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- A joint effort in sociology, anthropology and history -

Karl Polanyi and Conrad M. Arensberg, Editors
Harry W. Pearson, Assistant Editor

1956

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~~MARKETLESS ECONOMIES~~

Trade and Market in the Early Empires

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PREFACE

The senior editors hope to be forgiven for a somewhat lengthy preface. Close cooperation in genuine freedom allowed the present book to take shape as "work in progress." Manifold factors, each on its own level, influenced the interdisciplinary plan, structure and form. There were, in the first place, the initiators and their former students who together largely wrote the book, one of the latter, Professor Harry W. Pearson ^{of} Adelphi College, ^{at Washington as co-editor; editor;} giving eminent assistance in the editorial ~~tasks~~; the institutions, internal and external to the University, which supported over a decade the various ventures in their overlapping phases; the personal scholarly aims of the ~~editors~~ which they endeavored to bring to fruition on converging lines. The undersigned will therefore speak here in three voices: each for himself, and together for both.

[Handwritten note]

In Spring 1947 Karl Polanyi was appointed Visiting Professor of Economics at Columbia University. Until his retirement in 1953 he taught General Economic History in the Graduate Faculty, redefining the subject in the yearly announcement as "The place occupied by economic life in society." In 1948, the Council for Research in the Social Sciences at Columbia University (C. R. S. Sc.) endowed a research project on the origins of economic institutions, under his direction. Having retired, at the age of sixty-seven, he was given the honorary appointment of Adjunct Professor of Economics. ^{Conrad M.} Jointly with Professor Arensberg he then applied to the Ford Foundation, Behavioral Sciences Division for a grant in support of an Interdisciplinary Project on the economic aspects of institutional growth, to be administered by Columbia University. In accepting the gift, Columbia University pointed to the continuity of effort which linked the C. R. S. Sc. project with the new

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grant. But while the charter of the G. R. Sc. Sc. barred students engaged in project work from making use of results towards the attainment of an academic degree, no such restrictions applied to the Interdisciplinary Project; rather it was intended as a center of scholarly research benefiting the study purposes both of the senior proponents and of their associates. Polanyi has been serving full-time since 1953 on the Interdisciplinary Project, which in 1956 was continued by the Ford Foundation for another two years. Harry W. Pearson was appointed Executive Secretary. A university Seminar, at faculty level, on the institutionalization of the economic process set up at Columbia University discussed the same general topic from 1953 to 1955.

One by one a number of his 1947 students joined Polanyi in his inquiries. Theoretical stimulation came from Harry W. Pearson and Rosemary Arnold (Barnard) both also giving valuable literary help; empirical applications were contributed by Charles S. Silberman (Columbia University) and Walter G. Neale (Yale University); George Woodard (Goddard College) uncovered Old Testament data relevant to the Mesopotamian field; David Rusfeld (Michigan State University) provided a methodological link with economic anthropology; Roxane Eberlein created an invaluable card index for the total research effort; Laura P. Striker, Ph. D. (History), a guest student, volunteered assistance over several years in the analysis of the German translations of cuneiform texts. Among later students Terence Hopkins (Columbia University) brought to bear a much needed sociological approach to the concept of a substantive economy; Professor Murray C. Polakoff (University of Texas) contributed in the same direction; Abe Rotstein (Sir George Williams College, Montreal) wrote the Introductory Note to the present work, *in the preparation of*

which he aided Polanyi.

By 1953 definite progress had been made. The distinction between trade and market institutions was proving a potent instrument in rectifying serious misreadings of economic data in early societies. Building on the works of ~~past~~ scholars, the problem of money uses in primitive and archaic societies had been largely solved. In regard to prices, the existence of the complex institution of "equivalences" was revealed. The consequences for our understanding of the manner in which economic process was instituted in Mesopotamia and classical Greece began to take shape.

Conrad M.

At this point ¹Arensberg, whose parallel endeavors at an institutional approach to the problems of sociology and anthropology were laid down in publications reaching back over a period of years, joined forces with Polanyi. Professor A. L. Oppenheim of the Oriental Institute, Chicago, agreed to act as consultant in Assyriology. The undersigned then initiated the study in anthropology, economic history, and Assyriology from which this book sprang.

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In Arensberg's case, such joint study gave a welcome opportunity to show that anthropology could serve economic history as more than a storehouse of odd data. The approach by which he thinks anthropologists, in close collaboration with himself, have reached some new understanding of the regularities to be found both in ethnographic and substantive economic data is an operational method recently dubbed "interaction theory."

A few paragraphs may well be devoted to this linking of social arrangements and culture traits on the one hand, on the other institutions. It consists of the systematic use of three operations upon the immediate observations and the generalization of the resultant records -- in the form

of answers to the questions: Who did what to whom, in what order, how often, where? The operations are (1) the specification of the persons acting on one another, (2) the discrimination of the order of the action (initiative and response), (3) the comparison of the events so described in time, as frequencies of rates of recurrence. Economic institutions then take on the appearance of goods-handling and goods-receiving, while ethnographic data may be expected to reveal who passed on goods to whom, in what order, how often, with what response among those listed under "whom." This should, for instance, enable us to link ethnographical data with such a purely empirical classification of parts of the goods-handling and goods-receiving process as are indicated by the terms reciprocative, redistributive, and marketing, as Polanyi has suggested.

The reciprocative sequence among fixed partners AB/BA or AB/BA/CB/BA indicated similar social arrangements and culture traits whether the institutions formed otherwise part of prestige, kinship, community, religious, or other activities of the peoples who live by reciprocative human action in similar form.

In a redistributive world we find only few, if any, simple or complex chains of action and their reversals, or circles of action back upon themselves. Action is instead centripetal movement of many upon one central figure followed by an initiative of that central figure upon the same many. Formally, BA/CA/DA/EA/FA are followed by an event A/BCDEF in unison or repartition. Central authority or focus in human organization has been invented, and it is now a frequent form in which human action occurs. The economic

of redistribution, again, has common elements with the other institutions of the epochs in which central authority, the elaboration of "set events,"

~~"See Chappie and Arenberg, op. cit."~~

is developing. But the identity of A, the centralizing figure, is still *a fixed feature* fixed. His identity is not reversible: Temple-god or high priest, or king, or emperor, or even, in republican cases, citizen office-holder in rotation of office still fixed for a day or a year, is a fixed point, round which the others are also bound, liege, and fixed.

We asked the same type of question of the market. Here we asked ~~it, in detail,~~ *resulted in* and again our questioning, which led to what we think to be common denominator social arrangements and culture traits, led us to *rather* a slightly different observations than those our economists made. We asked, abstractly and analytically, what social action does the free market entail, ~~if any,~~ *where* and also in the ethnographic record, can we find such forms of social action prior to modern times.

