

and for many others to increased indebtedness and the strengthening of the hold of merchant/moneylending capital on them. Besides the usurious rates charged by the merchant/moneylender, the peasant was “usually obliged to pay his debts right after harvest when prices [were] low.”⁵¹

The expansion in cash crops and manufacturing where wage labor was employed, especially on a permanent basis, signifies some linkages between merchant capital and industrial capital. It must be stressed, however, that this linkage was relatively limited and that merchant capital remained the dominant form of capital in the rural areas. In this regard, it has been suggested that

Lenin’s statement of the process of differentiation . . . is much less dogmatic than some of his followers have assumed, and he concedes that when we said above that the peasant bourgeoisie are the masters of the contemporary countryside, we disregarded the factors regarding differentiation; bondage, usury, labour [sic]-service etc. Actually the real masters of the contemporary countryside are often enough not the representatives of the peasant bourgeoisie, but the village usurers and the neighboring landowners.⁵²

⁵¹Veicmanas, “Internal Trade,” 364, footnote 52.

⁵²Harriss, “Introduction” to Part Two, 122.