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9) *Ebenda*, Bd. III, S. 813.

10) The hidden side of 'de facto peasant landownership' is 'de facto mere land occupation'. In other words, the peasant occupation of land has two faces of 'de facto peasant landownership' and 'de facto mere land occupation', and these two faces are always conflicting each other within this occupation. Thus, in what manner the peasant private occupation of land appears is determined by how and at what level the conflict is being settled.

implication the differentiation of peasantry begin their own process. The social structure of agricultural production is already becoming a totality composed of heterogeneous economic relationships, including both extreme groups having entered into capitalist commodity production by exploiting and selling of labour forces.

Within this social structure of agrariculture, the formation of free peasant proprietorship only proceeds on sporadically, partially and gradually in such a peasant economy as can afford to buy out landownership by money as a fruit of commodity production.<sup>11)</sup>

It's creation can come on a historical stage as a whole social issue only when the maturation of peasant commodity production and the differentiation of peasantry reach to a certain specific level, and other conditions are prepared.<sup>12)</sup> And so, still here we cannot ascertain that specific level and that conditions.

Fourth and finally, the peasant proprietorship of land (land parcels) in general is a proper form of landownership for the small economy of peasant, because in this economy, the more or less, the private occupation of land is one of the necessary conditions for a peasant to possess the products of his own labour. If we consider the peasant proprietorship in a context of a general environment of social division of labour, it fits only to a simple commodity production, not to bourgeois=capitalist agricultural production in a strict sense. Therefore, the formation of peasant proprietorship can bear a meaning of moment of burgeois landownership transformation only as a precondition of this process.<sup>13)</sup>

## 2. Development of Capitalist Agricultural Production and Formation of Capitalistic Land-ownership

— The class differentiation of peasantry —

[1] When the change of peasant natural economy to commodity economy and the transformation of products of their labour into commodities reached to a certain stretch,<sup>14)</sup> the second stage in the historical development of capitalist structure of agrariculture, that is, the transformation of peasant commodity economy into capitalist commodity production where the labour force itself becomes a commodity starts to take place.

While the peasant commodity production is based upon the private occupation of objective conditions of labour by peasantry in some extent, and besides upon the peasant proprietorship as the most favourable condition for it, its transformation into capitalist agricultural production is a process of differntiation of peasantry, which, by removing peasants from land, on the one hand creates wage

11) *Ebenda*, Bd. III, S. 807.

12) To be discussed in II. 2.

13) To be discussed further in II. 2.

14) Here, the 'stretch' means the depth and the width of commodity production among peasants, i.e., of the market as the relations between producers. On this point, recall Lenin's 'the table' which showed the successive conversion of the natural economy of 6 producers into commodity economy, and finally into capitalist economy, starting from plural self-sufficient small producers, then through the following stages, first, the gradual deepening and widening of market owing to the beginning and then the development of social division of labour between the producers, second, the stage at which the transformation of labour-products into commodity reaches a certain proportion of the gross social products, and finally the 'differntiation' (Lenin, 'On the So-called Market Question', Lenin, *op.cit.*).



labourers, and on the other hand makes land as an object of use monopolised in the hands of capitalist agricultural entrepreneurs whose enterprises depend upon the exploitation of wage labourers.

The differentiation of peasantry as this is a historical process of formation of capitalistic relations, which disintegrates the petty mode of production within small peasant economies and converts their elements (labour force and land) into the elements of capital (wage labour which is to be subordinate to the despotic command of capital and 'land as the object of use' as an element of capitalist monopoly).

It is also a process in which the capitalist mode of production gradually conquers the agriculture—the largest and most powerful stronghold of small economy. The differentiation of peasantry in this sense is a basic phase of the process of primitive accumulation of capital, that is, the history of formation of capitalistic relations in which three elements of capital, wage labour, and landownership develop in interdependence with each other and spread over the whole society as a complete totality.<sup>15)</sup> At the same time, vice versa, conditioned by a whole body of the moments of primitive accumulation of capital, that differentiation itself proceeds on.

\* On the moments of class differentiation of peasantry.

Here, it is better for us to brief the moments of the differentiation of peasantry.

(1) In general, the differentiation of peasantry occurs when small economy of peasantry is subjected to the conditions of anarchic social production inherent to commodity economy, and by implication to capitalist economy which has its base upon private ownership and spontaneous social division of labour. Every phase of constant market fluctuation is a moment of ups and downs, i.e., uneven development of each individual management, and so a moment of the differentiation. That is, competition, concentration of land and means of production into the hands of minority of producers and exclusion of a majority of people from land. (2) The result of differentiation causes further differentiation in turn. Oppression by capitalist large-scale enterprises in market competition and exploitation of poor peasants and agricultural labourers. (3) When the differentiation comes to a certain level, landownership reacts to it positively and accelerates it. Exclusion of small economies from land by landowners. (4) These processes are conditioned by the development of productive forces of social labour in the outside of agriculture. The modern large industry makes it possible for the first time to wipe out small peasant economies at all, through extermination of rural domestic industries and application of science to agriculture. (5) The differentiation of peasantry is also regulated by state policies concerning to the primitive accumulation of capital and to agriculture or peasantry, and conditions of foreign trades and world market. (6) Thus, though the differentiation of peasantry is an inevitable tendency under the circumstances of commodity economy and so capitalist economy, this tendency manifests itself in various different ways, determined by how the above mentioned conditions are provided. (My paper, 'the class-differentiation of peasantry', *Otsuki Dictionary of Economics*, 1979.)

[2] As peasantry differentiate themselves to several classes, the peasant commodity production

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15) As to my concept on the primitive accumulation, see 'Capital, Landownership and Wage Labour', contained in my book, *op.cit.*

starts to transform itself into capitalist agricultural production. And along with this transformation, conditions of land system and landownership also change and assume new characteristics.

This change consists of three dimensions.

That is, (1) the conversion of agricultural land system from the individual, dispersive land parcels which have been consistent only with the narrow, natural limit of agriculture to the large-scale farm lands fit for the development of social productive forces, (2) the conversion of land system from the possession or occupation of small pieces of land to the large-scale land possession, which sometimes proceeds hand in hand, sometimes independently, with or of the above mentioned emergence of large-scale farm lands in accordance with the existing, historically provided conditions, and (3) the conversion of relations of landownership (historical character of landownership) from peasant possession or occupation of land which is based upon the personal labour of an individual, to capitalistic landownership which cannot be formed without the monopoly of land use,<sup>16)</sup> on the whole, the creation of capitalist large landownership as denies the personal use of land by self-labour.<sup>17)</sup>

As a result of the differentiation of peasantry, the structure of agrarian society appears as a composition of the following three groups, although it would be different according to the level of the development of differentiation. The three groups are these; a middling group of small peasant proprietors who are connected with the possession or occupation of small pieces of land (middle peasants), a lower group who have more or less lost their lands and are becoming to depend upon selling their own labour forces (poor peasants and farm labourers), and an upper group who concentrates lands in their hands, and runs 'large' enterprises and exploiting wage labour (well-to-do peasants and capitalist agricultural entrepreneurs).

