

retards the disintegration of the peasantry.”⁴⁹ In other words, merchant/moneylending capital undermines the precapitalist mode of production without necessarily replacing it with a capitalist one or it could be a very slow process depending on the “given circumstances.” The spread of commodity production, the increased monetization of the economy, and the changes in property relations

do not lead directly and inevitably to the formation of a proletariat. In Britain, for example, they were taking place on a substantial scale as early as the sixteenth century but the modern working class did not emerge until late in the eighteenth century. But they do establish the preconditions for this development by shaking the ties that link producers directly to their means of production.⁵⁰

I already noted the role of European and local merchant capital in the facilitation of trade in the last decade of the nineteenth century. However, with the onset of the Mandate, this role increased substantially as the country became more intensively integrated with the world capitalism market. This along with the growth in the cities and increased European settlement created increased opportunities for merchant/moneylending capital. The peasant’s increased need for cash to pay taxes, buy some subsistence goods in the market, and generally to carry on until the next harvest all resulted in increased borrowing from the merchants/moneylenders. However, the need for increased borrowing after the onset of the Mandate was most noticeable in the 1920s after the steep decline in agricultural prices and crop failures. For some peasants, this ultimately resulted in loss of land,

⁴⁹Ibid., 187.

⁵⁰Kay, 155-6.