The economists of our project had difficulty with our question. To them free or moving prices were the earmark of the free market and production for sale at such prices, fluctuating in its turn against market supply and demand, was the *hall* earmark of a market economy. But to the anthropologist that is not enough, since he must connect the specific, developed details of a culture trait, particularly the outward and spectacular features which win it human recognition and acclaim, with the inner features, its social arrangements, its past history, and its functions for men, society, and the maintenance of other institutions than itself. But they finally agreed with us upon the following tentative formulation: In the free market of supply and demand, a man can reverse roles, being

supplier or demander as he can or wills. A man can go to this market or that as he sees his advantage; he is free of fixed and static obligation to one center or one partner, he moves at will and at random, or as prices beckon. He can offer to all and any corners, dole or divide among them, "corner the market" so that they all pay his price and so dance to his tune. At another turn of prices, or in a next transition or market, formally, he is one of a similar "crowd" and danced in unison to the tune called by another who may in his turn have "cornered the market" from them all. Thus the action, judged by our operations, is random as to persons, at the free initiative of any one, formally, and the position of central "authority" in the market goes now to this competitor or cornerer or now to that. The personal identity of the center, unlike that in redistributions, is fluctuant, moving, reversible, and random, too, a function not of other institutions but of the market itself.

Nowhere in the ethnographic record should we find another such fluid, randomizing, so different ^a pattern of social arrangement to compare with those of reciprocity and redistribution. Here was a pattern reckoned from the will of the actor, giving him only the role he should achieve, not that ascribed to him from outside, forming and reforming the positions of others about him as he himself changed behavior and motive. Now, formally, A/BCDEF took place no oftener than B/ACDEF or F/ABCDE, and somehow human beings had learned, presumably, to accept roles as the movement of the institution itself, the market, dictated, together with a freedom to try to bend the others to their advantage. In the Western world, where this institution had come to emerge and to blossom into extreme elaboration in a Manchester-School England of the 19th century, was

it historical accident alone that a "free enterprise," a free and equal democracy, an "open" class system, a free choice of religious and associational membership, and a free choice of mate in a small, ego-reckoned family structure, should all have historically coincided?

In our particular project we could not decide such large matters of history and sociology, but we could ask the second question already mentioned above, Where outside the recent Western world, in the ethnographic record, would we find anything resembling or parallel to this? If it did exist elsewhere, did any parallel connections unite economic behavior and social arrangements and institutions?

To get an answer to the second question we might have turned to several places, perhaps to Japan, Mexico, ^WValencia, or ancient Greece. For all of them some reporters have claimed free or near-free markets. But we turned instead to Barbary, where the Barber hill tribes have markets that may well be free and where mutatis mutandis other free, not to say anarchic, institutions mark a very ancient and interesting civilization of perhaps ^{some} ~~some~~ common origins with our own but certainly outside it today. A chapter of this book records what seems to be another case of near-free markets there. Let the reader judge for himself, as he will judge the joint efforts of institutional economist and anthropologist in the other treatments of problems in different or alternative economic behaviors, motives, and systems in this book, if we have rightly or wrongly discovered the connections between culture trait, economic institution, and common denominator social arrangement in this case as in the others.

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The present work, edited by the undersigned, reflects research carried on collectively, in free cooperation, during the 1953-1955 period. The MS of a previous work of ~~him~~, Polanyi — summing up his 1948-1952 results in a more personal vein — should, however, be mentioned here. It was prepared by him in collaboration with his students, Charles S. Hilberman and Rosemary Arnold, then research assistants on the staff of the U. S. S. Sc. project, ^{his wife, Mrs. Ilona Polanyi acting as editorial} ~~in~~ leave during the Winter Term 1949-1950. ^{Secretary} aided by the U. S. S. Sc. ~~himself~~ Polanyi made studies on Sahnay in the British Museum. In chapters IX and X on this subject, by Mrs. Rosemary Arnold, particular indebtedness to the U. S. S. Sc. has been acknowledged. Chapter IX consists of passages assembled from previous texts for submission to the University Seminar in 1953; Chapter X, as it stands, was written by her for the U. S. S. Sc. project. In her case, as in that of ~~Mr.~~ Charles S. Hilberman, ~~himself~~ Polanyi welcomes the opportunity to acknowledge the vital contribution of his collaborators in his as yet unpublished work.

The editors acknowledge here their great debt to the institutions which made their work possible, as described above, and to their many and patient colleagues, senior and junior, who heard them out through the various stages of the evolution of the work and inspired and encouraged them in many more ways than come to memory in detail. We can single out, in grateful memory, the officers of the Behavioral Sciences Division of the Ford Foundation, of the Columbia University for Research in the Social Sciences and those of the University administration and of our respective departments of Economics and Anthropology, together with the administration of the University Seminars, particularly Professors Frank Tannenbaum and Arthur H. Burns, all at Columbia University, who gave both material

support for the complicated interdisciplinary work of our project and platforms for our many hours of discussion and conference. Those who came to us and contributed ideas and help but did not tarry with us long enough to write a chapter and thus to stake out their claim to the ideas we may have unconsciously either appropriated or garbled were: Dr. M. I. Finley, ^{Leans College} Cambridge University; the Reverend ^{Professor} R. J. Williams, University of Toronto; Professor Julius Lewy, Union Hebrew Seminary, Cincinnati; Professor Gregory Vlastos, Princeton University; Professor John Murra, Vassar College; Professor Albrecht Götze, Yale University; Professor Bert F. Hoselitz, University of Chicago together with Rivkah Harris and R. F. G. Sweet of the Oriental Institute of the University of Chicago; Professor Peter F. Drucker, New York University; Professors Morton Fried, David Landes, ^{of Columbia University, and} Margaret Mead, Isaac Mendelsohn, and Martin Ostwald; ^{Sidney Greenfield,} Thomas Hazard, Dr. Marshall Sahlins, Donna Chrablow Taylor and Dr. Andrew Peter Vayda, all of the Department of Anthropology, Columbia University. Miss Lucy Lowe's able professional services in the way of technical ^{also} editing/deserve acknowledgement.

Our special gratitude is due to our patient contributors and fellow authors, most especially is it due to Professor Harry W. Pearson who doubled as one of them and as our unflagging co-editor.

We owe a debt of another kind to Professor Talcott Parsons of Harvard University. If his work is subject, in essence, of two of our chapters, it is because that work is important and will certainly live in future social science in much of its contribution to our knowledge of institutions and social process. If one of his books, ^{"Economics and} forthcoming almost at the same time as our own, is much discussed here, it is because he graciously and forbearingly sent us his manuscript, even

Society!

though he could not agree in full with our treatment of it.

KARL POLANYI

CONRAD M. ARENSBERG

October 15, 1956
New York

Preface

The senior editors beg to be forgiven for a somewhat lengthy preface. Close cooperation in genuine freedom allowed the present book to take shape as work in progress. Manyfold factors, each on its own level, influenced the interdisciplinary plan, structure and form. There were, in the first place, the initiators and their former students who together largely wrote the book, one of the latter, Harry W. Pearson, giving eminent assistance in the editorial tasks; the institutions, internal and external to the university, which supported over a decade the various ventures in their overlapping phases; the personal scholarly aims of the co-editors which they endeavored to bring to fruition on converging lines. The undersigned will therefore speak here in three voices: each for himself, and together for both.