The middle peasants are most poorly provided with conditions for developing commodity economy, and their economies are half self-sufficient.<sup>18)</sup> However, the more distant from this group in both directions of rising and falling, the more these conditions become predominant feature. And in an upper group, the principle of capitalistic accumulation begins to operate.

It is in this whole developing structure of economic relations that the historical character of landownership changes into capitalistic one, and that large-scale farm lands and large landownerships are created.

[3] We can understand the process of capitalistic conversion of landownership's historical character as a maturation process of the conditions of capitalistic ground-rent. From this point of view, the process appears as follows.

First, the starting point is the proprietorship of land parcels. In this form of landownership, rent cannot appear as a form of certain branch of surplus value. But 'no matter how the average market-price of agricultural products may here be regulated, differential rent, an excess portion of commodity-prices from superior or more favourably located land must evidently exist'. However, in

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16) Here, the phrase 'the capitalist landownership' (or 'the modern landownership') is used only in the meaning that this landownership 'cannot be formed without capital's monopoly of use of land', without questioning whether it is integrated into the agricultural economy directly or separated from the economy. Other conditions than the capital's monopoly of use of land are treated with no prescription.

17) Vgl. Marx, *Grundrisse*, S. 189.

18) Cf. 1-[4]- first, in this article.

this case, where 'production to a large extent satisfies the producers' own wants and is carried on independently of regulation by the average rate of profit', the limit for a producer 'is not set by the average profit of capital, in so far as he is a small capitalist; nor, on the other hand, by the necessity of rent, in so far as he is a landowner. The absolute limit for him as a small capitalist is no more than the wages he pays to himself, after deducting his actual costs'.<sup>19)</sup>

Therefore, in this case, 'rent' is simply a part of the difference between market prices of the products — however, they don't have to be as high as either values of the products or prices of production of them — and the actual costs plus 'the wages'.

There is another form of rent which is different from the above as to the condition of landownership, but is brought into existence upon the same base of agriculture as small peasant economy and so occupies a position as a starting point in the process. It is a small peasant rent, that is, a case of farming of land parcel upon leased land. In this case, the very same condition that the average rate of profit cannot determine the rent enforces him to pay a much higher rent. There, 'the lease money comprises, far more so than under any other conditions, a portion of the profit and even a deduction from wages'.<sup>20)</sup>

Therefore, either in the case of peasant proprietorship of land parcels, or in the case of the small peasant rent, the starting point is a nominal rent, not the rent as an independent category as opposed to wages and profit. This nominal rent is both the result and reflection of the predominance of landownership over the production (use of land) at the historical stage of small peasant economy — whether landownership appears as a basis of peasant economy or as an opposite of it.

Second, of course, the goal is obviously the capitalist ground-rent, that is, the rent which is made of such part of surplus value over and above the average profit. The existence of this rent on a certain land requires above all (1) capitalist maturation of each agricultural firm run on the land (maturation of each individual capital). Besides, it also requires that (2) the average profit is established as 'a regulator of the production in general' and so capital predominates not only individual firms here and there but also the entire production activities in a society at large.<sup>21)</sup>

Third, therefore, at transition stages between the starting point and the goal above mentioned, during which capital subordinates social labour still only partially and scatteredly, and so it has not sublated small peasant economies in a society at large, apart from small number of instance,<sup>22)</sup> from the social point of view, the rent appears as an immature capitalist rent even if it is actually a part of

19) Marx, *Das Kapital*, Bd. III, SS. 813–814.

20) *Ebenda*, Bd. III, S. 818.

21) The category of capitalist ground-rent cannot be thought of without the premise of the total social capital, and it is not sufficient that capital subordinates only individual enterprises to itself. These are self-evident in economics.

22) In our history, even before the maturation of general conditions, there can be produced the capitalist rent *de facto* or accidentally within such peculiar lines of agriculture (they are generally those other than primary ones) or in such land categories located favourably as make it possible for those who are producing commodities to get the extraordinary surplus over and above the market-prices. Capital begins its activities within such lines or in such lands at first in the earliest stage of its history, for they provide the most favourable conditions of its activities. *Ebenda*, Bd. III, SS. 809–810.

surplus value produced by capital. As the capitalistic ground-rent in totality establishes itself only when capital occupies the whole section of production, until then the rent should be something at a formative stage and take on the character of nominal-rent in substance more or less. And so, at these stages, to give another expression to the same matter I have just described here, landownership is still independent of capitalist agricultural reproduction more or less, so that it is certainly coming to subordinate itself to capital, but yet it doesn't appear as a fully subordinate one (such capitalist ground-rent as an element of a totality of an organic body of capitalist social relations).<sup>23)</sup>

Thus, at these transition stages, different individual economies from small peasant economies run upon land parcels to capitalist agricultural enterprises, are simultaneously existing. At each of the stages, in accordance with this varying extent of maturation of economies as a capitalist farming, also various forms of rent from the peasant proprietorship of land parcels or small peasant rent to the de facto or accidental capitalist rent are existing simultaneously and interdependently with each other more or less. In this structure composed of these various forms of rent, the tendency of development from the former, i.e., the nominal-rent to the capitalist ground-rent operates, as being regulated by the level of maturation of capital as the total social capital.

Therefore, on the one hand, at a certain transition stage, the more certain one of various economies has got rid of the conditions of small peasant economy, the more the conditions of capitalist rent are matured in it (whether it appears as a lease-money or not), and thus the form of rent, and by implication the historical character of landownership, becomes nearer to the capitalist one (this appears when we view the structure of agrarian society at a certain point of its history, so to speak, the horizontal relation between landownership and production). On the other hand, the capitalist ground-rent in totality or the capitalist landownership is regulated by the level of rule over the social production by capital and so it matures only gradually (this appears when we consider an agricultural structure as a whole in the course of historical development, so to speak, the relation between landownership and production grasped in a context of historically vertical determination of the latter by the former).

- \* Stages in the development of capital predominance in the entire social production, the class-differentiation of peasantry and the capitalist ground-rent.

What are stages of development in which capital predominates the entire social production, sublates the independent small economies (farming on, and possession of, small land parcels) and regulates a rent as the capitalist ground-rent?

