

in what was seen as safer investments in buildings, construction, trade, and other services. The ability to compete with the European capitalist “sector” was marginal. Thus, the majority of the expropriated peasants could not but maintain their presence in the rural areas, which still provided some level of subsistence however depressed. There they also had some support, however limited, from the extended family and their village community as a whole. Basically they survived by one or a combination of sharecropping, wage labor if and when available, and by borrowing more money, especially by those whose lands were not completely expropriated. The latter could only increase the hold of merchant capital on the rural areas.

Third, there was the role of merchant/moneylending capital. Lenin, in a restatement of Marx’s views writes:

Merchant’s and usurer’s capital always historically precede the formation of industrial capital and are logically the *necessary* premise of its formation, but in themselves neither merchant capital nor usurer’s capital represents a *sufficient* premise for the rise of industrial capital (i.e., capitalist *production*); they do not always disintegrate the old mode of production and replace it by the capitalist mode of production; the formation of the latter “depends entirely on the stage of historical development and on the given circumstances.”⁴⁸

Having established the relationship between merchant’s and industrial capital, Lenin raises the question of whether the first is “being linked up” with the second and gives a positive answer in the case of Russia. Without this linkage however, “the independent development of merchant and usurer’s capital in our countryside

⁴⁸Lenin, 185.