In Spring 1947 Karl Polanyi was appointed Visiting Professor of Economics at Columbia University. Until his retirement, in 1953, he taught General Economic History in the Graduate Faculty, redefining the subject in the yearly announcement as "The place occupied by economic life in society." In 1948, the Council for Research in the Social Sciences at Columbia University (C.R.S.Sc.) endowed a research project on the origins of economic institutions, under his direction. Having retired, at the age of sixty-seven, he was given the honorary appointment of Adjunct Professor of Economics. Jointly with Professor Arensberg he then applied to the Ford Foundation, Behavioral Sciences Division for a grant in support of an Interdisciplinary Project on the

economic aspects of institutional growth, to be administered by Columbia University. In accepting the gift Columbia University pointed to the continuity of effort which linked the C.R.S.Sc. project with the new grant. But while the charter of the C.R.S.Sc. barred students engaged in project work from making use of results towards the attainment of an academic degree, no such restriction applied to the Interdisciplinary Project; rather it was intended as a center of scholarly research benefiting the study purposes both of the senior proponents and of their associates. Prof. Polanyi has been serving full-time since 1953 on the Interdisciplinary Project, which in 1956 was continued by the Ford Foundation for another two years. Prof. Harry W. Pearson was appointed the Executive Secretary. A university Seminar, at faculty level, on the institutionalization of the economic process set up at Columbia University discussed the same general topic from 1953 to 1955.

One by one a number of his 1947 students joined Prof. Polanyi in his inquiries. Some assisted him in the C.R.S.Sc. period, some in the later interdisciplinary phase, a few in both:- Much theoretical stimulation came from Assistant Professor Harry W. Pearson (Adelphi) and Mrs. Rosemary Arnold (Barnard) both also giving valuable literary help; empirical applications were contributed by Charles S. Silberman (Columbia G.S.) and Walter C. Neale (Yale University); George Woodard (Goddard College) uncovered Old Testament data relevant to the Mesopotamian field; Assistant Prof. David Fusfeld (Michigan State University) provided a methodological link with economic anthropology; Roxane Eberlein created over the years an invaluable card index for the total research effort; Mrs. Laura P. Striker, Ph.D. (Hist.), a guest student, volunteered assistance over several years in the analysis of the German

translations of cuneiform texts. A student of the 1949 class, Terence Hopkins (Tutorial Assistant, Sociology, Columbia), brought to bear a much needed sociological approach to the concept of a substantive economy.

By 1953 definite progress had been made. The distinction between trade and market institutions was proving a potent instrument in rectifying serious misreadings of economic data in early societies. Building on the works of earlier scholars, the problem of money uses in primitive and archaic societies had been largely solved. In regard to prices the existence of the complex institution of 'equivalences' was revealed; its role in 'ports of trade' confirmed the 'separateness of trade and market' in the archaic economy. The consequences for our understanding of the manner in which the economic process was instituted in Mesopotamia and classical Greece began to take shape.

At this point Prof. Arensberg, whose parallel endeavors at an institutional approach to the problems of sociology and anthropology were laid down in publications reaching back over a period of years, joined forces with Prof. Polanyi. Professor A.L. Oppenheim of the Oriental Institute, Chicago, agreed to act as consultant in Assyriology. The undersigned then initiated that joint study in anthropology, economic history and Assyriology from which this book sprang.

The present work, edited by the undersigned, thus reflects research carried on collectively, in free co-operation, during the 1953-1955 period. The MS of a previous work of Prof. Polanyi's, summing up his 1948-1952 results in a more personal vein, should however be mentioned here. It was prepared by him in collaboration with his students, Charles S. Silberman and Rosemary Arnold, then research

assistants on the staff of the C.R.S.Sc. project. On leave during the Winter term 1949-1950, aided by the C.R.S.Sc., Prof. Polanyi made studies on Dahomey in the British Museum. In chapters IX and X on this subject, by Mrs. Rosemary Arnold, particular indebtedness to the C.R.S.Sc. has been acknowledged. Chapter IX consists of passages assembled, from previous texts, for submission to the University Seminar, in 1953; Chapter X, as it stands, was written by her for the C.R.S.Sc. project. In her case, as in that of Mr. Charles S. Silberman, Prof. Polanyi welcomes the opportunity to acknowledge the vital contribution of his collaborators in his as yet unpublished work.

The present book is intended to introduce a comprehensive approach into the study of the place occupied by economies in various societies. This can be done effectively by developing a common conceptual language that social scientists may use wherever the economy is concerned. In order to invoke the authority of the facts a definite subject matter has been selected for empirical research which should also prove of intrinsic interest, namely, trade and markets in the early empires.

Completed

Trade and Market in the Early Empires

Economies in History and Theory

INTRODUCTION

Most of us have been accustomed to think that the hallmark of the economy is the market - an institution quite familiar to us. Similarly, our inquiries into general economic history have usually been concerned with market activities or their antecedents.

What is to be done, though, when it appears that some economies have operated on altogether different principles, showing a widespread use of money, and far-flung trading activities, yet no evidence of markets or gain made on buying and selling? It is then that we must re-examine our notions of the economy.

The conceptual problem arises in marketless economies where there is no "economizing," i.e., no institutional framework to compel the individual to "rational" and "efficient" economic activity, or "optimum" allocation of his resources. Economizing action may be present in various aspects of behavior, e.g., in regard to one's time, energy, or one's theoretical assumptions, but the economy need contain no institutions of exchange to reflect these principles in the individual's daily life as they have done in our own day. In that case the economy would not be subject to economic analysis since this presumes economizing behaviour with supporting institutional paraphernalia, e.g., price-making markets, all-purpose money and market trade.

Thus the main task of this book is conceptual: it argues that only a small number of alternative patterns of organizing man's livelihood exist and it provides us with tools for the examination of non-market economies. These tools are applied in a series of empirical researches, although the underlying theory transcends these.

The aim is not to reject economic analysis, but to set its historical and institutional limitations, namely, to the economies where price-making markets have sway, and ~~limited~~^{to} transcend these limitations in a general theory of economic organization. K/A

It is particularly as economists and as economic historians that we may have to revise our traditional assumptions. Some will be inclined to reject as of no interest economies which do not "economize," i.e., have no institutions for economizing action. They may regard the empirical and conceptual work advanced here as presenting no more than ~~the~~ unimportant and irrational shards on the fringes of history. Others may even maintain that nothing is advanced here that is not amenable to treatment by economic analysis or some variation of the maximization theorem.

However, many unfortunate consequences follow from an approach that restricts our view of the economy to market activity. It is an impoverished economic history that ~~restricts~~^{narrows} its concern to markets or market antecedents, for these may be non-existent, or only fragmentary aspects of the economy - a history where ~~other~~^{some} important economic activities and institutions appear inexplicable or haphazard. ~~Economic~~^{The economy}

~~If history~~^{falsely} would then seem to be in unilinear evolution to our own day,

whereas in fact other economies need not be miniatures or nuclei of our own, but ^{may be} sharply at variance with it, both as to individual motives and

organization.