In short, the peasant proprietorship of land parcels and the small peasant economy run upon them correspond to such a low level productive power as is barely based upon the cooperation of a peasant family and needs to be supplemented by the use of common lands, to such immature social division of labour as cannot fully sublate the rural domestic manufac-

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23) 'there can be no talk of rent in the modern sense, a rent consisting of a surplus over the average profit, i.e., over and above the proportional share of each individual capital in the surplus-value produced by the total social capital, in social formations where it is not capital which performs the function of enforcing all surplus-labour and appropriating directly all surplus-value. And where therefore capital has not yet completely, or only sporadically, brought social labour under its control' (*Ebenda*, Bd. III, S. 791).

ture, and to such infant commodity production as predominantly only the excess above what is consumed as direct means of subsistence by the peasant family becomes commodity, and in general, as a social phenomenon in a large quantity, they cannot keep their existence unless the development of capital as a whole remains low, that is, the rural population greatly predominates numerically over the town population, and a fragmentation of capital predominates also in other sections of production (Marx, *Das Kapital*, Bd. III, SS. 813, 815).

Therefore, these limits set upon the peasant proprietorship of land parcels and the small peasant economy run upon them at the same time make the moments of disintegration or differentiation of them. First, the extermination of rural domestic manufacture. Second, usurpation of common lands by large-scale landowners. Third, competition with the large-scale farming, and, related to it, development of agricultural improvements—it makes the prices of agricultural products fall on the one hand, and it makes also larger investment and richer objective conditions of production necessary on the other hand (*Ebenda*, Bd. III, S. 815).

By the way, the development of these moments proceeds on merely according to the regulation by the stage of development of the total social capital which is initiated not only by agriculture but rather by industry.

The first progress starts with the manufacture. The progress of agriculture corresponding to the manufacture is the emergence of the ‘agriculture on a large scale’ based upon simple co-operation. But it is only distinguished from peasant agriculture ‘by the number of the labourers simultaneously employed, and by the mass of means of production concentrated for their use’. At the same time ‘the destruction of rural domestic industry’ proceeds to a certain extent. But ‘the radical change’ does not appear at all. On the one hand, the manufacture destroys the rural domestic industry, but on the other hand reproduce it (*Ebenda*, Bd. I, SS. 355, 390, 776).

A decisive progress is made together with modern large industry. ‘Modern Industry alone, and finally, supplies, in machinery, the lasting basis of capitalistic agriculture’, replaces ‘the irrational, old-fashioned methods of agriculture ... by scientific ones’, and ‘completes the separation between agriculture and rural domestic industry’, and thus gives possibility to the final extermination of small peasant economies, i.e., the completion of the class differentiation of peasantry, and to the conquest of ‘the entire home market’ by capital or the entire ruling over the social production by capital (*Ebenda*, Bd. I, SS. 528, 776–7).

Therefore, the creation of capitalist ground-rent proceeds on together with the following processes; that is, (1) the development of the base for productive power of capitalist agricultural production itself which starts from the simple co-operation, then proceeds to the conscious application of science, (2) the class-differentiation of peasantry—the extermination of small peasant economy and rural domestic industry as well as vestiges of community entangled with the small peasant economy, (3) the process in which the movement of capital as an aggregate social capital (the principle of equalisation of profit rates) carries itself through gradually in accordance with the subordination of all the economic relations to capitalist mode of production, though being obstructed by the intermediate=transitional relations. Only ‘when the modern industry has developed to a high grade of perfection’, the modern

landownership 'comes for the first time to be in its totality and in its wide stretch', and so the subordination of landownership to capital is given the possibility to accomplish itself (Vgl. Marx, K., *Grundrisse der Kritik der politischen Ökonomie*, Diets Verlag, 1953, S. 188.).

However, we have to keep in mind that here we only refer to the determinative in itself which the stage of development of industrial capital from the manufacture to the modern large industry by machinery has to agriculture. What at most we can deduce from this is that the maturation of modern landownership premises a specific stage of industrial capital, and that industrial capital has a tendency to influence upon agriculture, which makes a cause for a certain historical development in agriculture according to its stage with the specific determinative mentioned above. We can say nothing about whether or not the latter tendency=principle itself is realised practically. For, in general, the whole structure of agriculture in a certain capitalism and at a certain point of time is determined by the whole of actually existing relations which includes those which we can consider only in far more concrete terms. Cf. the note \* at the end of II. 2.

[4] The primitive formation of large-scale farm land and large landownership from the land parcels and the proprietorship or occupation of land parcels—here the word 'large' means beyond the reach of the direct use of land by an independent individual—is, so to speak, the primitive centralization of land use (monopoly of land as an object of use) and landownership (monopoly of land as an object of ownership).

This primitive centralization is different from the centralization which proceeds upon the base of capitalistic accumulation (centralization proper) as a concept. But in reality of our history, it is inevitable that both centralizations appear at the same time and proceed hand in hand or intertwining with each other in a certain period of the class-differentiation of peasantry.

Land is limited in both quantity and quality in the sense that a certain piece of land located somewhere never exists elsewhere.<sup>24)</sup> Because of this limitation, land cannot but be monopolised by someone when it is used by him. This monopoly gives a certain unique role to the centralization in agricultural production. For in agriculture, an increase in production inevitably (in the case that the increase is to go beyond a historically given limit of intensification)<sup>25)</sup> leads to an expansion of land to be used, which 'can never be attained without the centralization of several pieces of land (and this centralization also must be such centralization that thus centralized land pieces makes a certain single

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24) The land, the basic means of production in agriculture, is different from the means of production in industry on this point. The latter can be produced, so that the production in industry can expand independently of the centralization.

25) It is obvious that the moment which operates directly in the course of capitalist accumulation is the accumulation itself. In agriculture, the accumulation in this sense and the concentration (the expansion of production) based upon it appear as the tendency of intensification, — without the expansion of the size of farm lands, or in many cases even with the contraction of it, 'owing to the technical peculiarities of agriculture', the accumulation 'expands it (the farm) as an economic unit, increasing its output, and making it more and more of a capitalist enterprise' (Lenin, 'New Data on the Laws Governing the Development in Agriculture', *Collected Works*, Vol. 22, p. 38). Therefore, the tendency of intensification has an effect of offsetting the centralization.

large block)' which are now occupied (monopolised of its use) by economies existing upon them.<sup>26)</sup>

Thus we can say as follows. First, the limitation which follows the occupation and use of land (monopoly of land as an object of use) not only gives a certain unique role to the centralization in agriculture, but also makes an obstacle to the centralization (the formation of large-scale farm land and its continued expansion through it) itself.

The premise in our discussion is that all land is occupied by agricultural economies, that is, by the independent small peasant economies in a form of lots of land parcels at the starting point, and then, by various agricultural economies from patch-of-land-holding agricultural labourers to capitalist agricultural enterprises that are all being differentiated from the core of middle group composed of the independent small peasant economies. It is apparently difficult for each of these economies to consolidate surrounding pieces of land and make a larger block of farm land within the limit of pure economic moments. In the circumstances dominated by commodity production and private ownership, it is true that abandonments of farming occurs frequently not only among the middle group of small peasants and the lower group, but also even among the upper group. But it is a matter of sheer accident whether the abandonment should realize on a wanted land as to size and location where the person concerned can unite it with his own farm, and also at the necessary time. This difficulty is an obstacle to the expansion of agricultural production or the formation of large-scale farm lands, which is set by the monopoly of land as an object of use.<sup>27)</sup>

Therefore, as soon as the centralization faces this obstacle, it takes two forms as the following. That is, on the one hand, it appears as a tendency to form or expand a large-scale agricultural land by giving a farm land which comes to be too small and acquiring a larger piece of land elsewhere. On the other hand, it appears as another tendency to make the farming size larger without expanding the size of each separate farm land, not by enlarging the existing farm land, but by acquiring the second and the third pieces of land and putting many separate farm lands under the direction of a single consolidated economy. Thus through these two tendencies the centralization proceeds around by the obstacle above mentioned.<sup>28)</sup>

Second, there are some conditions which make the process of centralization complicated.

For the small economy upon a land parcel as the starting point, it's true that the landownership makes the foundation for flourishing, but at the same time, it is connected with such 'an evil' as a cut in the accumulation of potential capital by spending money to purchase a land parcel. In this sense, this form of private landownership functions as an obstacle to the transformation of small peasant economy into capitalist agricultural enterprise. This is a manifestation of the 'contradiction between private landownership and a rational agriculture' under the proprietorship of land parcels.<sup>29)</sup>

26) Lenin, 'Capitalism in Agriculture', *Collected Works*, Vol. 4, p. 134. Also cf. Kautsky, K., *Die Agrarfrage: Eine Uebersicht über die Tendenzen der modernen Landwirtschaft und die Agrarpolitik der Sozialdemokratie*, Stuttgart, 1899, S. 142.

27) Cf. *ebenda*, S. 143. However, be careful, for Kautsky makes an error of discussing only the private ownership of land based upon his virtual confusion of the monopoly of land as an object of use with the monopoly of land as an object of ownership when he makes consideration on the limit set upon land in discussing 'the limit of capitalist agriculture'.

28) Cf. *ebenda*, SS. 144, 150.

29) Marx, *Das Kapital*, Bd. III, SS. 816, 820.

In the economy which peasantry runs upon a land parcel, this contradiction manifests itself as the following tendencies. First, it appears as the adamancy peculiar to the peasant proprietorship of land parcels, which is showed in their adhering to the petty monopoly of land parcel as an object of ownership, and in their resisting to the 'rational agriculture' and large-scale farming, and so the centralization, only by too intense cultivation, over work and too little consumption, that is, by the impoverishment and exhaustion of the soil through squandering the vitality of soil and by the limitless waste of human labour forces. Second, the contradiction appears as the yoke of the price of land which is too high for this economy — subordination to usury —, the land mortgage as a result of poverty and the loss of ownership of land as the result of land mortgage (the separation between the ownership and the use of land in the small economy). And at last, taking a roundabout in this way, the contradiction is sublated in the form of loss of farm land itself as an object of use.<sup>30)</sup>

On the other hand, the capitalist solution of the same contradiction is the capitalist land lease. Therefore, as the centralization of the land as an object of use proceeds on, the tendency of transition of farming from upon a possessed land to upon a leased land (the separation between the ownership and the use of land in the capitalist agricultural enterprise — to be discussed below) appears in the economies belonging to the upper group and begins to exercise its influence, in order to avoid the obstacle above mentioned, and for the reason that it is not necessary for the agricultural enterprise to possess the land it occupies and uses, so long as it is capital.

However, here we should also pay attention to the relationship between the nominal rent and the capitalist rent before mentioned. That is, as long as the rent remains more or less nominal in substance, it has a restraining effect on the above tendency as the capitalist solution of contradiction, and to say in the opposite direction, such nature of capital as needlessness of its own landownership does not come out in its maturity overnight. That nature comes to maturity only hand in hand with the maturing of the social conditions as well as the individual ones, already mentioned, that govern the determinancy of capitalistic landownership (capitalistic rent). So only when the conditions for capitalistic landownership are fully matured, the tendency of separation above mentioned purely realises itself.<sup>31)</sup>

Therefore, more or less as a natural matter, at the transitional stages, until a certain time, we can find the advantage of farming upon one's own land compared with upon leased land for the farming on land parcels of course, and even for the capitalist economy on a given level. And so, among the various management from a peasant of small economy to a capitalist entrepreneur, we can recognize also the tendency toward acquiring landownership, namely the tendency of combination between landownership and agricultural economy, intermingled with the opposite tendency of separation above mentioned.

Third, taking one aspect out of this whole circumstances, let's suppose that the combination between landownership and agricultural economy is predominant. The formation of large landowner-

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30) Vgl. *ebenda*, Bd. III, SS. 814–816, 819–820. Also cf. the note \* 'The class-differentiation of peasantry and the capital of the merchants or the usurers' at 2-[5] of this paper.

31) Even if the separation between landownership and agricultural economies appears predominant, this separation cannot be created and reproduced as that based upon capitalist agricultural production, unless the conditions mentioned now are provided.



ship and the creation of large-scale farm land or large-scale enterprise proceed interdependently with each other. The difficulty of enlarging individual farm land is made more acute by the monopoly of landownership—the existence of private landownership, that is, by the difficulty to expand farm land by buying up surrounding lands. In particular it is so by the strong resistance of proprietorship of land parcels. In this case, the expansion of production within individual economies is limited by the monopoly of landownership directly connected with the monopoly of use of land.<sup>32)</sup> Here the both enlargement of the size of landownership and the size of land for farming keeps pace exactly with each other, and the limitation set upon the latter's expansion makes at the same time the limitation upon the former's.

Fourth, in reverse, let's suppose that the separation between landownership and use of land is predominant. In this case, the size of landownership has a possibility to expand independently of the enlargement of land for farming, in that meaning 'infinitely'. Therefore, the private landownership makes virtually no obstacle to the centralization of the land as the object of use, as far as in the sense explained here above,<sup>33)</sup> except as the monopoly of land as an object of use which is inevitable limitation to the capitalist agriculture in general (in general, it makes a decisive factor due to which agriculture lags behind industry).