Technological progress is cumulative and unbounded, but economic organization is not. There are only a few general ways in which the economy may be organized. It is this limitation of the possible patterns of economic organization and their effective combinations which gives to the thoughts and data offered here some topicality, ~~for~~ ^{in the} ~~in the~~ ~~presence~~ ~~of~~ the receding rule of the market in the modern world ~~is~~ ^{make that} shapes reminiscent of the economic organization of earlier times. ~~appearances~~ ^{Of course,} ~~Not as a path to follow~~ ~~for~~ we stand firmly committed to the progress and freedoms which are the promise of modern society. ~~The~~ ^{But a} purposeful use of the past ~~should~~ ^{may} help us to meet our ^{present} ~~overconcern~~ ~~with~~ ~~the~~ ~~economy~~ ^{ic matters} and achieve a new level of human integration, that comprises the economy.

It is this which makes economic history come alive and ~~point~~ ^{throw light} ~~to~~ the changing roles of economies in history and society.

Oct. 23/59

TRADE & MARKET IN THE EARLY EMPIRES: THEORY & HISTORY

(ed. K. Polanyi, C.H. Arensberg, W.H. Peatson, The Free Press, Glencoe, Ill. (1957))

This work is the product of a group of Columbia University teachers and graduates, mostly former students of the senior editor. His chief theoretical piece "The Economy as instituted process" has been recently included in "Readings in Anthropology (2v. edited by Prof. M. Fried) with the following note:

"Among economists there is one whose denunciations of the application of modern economic theory to all economics in general has attracted considerable attention among anthropologists."

How is then exhaustive description to be done so as to permit a comparative treatment capable of producing explanations of how the economies work in different societies?

The questions as posed above imply the (1) economy as a subsystem in society which can be distinguished both from other subsystems like the political or the religious and also from ~~some~~ society as a whole of which it constitutes only a part.

(2) To identify the economy we will define it as an instituted process which results in a continuous supply of material means. Accordingly the economy consists of things in movement and persons who make the movements come about. This again can be reduced to persons in situations, which again typically result from institutioning and affect the movements of the supply goods more or less.

The important distinction between economic institutions and non-economic institutions derives from this relation between situations and institutions.

As a subsystem then the economy is composed of (1) process
and (2) economic institutions

Basic patterns

(1) Economies differ largely in the pattern of the process. Only a few patterns produce an economy as a unit. The one we are most familiar with is market exchange in a system of price making markets. The system has unity and stability.

The other two patterns are also basic, i.e., integrative. They often occur

together: redistribution
reciprocity

But neither do they apply to whole societies
nor are they entirely exclusive.

This allows partial frames of reference.

(2) Comparative treatment

Comparative treatment assumes culture traits which tend to reoccur. We select

alternative traits:	General terms	Compare
a) money	(1) oper. process	A
b) price	stipulated	B
c) external trade	(2) social situations	C

a) The heuristic procedure is of course not fool-proof: the trait we selected
abstraction
may be not capable of ~~abstraction~~ from the market context.

b) no corresponding trait under other patterns may be extant (B,C)

However, should ~~in~~ a corresponding trait be found (a) we have ~~then~~ to compare B or
C with A; (b) we have to ascertain the situational embeddedness of the corresponding
trait.

(A) Take the economic culture trait: money. We are familiar with it from A, and
it occurs under B generally, and is only exceptionally absent (altogether) under (C).

1. A general term is constructed. No all-purpose money in evidence.

Money starts from money objects }
" " " continued money used } 2

~~Final~~ Definition: two step definition

- Results (A) means of exchange
- (B) standard
- (C) adequate rate

(B) Price (rate gener. to equivalency
substitutive and equivalents
exchange

(C) External trade: general term - oblique definition
administered trade
Port of trade

orig corrected 1. page

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- (1) To identify the economy we will define it as an instituted process which results in a continuous supply of material means. ~~Accordingly the economy~~ ^{by} ~~consists of things~~ ^{material}
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(3) The ~~important~~ distinction between economic institutions and non-economic institutions derives from this relation between situations and institutions.

As a subsystem then the economy is composed of (1) process (of moving goods) and (2) economic institutions

Basic patterns

- (1) Economies differ largely ⁱⁿ ~~in~~ the pattern of the process. ~~Only a few~~ ^{of the movements present. Some} ~~patterns~~ ^{Only a few} produce an economy ^{as a part.} The ~~one~~ ^{one} we are most familiar with is ~~market~~ ^{market} exchange in a system of price making markets. ~~The system has~~ ^{the} ~~unity and stability.~~ ^{unity and stability.}
- (2) ~~Other~~ ^{sub basic} ~~patterns~~ ^{are} also basic, i.e., ~~integrative.~~ ^{integrative} ~~They~~ ^{often} occur ~~such~~

together: redistribution
reciprocity

But neither do they apply to whole societies
nor are they entirely exclusive.

This allows ^{for (sectional)} partial frames of reference.

(2) Comparative treatment

under other patterns

Comparative treatment assumes ~~stable~~ traits which tend to reoccur. We select

alternative traits:	General terms	Compare
a) money =	(1) ^{abstract} oper. process	A
b) price	(2) social traits	B
c) external trade -	(2) social situations	C

a) The heuristic procedure is of course not fool-proof: the trait we selected
may be not ^{by its} capable of ~~abstraction~~ from the market context; *also*

b) no corresponding trait under other ^{patterns} may ~~be present~~ ^{occur} (B, C)

However, should ~~it~~ a corresponding trait be found (a) we ~~have to~~ compare B or
C with A; (b) we have to ascertain the ^{institutional} ~~situational~~ embeddedness of the corresponding
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(A) Take the economic culture trait: money. We are familiar with it from A, and
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1. A general term is constructed. No all-purpose money in evidence.

Money starts from money objects
" " " continued money uses

Exact Definition: two step definition
Results (A) means of exchange ✓
(B) standard ✓
(C) adequate rate ✓

(B) Price (rate ^{always} gener. to equivalency
substitutive and equivalents
exchange

(C) External trade: general term - oblique definition
administered trade }
Port of trade }

3

3

Part II: The early development of economic institutions

Thus the first and foremost obstacle to the study of the development of economic institutions in early times is the difficulty of identifying the economic process itself under conditions where neither its unity nor its coherence are institutionally safe guarded. Where there is not even a word for economy it appears awkward to write dispositions about it.

Yet the distinction itself between the process and its instituted forms is clear. The seasons bring around harvest-time with its strain and festivity; warlike trade has its rhythm of preparation and foregathering with the concluding solemnity of the return; and all ends of artefacts, whether canoes or ornaments are produced, and eventually used by various groups of persons; every day of the week food is prepared at the family hearth. Yet although all of this may be factually given, the unit and coherence of the economic dependence which it implies, may remain unconscious. For the accompanying series of interactions between man and their natural surroundings, whether active or passive; whether centering on the physical moving of objects, or on appropriational changes between individuals, will as a rule carry meaning and highlight dependencies, of which the economic is only one, and even if it happens to stand out, ~~it~~ ~~happens~~ there may be counteracting forces at work which prevent the institutionalized movements of forming into a coherent whole. In effect, such counteracting forces are responsible for the absence of a concept of the economic in primitive society.