To sum up, it is only through the complex realities in which these two tendencies of integration and separation are intermingled with each other, that the primitive capitalist centralization of land proceeds on practically.

[5] To confirm what so far we have made clear, the gradual creation and expansion of monopoly of land as an object of use through the centralization of land by capital is a process which gives landownership the capitalistic historical character. If so, in reverse, insofar as the landownership has to have its land as an object of use occupied only by capital in order to fully realise itself economically, the landowner himself removes the direct use of land by an independent individual, and reacts actively and performs the promotive role to the creation of wage labourers and the formation of large-scale farm lands, and also to the class-differentiation of peasantry, that is, to say in more abstract and conceptual words, to the creation of capitalist relations and the development of capitalist agricultural production.<sup>34)</sup>

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32) Cf. Lenin, *op.cit.*, p. 134.

33) See the Marx's comment made on the premise of non-existence of landownership which the rent-theories of Ricardo and Anderson discussed, in relation to the rent-theory by Rodbertus-Jagetzow as a landlord who managed his own land in Pommern (Marx, K., *Theorien ueber Mehrwert*, MEW, Bd. 26-2, SS. 235-238.)

34) Vgl. Marx, *Grundrisse*, SS. 187-188. Here, don't imagine this landownership only as the landownership of landlord which is in such circumstances as the separation between landownership and agricultural economy has been predominant there from the beginning. Even if we start our consideration from the integration of landownership into agricultural economy, then the situation is exactly the same. The phenomenon that the manager of his own land, who is an evolving bourgeois, is at the same time the landowner for the neighbouring agricultural economies, in particular for the small peasant economies, is a roundabout form of centralization which is inevitable in the transitional period (on this point, see the note \* put at the end of 2-[5]). In short, here we are still treating the landownership without taking into account whether it is separated from economy or integrated into it.

Capital has to use land according to the capitalistic principle as long as it is to exist in agriculture. This is by definition, and this need comes from the purely economical aspect of capital. But this capital's need cannot be fulfilled unless those individual persons, each of whom is using the land by himself in his capacity of an independent individual, have been driven out of the land which capital wants to use, and what functions as an immediate moment of this driving out at the very moment of it is the power and authority of landownership (the private landownership as the exclusive monopoly of land as an object of ownership). Insofar as landownership has to convert itself—determined by the objective circumstances—into the capitalist landownership, it becomes the need of landownership itself to play this role. Thus the power and authority of private landownership performs an active role in the course of driving the independent small peasant economies out of land (in German, *Bauernlegen*, and if we look for a more convenient expression, English has such as clearing of estates) at a certain phase of the process of the transformation of landownership into modern landownership, and this active role performed by landownership, though itself being entirely out of economic relations, makes one of main moments of the primitive accumulation of capital.<sup>35)</sup>

\* The class-differentiation of peasantry and the capital of merchants or the capital of usurers.

So far I've discussed some points upon the relationship between landownership and agricultural production (industrial capital). In the following, to complement our discussion. I want to make a summary about the role which the capital of usurers, the 'pre-Deluge form' of capital, plays in the course of the primitive accumulation (Here, the capital of merchants plays exactly the same role as the capital of usurers, so we need not distinguish between these two categories of capital.)

Here again, the starting point of primitive accumulation is the peasant proprietorship of land parcels. Generally speaking, the small production run by the independent small peasant—whether its basis is the peasant landownership or the mere land occupation by the peasant—makes a part of the ground for the usurer's capital to parasitize which is characteristic and exactly unique to it. We can deduce two propositions from this, namely (1) the class-differentiation of peasantry undermines the foundation upon which the usurer's capital bring itself into existence, and to say this in the opposite direction, (2) the independent development of the usurer's capital hinders the class-differentiation of peasantry. Only insofar as the

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35) See Marx, *Das Kapital*, Bd. I, Kapit. 24 'Die sogenannte ursprüngliche Akkumulation', in particular, see how Marx treats the 'private ownership' in '2. Expropriation des Landvolks von Grund und Boden'. Also cf. 'Capital, Landownership and Wage Labour', contained in my book, op.cit.. Here to add a few words, first, as we will see later in this paper, this landownership's active role comes to be played in different ways according to the specific conditions given to it historically. [How the landownership plays this active role in a specific place and at a certain point of time, is determined by the conditions given to this landownership, thus differs according to the time and the place.] That is, there can be various types of the 'land clearance'. Second, one of those moments that operate on the destruction of small peasant economies in such ways as to give us the most shocking impression is the usurpation of the common land by some one through making it his own private land and getting it into his own estate, for the common land is indispensable for the small peasant economies, none of them able to survive without the complement of themselves by the use of common land. So, the so-called 'the question of the common' comes to be of crucial importance, that is, it arises as to who does this usurpation in what manner.

class-differentiation proceeds, and the small production is driven out so that the sphere, which capitalist agricultural production prevails, expands, the usury gives its place to credit in the proper sense of the word (the extent of the independent development of the usurer's or merchant's capital 'stands in inverse proportion to the extent of the development of capitalist production').

Therefore, in the course of primitive accumulation, until a certain point of time the exploitation by the usurers persists, and the phenomenon that the proprietor of capitalist agricultural enterprise, that is, the industrial capital, is at the same time those who exploits small peasant proprietors in the neighbourhood as a usurer, that is, the usurer's capital, (such phenomenon as Lenin's so-called 'kulak' and 'enterprising muzhik' are two forms of the same economic phenomenon) is more or less inevitable, because of the very persistence of small peasant economies, in other words, the still only half developed production conditions.

Then, as long as everything is developing properly on the road of bourgeois evolution, and thus the activities of the usurer's or merchant's capital are being linked with industrial capital (capitalist agricultural production) and so being no more than accessories of it (not independent of it), land mortgage and usury serve together as a moment, though being roundabout, of the primitive centralization of landownership and farming land and the concentration of money (moneyed capital), and by implication, of the class-differentiation of peasantry. That is, they make the roundabout form which capital takes when it goes around those obstacles set by the small peasant landownership and the small peasant economy (small peasants make resistance against the centralization of land through their over work and too little consumption) in the way of its free influx into agriculture.

Next, contrary to above, let us assume that the activities of the usurer's or merchant's capital are developing independently (independently of the capitalist development or expansion of production) and there is no other form of capital. Then, the class-differentiation of peasantry is hindered, and the peasantry appear as a relatively homogenous mass, all being pressed hard by their poverty. And moreover, upon the premise that these conditions of small production are not changed, let the activities of land mortgage and usury result in the separation of landownership from the agricultural economy (which is distinguished from the separation based upon the capitalist production) and the concentration of landownership and ground-rents. Then, by the nature of things, there the predominance of the small peasant rent will occur, and the lease money will be much higher because the peasants will generally be in bondage for their indebtedness. This phenomenon caused by usurious squeeze of high lease money is not a mere accessory one, but such that has come full-fledged and crystallized into an established system, that is, 'the parasitic landlord system' (however, we are discussing this system only in such abstract terms that is permitted to be used here).

(Now, relating to this, I want to discuss additional two points to avoid confusions in our discussion on 'two paths' of bourgeois agricultural evolution which will be considered later in this paper. First, unlike the former, the activities of the usurer's or merchant's capital in general, the latter, the separation and concentration of landownership, does not necessarily occur in the process on which we are discussing. Thus, just taking this alone into account

makes it clear that the assumption that there must be parasitic landlord system in any case of bourgeois agricultural evolution process is not a natural idea [cf. 'The Class-differentiation of Peasantry and Landlord System in England' in my book *Economics and Revolution*, Aoki Publishers, 1990].

Second, anything that happens in the course of development of parasitic landlord system, even if it comes out of a certain level of bourgeois development, is itself completely out of bourgeois agricultural evolution, and in the context of our discussion, is a mere variant of a set of the small peasant economy on a land parcel and the nominal rent [the change of the peasant proprietorship of land parcels into the small peasant rent which has come much higher by the bondage as a result of indebtedness] which makes the starting point of the development of the capitalist ground-rent.)

Therefore, for the discussion upon the bourgeois agricultural evolution, or upon the class-differentiation of peasantry, it is nonsense to trace how the usurer's or merchant's capital is in itself and independently affecting the process. Rather, we have to investigate into Lenin's 'questions of fact' of 'Is merchant's and usurer's capital being linked up with industrial capital? Are commerce and usury, in disintegrating the old mode of production, leading to its replacement by the capitalist mode of production, or by some other system?', and the answer to it is of decisive importance in judging the role which is being played by that capital at a certain point of time (on these whole discussions, cf. Marx, *Das Kapital*, Bd. III, Kapit. 20 n. 36; Lenin, 'Development', *op.cit.*, pp. 183–186.).

[6] Thus, the capitalist development of agricultural production and the transformation of landownership into capitalist one proceed interdependent and interconditioning with each other.<sup>36)</sup>

After all, on the one hand, when, at last, the capitalist production comes to predominate over the whole social production of agriculture — this assumption 'implies that it rules over all spheres of production and bourgeois society, i.e., that its prerequisites, such as free competition among capitals, the possibility of transferring the latter from one production sphere to another, and a uniform level of

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36) This interrelationship is what Marx tried to make clear in his preliminary work for the analysis of economic structures of the capitalist society, as those between the basic three categories of capitalism — the relationships between capital, landownership and wage labour in which these three categories should interdetermine each other not only logically but also historically. That is, his consideration proceeds as follows. First, the shift from capital into landownership. Capital premises the modern landownership as its suitable and necessary form of landownership. Next, the shift from landownership into wage labour. Wage labour 'is created through the action of capital on the landownership, and then, so long as once this situation is established as one form' is created by the landownership itself. The landownership as a creature of capital also comes into existence as a precondition of capital, for it becomes a creator of wage labour, and wage labour is the precondition of capital. 'Capital as the creator of ground-rent goes back again to the production of wage labour as the general ground for its creation'. Finally, the shift from wage labour into capital. The 'shift from wage labour into capital takes place of itself; for here, the latter has its active ground in the former, and is made to always go back to it' etc (Marx, *Grundrisse*, SS. 186–190).

In addition to this, cf. 'Capital, Landownership and Wage Labour', contained in my book, *op.cit.*. There, I have made more detailed discussion on this point as exactly and thoroughly as possible for me.

the average profit, etc., are fully matured<sup>37)</sup>—the capitalist landownership comes to establish itself in totality for the first time.

At the same time, on the other hand, only when the capitalist landownership, that is, 'the landownership as the value created by the capital itself', or 'landownership which is expensive as the capitalised rent, and as such excludes the direct use of land by individuals', is predominant, capital completes '(1) industrial agriculture and the development of the production power of land achieved through it; (2) wage labour and by implication the universal rule of capital over rural society' for the first time.<sup>38)</sup>

Both the capitalist landownership in totality and the capitalist agricultural production in total-

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37) Marx, *Das Kapital*, Bd. III, S. 627. It is obvious that these are the very objective conditions owing to which the landownership has to subordinate itself to capital and limit the realisation of itself economically just to the surplus part over the average profit.

38) Marx, *Grundrisse*, SS. 188, 189, 190. The very social existence of modern great landownership, which neither can be consistent with the small production by independent peasantry, then by its nature, nor can admit the returning of wage labour to the form of direct linkage between the means of production and the labour force, is a base as well as a necessary historical precondition in order to reproduce the wage labour constantly as the universal existence in the society. Thus, 'the wage labour in its classic form, as what has permeated all through the society, and what has made the basis of the society, taking the place of the land, is for the first time created by the modern landownership...' '... the capitalist finds ... that one of the necessary conditions for it (the wage labour) is the modern landownership, and that as long as the landownership remains landownership in general, it will not serve as this kind of condition' (*Ebenda*, SS. 188, 189).

This point is what Marx discussed in relation to the arguments upon the modern colonisation contemporary with him. Let yourself remember Kapit. 25 of *Das Kapital*, Bd. I, where he gave a comment on 'The Modern Theory of Colonisation' which mainly recommended putting such a sufficiently high price upon the soil 'as to prevent the labourers from becoming independent landowners', that is, all in all, the 'artificial' formation of the capitalist private landownership which conditions the dissolution of private property based on the labour of its owner, and compare with *ebenda*, Kapit. 24, where the primitive creation of the capitalist relations, especially of the wage labour, is discussed.

(Now, we can paraphrase the interrelationship between the landownership and the agricultural production, discussed so far, into the quantitatively and qualitatively interdeterminating relationships in development not only between the landownership and the capital, already mentioned above, but also between the mode of social existence of wage labour as an active ground for the capital and the form of landownership [though it is meaning only one phase of the matter, we can also describe the interrelationships as the correlation in the extents of development of both]. Let yourself remember Professor Taro Yamada's viewpoint which remarks the form of landownership in order to make clear 'the uniqueness' of the wage labour or the capital of each of capitalist national economies. It has a positive aspect for it captures this interrelationships at any rate. However, from our viewpoint, so long as it assumes that the form of landownership [the category of ground-rent] determines the 'type' of wage labour or capital unilaterally as cause and effect, it is obviously a mistake. For it overlooks that the capital has itself a developing tendency, that is, overlooks the relationship of stronger determination by capital that, here, the capital, though being determined by the landownership, is at the same time developing itself, and in the course of this development, it affects the landownership and determines it to take more developed capitalist form. What is needed is to grasp the whole structure all elements of which are in their motion and so interrelating themselves each other.)

ity, which are interdependent each other, are completed, that is, the capitalistic agricultural structure as a social totality of both is established. The establishment of capitalistic structure in agriculture tells us that the development of interrelationships between three elements of capital, landownership and wage labour has come to its completion, and that this interrelationships have perfectly made themselves into a totality of an organic body of capitalist social relations in the literal sense of the words.