The emergence of the state level offers an explanation of the apparent gap separating archaic from the tribal or clan level. War and trade - the functions that so frequently force clans or tribes to create a superior formation of power to serve as a roof to them - require means of men, cattle and material, the collection and manipulation of which induces economic movements in society resulting in entirely novel institutions. Yet however novel they be on the institutional level the actual landed people, the goods and the services must have been present in the context of clan or tribe before they were repatterned in a more advanced shape on the archaic level. Already at this stage of our argument it must appear likely that the manner in which land and men were embedded in the non-economic institutions of clan life exerted some influence on the forms in which subsequently, institutions emerged under archaic conditions.

A brief comparison of tribal with archaic conditions will elucidate the value of the problem. Essentially it consists in the very gradual emergence of the economic from its submergedness in the tissue of society as expressed in such general terms as 'way of life', status, of the 'goods of fortune'; these terms do not yet leave room for the economic as a distinct aspect of the broader unit. Out of this way of life does a man's occupation shade off; from status transactions to which they are originally attached, do economic transactions become dissociated; as distinguishable parts of the "goods of fortune" do the three boons of life, honor and rank ; safety of life and limb; wealth and treasure eventually separate out. Yet unless economic activities differentiate from the process of living as such; unless land may change place in society apart from a change in the station of the person invested with it; unless honor is no more identified with wealth and

wealth with honor, and neither is a mere corollary of the power that keeps a person alive where the wealthless and powerless is doomed for lack of ransom or means to pay a fine does the economic aspect of things assert itself in its own colors.

And still we are justified in asking what precisely did Aristotle mean by the terms which we temporarily referred to as economic ones.

In one sense wealth, along with honor and bodily safety, was one of the three highest goods of life, that no one can enjoy without depriving some one else to some degree of the same boon; in another sense, wealth was not about and are goods that need to be dispensed, but about the necessities of life, the soil, the pasture and the hunting ground, man's natural habitat, which offered him food, shelter and weapons. Viewed from this angle, wealth was that result of householding which showed up in jars of oil and wine containers filled with corn, chunks of iron and copper bars, stored away all well conserved and acculated for future use. In the first instance the representative form of wealth, apart from cattle and land, was treasure - gold and silver tripods and bowls; in the second instance wealth was those staples that are the everyday necessities of life - two very different matters, in whatever way we regard them. Yet it was by no means obvious which of the two should be deemed ^{as} /typifying wealth.

In other aspect of the economic arose from the necessity for the family and the polis of acquiring the useful staples which at least in one sense constituted wealth. While primarily the acquiring consisted in the hunting of game, the herding of cattle,

the growing of food, maybe even the kidnapping of slaves, and so far appeared as altogether "natural" in other cases the acquiring was done by barter and trade, which was ^{not} unproblematical. Such an acquiring by means of exchange was originally no more than a restoration of that selfsufficiency which was original condition in the *extended* family. Later on however that activity of barter began to be practised not for the sake of selfsufficiency, but for that of profit i.e., gain out of an urge for the unlimited acquisition of money. If the first type of acquisition was not, then this later was emphatically not. Yet money was naturally used in the first type of barter as standard, and therefore prices, too, were in such a case natural. The man certainly of exchange at fair prices, which was actually a derivative of mutuality, an essential of a true Some of these points touched upon controversies of the day; others on the contrary concerned the permanent features of family and polis life, and were as ancient as these institutions themselves. They had been found worthy before of academic notice. It was of elements such as these that the of the economic had to be formed.

TRADE:

III. Transportation.

(a) Routes

(1) Maritime routes offer facilities of transportation superior to any other. Witness archipelagos such as the Ionian or the Melanesian. The true significance of the island site may be best seen in the frequency with which trading peoples describe their distant trading partners as islanders, despite the fact that they are settled on a continent. The way in which seafaring folk colonize continental shores expresses ^{this} the fact by favouring pseudo-insular promontories such as Tyre, Carthage, Gades or Cumae. It needs no elaboration how radically strategic and political conditions are influenced by maritime communications. The alternativity of piracy and trade as it existed with Phoenician, Greek or Norman is only one instance among many.

Maritime transportation alone is capable - short of the railway - of overcoming the obstacles of bulk and weight. ^{Stones or} large amounts of copper ore, ^{were} probably first transported by ship; even grain loads are limited on land by the amounts consumed by the human carriers en route, in case they have to be provisioned wholly, or partly, ^{on the seas}. Distance itself is no hindrance: It is characteristic of seafaring that the first colonies to be settled is, as a rule the one farthest away (the nearer ones following later to secure the route (Tartessos, Benin, Colchis, Omac, Massiglia, etc.) the discovery of America antedated that of the sea route to India by mistake; Columbus was aiming at China, when ^{he was} unexpectedly held up at the nearer station.

The personnel of seafaring expeditions differs characteristically from that of land ventures. In the Graeco-Germanic world the hetairoi were a band of freemen; the Melanesian 'canoe' integrates the persons of investors, builders and crew into an institutional unit; the Romans forced out on to the sea ⁵ ~~and~~ eventually, never changed over from farmers to sailors and re-

mained a continentally organized people throughout their history. Vital transports, such as grain imports for Attica had to be protected by the fleet; the policing of the seas was at all times in archipelagic regions the origin of thalassocracy.

(2) Overland trade is primarily a matter of hauling by sheer physical strength; it is ~~strictly~~ limited by the load that a man or woman can carry on the back or head. If pack animals are used, the load is larger by so much, however, it still remains strictly limited. Larger loads such as blocks of stone or tree trunks can be moved only by a feat of cumulation of ~~man's~~ individual man's physical power and endurance. Accordingly, except for brief periods and exceptional circumstances, overland trade in antiquity was expeditionary trade. The expedition is organized either by the political authorities of the temple or state or by some body of traders constituting themselves for this purpose a caravan, a wandering state en miniature. This caravan may even carry a market along with it, as did the Hellenistic army camps. It was along the routes of such caravans which they wished to make secure that the administration of the Eastern Empires developed its structure. South Western Asiatic and North African long distance trade is almost in its entirety a creation of this continental analogon to the merchant fleet.

(3) Riverain trade is under primitive conditions not possible unless the riparian settlements are either under one sovereignty or they ~~inhabit~~ form loosely knit federation or are connected by some other political bonds. We are assuming here a long stretch of river which, differently ~~from~~ for instance, from the Nile, does not belong under one sovereignty. This was the case on the Senegal, the Niger, or the Congo. Under these conditions trade can not pass along the river except in one of two ways: either the trading group^s accompanies ~~the~~ goods ~~along~~ all the way or the goods pass

from hand to hand until they reach their destination. Trade along the great African rivers is an instance in question. ~~Consignment~~ Consignment consisting of slaves ~~is~~ ^{were a} very different ^{proprietorship} from other goods, if only on account of the security measures required. The problem of the crossing of a number of political boundaries also had to be considered. It ~~is~~ ^{was} at this point that the nature of the riparian organization normally ~~comes~~ ^{came} to the fore. Explain!

In passing on to the consideration of trading personnel, some basic sociological distinctions should be apparent. Traders either belong to the community and are traders by status, or they do not, in which case they are either foreigners or metics, i.e., resident aliens.