[7] The formation and perfection of capitalistic large landownership which advances through the whole process above mentioned, subsuming the peasant ownership or occupation of land. This formation and perfection is the second moment of the bourgeois transformation of landownership which is determined and produced by the transformation of agricultural production from the peasant commodity production to the capitalist production and by the development of the capitalist production itself.

### 3. Capitalist Production Organisation in Agriculture and the Modern Landownership

— The capitalist accumulation —

[1] Now, there are the capitalist agricultural production and the capitalist landownership in front of our eyes.

What is to be questioned here is how and in what manner the interrelationship between landownership and agricultural production appears in the process of capitalist accumulation within the established structure of capitalist agriculture.

To put this question within the context of our discussion, we have to make clear what meaning the modern landownership bears for the established capitalist organisation of agricultural production.

Let's start our discussion from the most abstract level.

So far we have not made consideration upon the meaning of different forms of capitalistic landownership. Because, although certainly capital creates and premises the modern private large landownership as a subordinate to it, in the process it comes to rule the whole social production, for the present this landownership can be either integrated into or separated from the agricultural economy (capital).

To speak generally, the premise of the capitalist organisation of agricultural production does not contain the premise that the landownership has to take some specific form in relation to the above mentioned integration or separation. The premise of that organisation is only the occupation of land by private enterprises of individual capital, in other words, the monopoly of land as an object of use owing to the limitedness of land.

Therefore, the landownership which subordinates to capital (the capitalist landownership in general) means only that the landownership has to permit and is actually permitting capital to monopolise the land as an object of use (in the sense that it secures capital the average profit), regardless of what form it takes (to whom the ownership of land belongs, that is, whether it takes the form of private ownership regardless who, or of non-private ownership, that is, state ownership, municipal ownership and so on).<sup>39)</sup>

Thus, there can be various forms of landownership which are consistent with capitalist agricultural production (though we here assume that the land is owned privately as a given), namely, the

modern landlord system where the function of landownership is separated from capital, the landownership by capitalist entrepreneur himself, the landownership as a component of a capitalist agricultural enterprise which is being carried on by the landowner himself, etc.. Here, all of them are variants of the landownership corresponding to capitalist agricultural production as a specific form of private landownership subordinated to capital (the modern landownership in a wide sense).

[2] However, now, upon the very basis of how and by whom the land is owned is no problem for the capitalist agricultural production, the process, in which the capitalist agricultural production forces landownerships to take a certain specific form in the course of reproduction of itself, goes on. Whatever the given form of landownership is, 'the capitalist mode of production ... totally separates land as an instrument of production from landed property and landowner',<sup>40)</sup> that is, it advances the separation between functioning capital and landownership (Trennung des fungierenden Kapitals und des Grundeigentums).

In the capitalist agricultural production, when the price of land functions as a restraint set upon production (production on an extended scale, that is, accumulation) in the case of combination of landownership and agricultural enterprise (same as in the case of peasant proprietorship of land parcels),<sup>41)</sup> the sublation of this restraint is the separation of both (land lease), and the need to recon-vert what is kept in the account book as the price of land into the capital functioning in agricultural production (here again production on an extended scale, that is, accumulation) causes the same separation (in the forms of either land-mortgage or selling off the land → land lease).

Therefore, this separation as a constant tendency of capitalist reproduction<sup>42)</sup> proceeds first in the form of land lease.<sup>43)</sup> In the capitalist land-lease system, this separation is quite clear. The second form is the development of land-mortgage.<sup>44)</sup> In this case, the situation is not so clear and simple as the first form, but the result is the same in essence. Ground-rent belongs to a landowner in the case of land-lease, and to a mortgagee in the case of land-mortgage. In the latter case, a mortgagee is a de facto landowner. There, the capitalist agricultural entrepreneur as a nominal owner of the land first takes both the profit and the ground-rent into his pocket, and then gives the latter over to his creditor in the form of interest payable. Thus, in the case of land-mortgage, too, the acquirer of ground-rent (that is, the landowner) is separated from those of profit of enterprise (that is, the agricultural entrepreneur).<sup>45)</sup>

In the normal course of event, the more the capitalist agricultural production develops, the more predominant the separation between landownership and enterprise becomes. '... capitalist cultivation

39) This is obviously implied as a principle when Marx distinguished between ground-rent and lease money and between two forms of ground-rent (the differential rent and the absolute rent) in *Das Kapital*. 'Under the capitalist system of society, the limitedness of land does indeed presuppose monopolisation of land, but of land as an object of economy and not of an object of property rights'. 'The assumption of the capitalist organisation of agriculture' 'in no way includes the assumption that the whole of the land is the private property of those farmers, or of other persons, or that it is, in general, private property'. (Lenin, 'The Agrarian Question and the "Critics of Marx"', *Collected Works*, Vol. 5, pp. 120–121.)

40) Marx, *Das Kapital*, Bd. III, S. 630.

41) *Ebenda*, Bd. III, SS. 815–816, 818–819.

42) *Ebenda*, Bd. III, S. 892.

of the soil ... as a rule exclude self-management of landed property'.<sup>46)</sup> This necessary tendency of separation of functioning capital and landownership in the circumstances of capitalist mode of production means that the development of capitalist agricultural production transforms inevitably all the forms of private landownership into those separated from capital, that is, into the modern landlord system. In this sense, the capitalistic landlord system does represent a typical form which the capitalist private landownership in general takes in correspondence to capital, and so it does show the modern landownership, that is, the modern form of landownership (die moderne Form des Grundigentum) in the strict sense of words. As long as we premise the private landownership, this landlord system is the ultimate form that the capitalist landownership takes necessarily in the course of its development. Thus, the so-called tripartite division, composed of the modern landownership in this sense and the capitalist agricultural production (capital — wage labour) makes the goal inevitable for