As to what are the necessities, the Old Testament says: "Thou shalt not harden thy heart nor shut thine hand from thy poor brother. But thou shalt open thy hand ~~and~~ wide onto him and shalt surely lend him sufficient for his need in that which he wanteth" (Deut. 15, 7-8). ~~ἀποδοῦναι~~

The Old Testament contains only few equivalents, if any. To the man who lacks oil, oil shall be given by his neighbour, not its value in other goods. As to the amount the words "need" and "sufficiency" here also express limitation to the requirements of the actual situation.

The institution of rations also involves definite amounts of the "necessaries". Admittedly, the Greek version of the Lord's Prayer's "daily bread" is obscure. The text contains a repetition in its insistence on the "daily bread to-day". No satisfactory explanation of the omission of the Greek text has been given. The word is a hapax legomenon, i.e., this is its only occurrence. The Aramaic original is lost. Much can be said, it appears, for its signifying ration, an institution unknown to the Greeks, who therefore had to coin a special term to suit it. The Dead Sea Scrolls, more recently, appear to mulct members of the Essene community offending against monasterial rules by depriving them of their rations over a period. In the Lord's Prayer the ration may have expressed a double limitation of "neither more nor less." It is impossible to overlook in this context the ethical emphasis of the Old Testament concordance as follows: "Two things have I required of thee; deny me them not before I die: Remove far from me vanity and lies; give me neither poverty ~~nor~~ or riches; feed me with food convenient for me: Lest I be full, and deny thee, and say, Who is the Lord? or lest I be poor, and steal, and take the name of my God in vain!" (Prov. 30, 7-9)

The institution of equivalencies has also an operational correspondence to the lack of executive organs of the judiciary. The amount of compensation for damages is definite, where set equivalencies obtain; where, as in Greece, these are absent, the courts adjudicate damages. Hence Aristotle's concern with ortho.... justice, which settles law cases by setting right the balance that has been upset.

Scales of compensation contained in the revised Hittite Code were misread for set prices, though there is no reference to market exchange.

In primitive society compulsory trade is sometimes practiced. A canoe laden with food bypassing a coastal village may be forced to offer its wares for exchange. Again, this is predicated on the existence of customary equivalents, at which the transaction is performed, as for instance with the Manus of the Great Admiralty Islands.

In the lean year of 1795 in the South of England bread-carrying wagons on their way to London were stopped by villagers and compelled to sell to the housewives. Though money passed, the rioters were severely punished. But there was no charge of robbery, since the statutory price was paid.

PART VI

TRADE AND TRADERS

The acquiring of goods over a distance - the heart of trade - is organized in various ways under the different forms of integration. For ecological reasons trade in early times is mainly carrying, which is often indistinguishable from armed expeditions, two-sidedness being supplanted by violence. Broadly, trade is as old as human society, and is instituted in very different fashions. In primitive society a trickle of trade is embedded in exogamic wooing and marriage practices.

Modern trade is instituted through markets and the use of all purpose money. International trade is a relatively peaceful exchange of goods, as a rule involving transportation. Price-making markets cause goods to be carried to where the price gradient promises monetary gain.

In primitive communities where reciprocal patterns prevail, food usually moves between symmetrical points of the kinship organization. Sometimes reciprocity as between tribes is found combined with a redistributive pattern both in regard to the collecting of goods and the repartitioning for export of those imported. Gift and counter-gift is a common pattern of trading between sovereigns who exchange goods over a long distance. If no response comes, war may ensue. "Trade or raid" may be a decision taken on the spot, according to the chances of booty or of a ransom that compensates for the expected gain on trade.

Again, as with price, the redistributive pattern engages attention, under which some marketless empires of antiquity carried on a large amount of trade.

Redistribution tends to run long distance trade from the center of the sovereign body under treaty.

In pre-modern times the main port of trade was commonly the organ of long distance trade. It was designed as a place of meeting between the representatives of government or at least those of corporations. Here administered trade was practiced. Trade would function under treaty between the native and the foreign authorities. Competition was to be eschewed as far as possible, instead agreements on weights

and measures, as well as on rates of basic staples were sought. Currencies were pegged. Sortings of import goods were offered in packages. Facilities of landing, sorting, weighing and transportation were provided at set price. Access to inland markets was open to traders, once official permission to trade was forthcoming.

The economy comprises here many institutions unknown to us that are of an administrative nature, often in the moral and operational realm, I should say. But that does not mean that it does not possess its logical articulation which governs processes of growth. Institutions sui generis are naturally called for. Long-range changes of measures, a selection of convenient measures in regard to the different dimensions so as to equate the units of the chief staples as well as the units of areas and tax units in such a manner as to adjust the chief requirements of economy and administration. Examples: storage facilities, rank and status, ports of trade.

The personnel of long distance trade is motivated according to the manner in which trading is instituted. Monetary gain made on price differentials makes the merchant in the modern use of the word. Employing trader as a more general term. it might be said that his status varies according to the character of the economy. Under a bureaucratic organization of trade, he is an official of king or temple. Trade carried on at equivalencies implies buying and selling at the same price, as we would put it. Revenue from "business in hand" could not, therefore, accrue from price differentials but from either a commission on turnover or from a reward of the authorities, which again may consist in treasure, landed property, or endowment with some lucrative privilege. Priced staples are a chief institution. Apart from subsistence farming carried on as a business, economic life is an activity of royal government; with its domains, public works, taxation, foreign trade, and judicial system. All this hinges on the institutions of money used as a standard; set equivalencies as between staples; statutory rents, wages, hire and rations. Ecology plays its part inter alia in the need for waterways and irrigation, the storing of staples, and measures. Equivalents require stable weights, and volumes, and an extended accountancy. This explains the reluctance

of allowing markets and exchange money to take over. As late as the sixth century B.C. the 'King of Kings' would still ironically contrast West and East as the realms of market and non-market, respectively (Her. I, 153).

From Sumerian times onward temple, land tenure, tax, rent, trade inventory and accountancy hinge on culture traits of a redistributive pattern which generalize equivalents, rations, and status activities.

How far does this analysis take us towards the explanation of non-market economies?

Let us summarize the redistributive economy

Money as a standard here assumes ~~equivalencies~~ equivalencies. Their presence also offers a way of operating trade, and of rewarding those engaged in it. The ~~world~~ ^{The} society is managed as an aggregate by means of large scale accountancy. ~~from~~ ^{The} ecology being ~~given~~ given, total produce is proportionate to the effort put into irrigation an effort which depends on the food surplus available for a labour force. Rations are proportionate both to crops and to the tax and rent burden of the farmer. Secondary institutions such as dry stores, reliable weights and measures, operational devices of all kinds relate the economic quantities to one another.

gives
Aristotle ~~does not~~ hint ~~man~~ where to look for his barbarians,
also we do not know for certain ^{to what extent in his time} ~~now~~ for Hammurabi's Code was still
a live force ^{with the common man} ~~in the consciousness of men~~ in the ^E east. Deuteronomy
15, 12 still shows ^{col} such a reminiscence as this: "And if thy brother
a Hebrew man or a Hebrew woman be sold unto thee, and serve thee
six years; then in the seventh year thou shalt let him go free from
thee ~~X3~~; // And when thou sendest him out free from thee, thou shalt
not let him go away empty: 14. Thou shalt furnish him liberally, ...
~~out of thy flock~~; // 16. It shall not seem hard unto thee when thou
sendest him away free from thee; for he had been worth a double
hired servant, to thee, in serving thee six years; and the Lord Thy
God shall bless thee in all that thou doest."

Lorian

The Old and the New Testament show many signs of the ^{participation of} ~~Bar-~~
Lorian ~~custom of set figures of equivalencies and ratios~~ ~~two~~
~~meanings of necessary combining the two.~~ Combining to
give ~~full precision of a quantitative~~
precision ~~to~~ to 'thecessaries' which
would answer both the question of what
kind of goods and how much of them
would fall under the ~~regulations~~
~~concerning~~ regulations
concerning mutual aid ~~in~~
in emergencies. ~~Other regulations~~ The Lord's
Oath contains a striking reference to
Prov. 30, 7-9.

Which is right

Aristotle's emphasis is on the restoring of self-sufficiency as against wealth getting ^{which is wrong}. The former assumes equivalence ^{in exchange} and is "according to nature", the other ^{on exchange} assumes gain and is "contrary to nature". The barbarian practice which ~~amounts to~~ ^{amounts to} mutual assistance in an emergency, a situation not quite exceptional in subsistence economies. The inclemence of nature may reduce a farmer to want in regard to one or another of the necessaries, like grain or oil. Asked to help out, the neighbour ~~whom~~ ^{him} must give as much ^{as is necessary} of the produce ^{would} ~~wanted~~, but not more, against its equivalent in kind (all staples of this sort ~~being~~ ^{to be} handled in this manner). Reciprocity rules, for

(Handwritten scribble)

Having the initiative ~~at another time the roles may be reversed, he himself~~ ^{being in exigence}. There is here no giving without a counterpart. Charity is not part of the picture, ~~part~~.

For, should nothing be ~~available~~ ^{available} to offer in exchange, the needy neighbour himself or his family would have to submit to ~~bondage~~ ^{work} and work off the debt (the term of ~~the~~ ^{if a migrant} ~~bondage~~ according to the ~~Babylonian~~ ^{Code} was of three years.) Nevertheless, the part played by ~~equivalencies~~ ^{equivalencies} is vital

of an author's part of

~~to the practicability of this emergency institution~~ and that at two points: ^{But for set} Unless there are fixed ^{emergency} equivalencies the situation ~~would turn into~~ ^{is bound to} a sort of bargaining ^{between parties, one of which was asking} where the one party is under a moral pressure ^{which} and the other ^{being in distress} party under the compulsion of need.

Also, without some indication of how much of each of the necessaries ^{was} ~~are~~ deemed "necessary" ^{the existence of rations indicates}, an even ^{more} ~~contention~~ ^{actual, for which there was no room in an emergency} between the parties could be bound to arise.

In brief, where the amount of the counterpart as to quantity and quality is indeterminate, ^{readily} such a provision for mutual aid cannot ~~operate~~ ^{operate}.
 a moral obligation to

(Handwritten scribble)

Aristotle gives no hint where to look for his barbarians, also we do not know for certain, to what extent in his time Hammurabi's Code was still a live force with the common man in the East. Deuteronomy 15, ¹²⁻¹⁸ still showed a reminiscence such as this: "And if thy brother a Hebrew man or a Hebrew woman be sold unto thee, and serve thee six years; then in the seventh year thou shalt let him go free from thee. And when thou sendest him out free from thee, thou shalt not let him go away empty: Thou shalt furnish him liberally... It shall not seem hard unto thee when thou sendest him away free from thee; for he had been worth a double hired servant to thee, in serving thee six years: and the Lord God shall bless thee in all that thou doest."

The Old and the New Testament show many signs of the Babylonian institution of equivalencies and rations. Combining to give precision to "the necessaries" which would answer both the question of what kinds of goods, and how much of them would fall under the regulations concerning mutual aid in emergencies. The Lord's Prayer contains a striking reference to Proverbs 30, 7-9.

The acquiring of goods from over a distance - the heart of trade - is organized in various ways under the different forms of integration. For ecological reasons trade in early times is mainly carrying, often indistinguishable from armed expeditions, violence sometimes supplanted its two-sidedness. ~~being by~~

which is

~~the~~ exogenic ~~writing~~ ~~and~~ ~~marriage~~ practices. Broadly, trade is as old as human society, and ~~to be found~~ ^{is} instituted in very different fashions. ~~In primitive societies trade is embedded in~~ ^{the primitive society is embedded in} ~~all purpose~~ ^{all purpose} ~~is~~ ^{is} ~~intended~~ ^{intended} through ~~the~~ use of money, as a means of exchange. International trade is in effect a relatively peaceful exchange of goods, ^{as a rule} involving transportation. Price-making markets cause goods to be carried to where the price gradient promises monetary gain. usually

In primitive communities where reciprocative patterns prevail food moves between symmetrical points ~~in~~ ^{of} the kinship organization. ~~an~~ ~~analogous~~ ~~practices~~ ~~as~~ ~~between~~ ~~tribes~~ Sometimes reciprocation as between tribes is found combined with a redistributive pattern both in regard to the collecting of goods and the repartitioning for export of those ~~imported~~ imported. Gift and counter-gift is a common pattern of trading between sovereigns ~~exchanging~~ ^{who} goods over a long distance. If no response comes, war may follow. "Trade or raid" may be a decision taken on the spot, according to ~~military~~ ^{the} ~~chances~~ ^{of booty or of a ransom} ~~and the response which may serve as~~ ^{the} ~~random~~ ~~index~~ ~~of~~ ~~booty~~, ~~and~~ ~~that~~ ~~compensates~~ ~~for~~ ~~the~~ ~~expected~~ ~~gain~~ ~~on~~ ~~trade~~.

7 accepting

Again, as with price, the redistributive pattern engages attention, under which some marketless empires of antiquity carried on a large amount of trade.

Redistributive ~~patterns~~ ^{tion} ~~tend~~ ^{run} to ~~organize~~ long distance trade ^(from the center) ~~as~~ ~~a~~ ~~centralized~~ ~~activity~~ of the sovereign body, ~~acting~~ ~~under~~ ~~treaty~~ ~~for~~ ~~the~~ ~~country~~ ~~or~~ ~~state~~ the king is acting ~~through~~ ~~his~~ ~~bureaucracy~~.

(was commonly the organ of long distance trade.) ~~was~~ In pre-modern times the port of trade, ~~where~~ ^{now} administered trade was practiced. It was designed as a meeting place ^{of} between the representatives of government or at least those of corporations. Trade would function under treaty

↑

In primitive society a trickle of trade is embedded in exogamic writing and marriage practices.

weights and measures as well as rates of basic staples

between the native and the foreign authorities. Competition was to be ~~achieved~~ *instead* ~~excluded~~, so far as possible, ~~and~~ *agreements* on ~~terms of trading~~ *were* sought.