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43) 44) Land lease and land-mortgage are the expression which the separation is given when seen from the capital's side. It is self-evident that taking the land on lease corresponds to putting the land out to lease on the part of the landownership. They are the opposite sides of the same coin (for example, that those who cultivates his own land takes an additional land on lease, and that he transforms himself into a landlord to put a part of his land out to lease, are exactly the opposite sides of the same economic phenomenon). By the way, it is Kautsky who presented the first time Lenin's 'theoretical proposition that the separation of the land from the farmer is expressed in two forms: in the tenant farmer system and in mortgage debts' (Lenin, 'Capitalism in Agriculture', *op.cit.*, p. 118.). Kautsky tried to make clear statistically two tendencies, that is, the expansion of leased land in the western Europe and the United States in 1880s–90s, and 'the rapid expansion of mortgage debt', which is seen 'in all civilised countries', and concluded that the latter meant 'the same process as what has advanced so much in Britain' (Kautsky, *Die Agrarfrage*, SS. 85–88.). Also cf. Lenin 'Capitalism in Agriculture', *op.cit.*, p. 116. We should think of Kautsky's analysis as what made clear that in so far as the capitalist agriculture was developing at any rate, there appeared the separating tendency of landownership from agricultural enterprise, and should not think it as 'proved' that this separation would have advanced at a certain point of time in the future, or had actually advanced at that time, enough to dominate the agricultural structure in these countries. These two matters are quite different from each other both empirically and theoretically. And what is needed for us now is only to confirm the former, the existence of separating tendency.

45) Kautsky, *Die Agrarfrage*, S.86. Obviously, the most significant difference between land lease and land-mortgage is that the movement of lease money follows the movement of ground-rent, but the movement of mortgage interest does not so (*Ebenda*, S. 90.). But be careful here with the two points which Lenin showed. First, in this case 'There is no need to prove that interest on mortgage debts absorbs the whole rent, just as there is no need to prove that the actual amount paid for land leased coincides with rent. It is sufficient to prove that mortgage debts are growing with enormous rapidity; that the landowners strive to mortgage all their land, to sell the whole of the rent. The existence of this tendency — a theoretical economic analysis can, in general, deal only with tendencies — cannot be doubted. Consequently, there can be no doubt about the process of separation of the land from the farmer' (Lenin, *op.cit.*, p. 117.). Second, 'The increase in mortgage debts does not always imply that agriculture is in a depressed state.... The progress and prosperity of agriculture "should find expression in an increase in mortgage debts — firstly, because of the growing need of capital on the part of progressive agriculture, and, secondly, because of the increase in ground rent, which facilitates the expansion of agricultural credit"' (*Ibid.*, p. 118.). In short, what is dealt with here is the land-mortgage as the credit proper. Don't confuse it with the land-mortgage in the process of primitive centralization.

46) Marx, *Das Kapital*, Bd. III, S. 759.



the development of capitalist agricultural structure. And those forms in which the landownership and the enterprise are linked directly with each other, are the transitional forms which the capitalist structure takes before reaching this goal in the course of its development.

Now, we have come to the point where we can see the transformation of every form of capitalistic private landownership into the modern landownership in its strict sense through the separation of landownership and enterprise (the capitalist agricultural production) which proceeds in the course of capitalist reproduction in agriculture. This transformation into the modern landownership in the strict sense is the third moment of bourgeois reconstruction of landownership — bourgeois landownership transformation.

[3] This same tendency of separation of landownership and agricultural production, on the other hand, also means the progress of actual revelation of the fact that the landownership 'has nothing to do with the actual process of (the capitalist agricultural) production. Its role is confined to transferring a portion of the produced surplus-value from the pockets of capital to its own',<sup>47)</sup> and is of no use and mere extra for the capitalist agricultural production. This is 'the reduction ad absurdum of property in land' as one of 'the great achievements of the capitalist mode of production'.<sup>48)</sup>

The private landownership is to be revealed not only to be of no use for the capitalist agricultural production but also, at the same time more actively, to be the obstacle to the free activities of capital, and so to the accumulation process of capital.

First, it appears as the limit set upon the capital investment. The private landownership 'acts as an absolute barrier only to the extent that the landlord exacts a tribute for making land at all accessible to the investment of capital' and even after it agreed to this making, it also acts 'as a relative barrier ... in so far as the reversion to the landlord of the capital incorporated in the land (la terre capital) circumscribes ... (the capital investment by) ... the tenant within very definite limits'.<sup>49)</sup>

Second, as the accumulation proceeds, the rent-money increases progressively, which functions more and more as the obstacle to the profit. Because, even if the increasing tendency of the ground-rent proper should be excluded from our consideration, as the capital investment are increasing, the interest on capital incorporated in the land as a component of rent-money would be added to the ground-rent proper ever increasingly.<sup>50)</sup>

To sum up, as the accumulation proceeds, 'landed property acquires the capacity of capturing an ever-increasing portion of this surplus-value by means of its land monopoly and thereby, of raising the value of its rent and the price of the land itself'.<sup>51)</sup>

Therefore, the private large landownership was truly 'a prerequisite and condition of capitalist production since it is a prerequisite and condition of the expropriation of the labourer from the means of production',<sup>52)</sup> once this task has been achieved and it has reached 'a certain stage of development', it 'appears superfluous and harmful even from the point of view of the capitalist mode of

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47) *Ebenda*, Bd. III, S. 829.

48) *Ebenda*, Bd. III, S. 631.

49) *Ebenda*, Bd. III, S. 773.

50) *Ebenda*, Bd. III, SS. 632–633.

51) *Ebenda*, Bd. III, S. 651.

52) *Ebenda*, Bd. III, S. 829.

production'.<sup>53)</sup> Because of these circumstances, capital comes to have a tendency to sublimate the landownership as a private landownership and give over the landownership to the state, that is, the nationalisation of land (the sublation of private monopoly of landownership, that is, the sublation of absolute ground-rent).

Thus, after the first, second and third moment of bourgeois landowner transformation, the sublation of private landownership by capital, i.e., the nationalisation of land appears as the fourth and final moment of bourgeois reconstruction of landownership.

So far we have made clear the four moments of bourgeois landownership transformation. At each stage of development of capitalist economy which starts from the simple commodity economy, the contradiction of interrelationship between landownership and agricultural production sublimes itself and moves to a new higher interrelationship, and also by this process the landownership is given a new form at each time. The four moments represent the change in determination of these forms. At the same time, they show the forms in which the capital creates the modern landownership and goes on to posit the landownership as being in conformity with itself. The nationalisation of land is the biggest solution of the contradiction between landownership and agricultural production on the basis of capitalist mode of production and the final form of the modern, capitalist landownership.

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53) *Ebenda*, Bd. III, SS. 635–636. Vgl. Marx, *Grundrisse*, S. 188.