~~All commodities had their equivalencies. Currencies had standard ex-~~ *changes* ~~changes~~. Sortings of import goods offered in packages. Facilities

of landing, storing, weighing and transportation were provided. *at set prices.*

Access to markets open The inland was accessible to traders ~~and~~ *permission* was forthcoming. ~~negotiations~~ *business* ~~practical~~ admission. ~~The~~ *started* from

to trade

~~agreement on units of measure, i.e., weight, length, volume.~~

From a distance a simple system as much as a bird's eye view of the modern world with its uniform pattern of markets and prices may appear not only uniform but simple. Consequently so it may appear

no question of our economic ~~arises~~ *complicates* ~~actually, the~~ *business* economy ~~arises~~ here ~~in~~ many institutions-unknown to us *that are* of an administrative nature,

~~rather~~ *often* in the moral and operational realm, I should say. But that does not mean that it does not possess its logical articulation which governs

processes of ~~low~~ growth. Institutions sui generis are naturally called for. Long-range changes of ~~the~~ measures, a selection of convenient

measures in regard to the different dimension so as to equate the units of the chief staples as well as the units of areas and tax units in such

a manner as to ~~adjust~~ *adjust* the chief ~~adjustment~~ requirements of economy and administration. Examples: storage facilities, rank and status, ports of trade.

The personnel of long distance trade is motivated according to the manner in which trading is instituted. Monetary gain made on price differentials makes the merchant in the ~~modern~~ *modern* use of ~~the~~ *word,* ~~term~~.

Employing trader as a more general term, it might be said that his status varies ~~greatly~~ according to the character of the economy.

Under a bureaucratic organization of trade he is an official of king or temple. Trade carried on at equivalencies implies buying and selling

at the same price, as we would put it. Revenue from business ^{in hand} ~~in hand~~ could not, therefore, accrue from price differentials but from either a commission on turnover or ^{from a} ~~through reward~~ ^{of given by} from the authorities, which again may consist in treasure, landed property, or endowment with some lucrative ^{privilege} ~~opportunities~~. Prices ~~staples are a chief institution.~~ Apart from subsistence farming ~~carried on as a business~~, economic life is an activity of royal government with its demands, public works, taxation, foreign trade, and judicial system. All this hinges on the institutions of money used as a standard; ^{for} ~~equivalencies~~ ^{as} ~~as between~~ staples; statutory rents, wages, hire and rations. ~~Stable equivalents imply gainless exchange, all over the open field of economic life, transacted through arbitration, documentation and trusteeship.~~ Ecology plays its part inter alia in the need for waterways and irrigation, the storing of staples, and measures. Equivalents require stable weights, and volumes, and an expanded accountancy. This explains the reluctance of allowing markets and exchange money to take over. As late as the sixth century ^{B.C.} ~~A.D.~~ the 'King of Kings' would still contrast West and East as the ^{realms} ~~numbers~~ ^{of} ~~worlds~~ of market and no-market, respectively (Her. I, 153).

From Sumerian times onward temple, land tenure, tax, rent, trade inventory and accountancy hinge on culture traits of a redistributive pattern which generalize equivalents, rations, and status activities.

unaffected trade

How far does this analysis take us towards the explanation of non-market economies?

Let us summarize the redistributive economy.

Money as a standard ^{here assumes} ~~or~~ ^{des} ~~equivalency~~. ^{Their presence} ~~Equivalencies which~~ ~~make standards possible~~ also offer a way of ^{operating} ~~trading~~, and of rewarding

those engaged in it. ~~the society is~~ The society is managed as an
 aggregate^{ly} by means of a large scale accountancy. The ecology is ~~thus~~^{being prevented}
~~that~~ total produce is proportionate to ^{the} effort put into irrigation,
~~this~~ effort ^{an} ~~again~~^{which} depends ^{on} in the food surplus ~~available~~^a for ~~the~~ labour
 force. Rations are proportionate ^{both} to crops ^{and} ~~but also~~ to the tax and rent
~~paid~~^{burden of} the farmer. Secondary institutions such as dry stores, reliable
 weights and measures, operational devices of all kinds relate the
 economic quantity^{ies} to one another.

NOTES TO CHAPTER IX

1. This and the following chapter result from research carried on under the auspices of the Council for Research in the Social Sciences, Columbia University, 1948-1952.
2. Confer the intimate picture of Dahoman culture in Professor Herskovits' classic on which we have been leaning heavily.
3. Bovill, p. 254.
4. Duncan, II, 11-12.
5. Snelgrave, granted an audience with the King of Dahomey immediately after his armies had taken Whydah, met with a royal official by the name of Zunglar, "a cunning Fellow, who had formerly been the King's Agent for several Years at Whidaw; where I had seen him in my former Voyages." (61)
6. Norris, XIII-XIV.
7. Herskovits, I, 109.
8. Ibid., I, 17.
9. Norris, X.
10. Snelgrave, pp. 5-6.
11. Atkins, p. 120.
12. Snelgrave, p. 64.
13. Ibid., pp. 58-9.
14. Balxael, p. 207.
15. Ibid., p. 196.
- 16.
17. Duncan, II, 268-9.
18. Ibid., 269-70.
19. Ibid., 269-70.
20. Ibid., 270-71.
21. Burton, II, 361.
22. The dominance of the import interest required such a practice (Arist. Politics).

23. Snelgrave, pp. 130 and 136.
24. Barbot, p. 261.
25. The Whydasians had, after the conquest by Dahomey the status of metics in the Dahoman empire. Cf. on this problem Ar: Pol.
26. Morris, p. 135.
- 27.
28. Snelgrave, pp. 2-3.
29. Isert, pp. 134-5.
30. Barbot, p. 428.
31. Trading peoples' traditional policy is to be at peace with all
 (~~Polybius on Delos; on the Bedouins;~~
~~on Tyre; on Palmyrans, etc.)~~
32. Barbot, p. 326.
33. Burton, I, 64-5.
34. Duncan, I, 198.
35. Burton, I, 64.
36. Forbes, I, 111.
37. Dalzel, pp. 228-9, and 58.
38. Snelgrave, p. 60 ff.
39. Duncan, II, 276.
40. Norris, p. 40 ff.
41. Barbot, p. 326.
42. Forbes, I, 110-1.
43. Barbot, p. 351.
44. Ibid., p. 186.
45. Duncan, I, 110-112.
46. Forbes, II, 3.
47. Burton, II, 265-6.
48. Snelgrave, p. 130.

- 49. Norris, p. 138.
- 50. Dalsel, p. 213 ff.
- 51. Snelgrave, p. 39.
- 52. Duncan II, 263-4.
- 53. Bosman, p. 363 ff.
- 54. Isert, p. 136.
- 55. Dalzel, p. 208 ff.
- 56. Duncan, I, 282-3.
- 57. Burton, I, 226.
- 58. Barbot, p. 360.

CONCLUDING NOTE

In the Preface we spoke of this book as "work in progress." Let us take a swift glance at the road we have traversed and at the position thus reached.

The fruits of the empirical research on trade and market institutions offered in Parts I and II admittedly provide but a slim foundation for the structure of theory and method erected in Part III. The historical and anthropological data of those parts fall short of exhausting the conceptual area marked out in the final section. We may thus appear to have been left with an array of untested tools.

Actually, however, those theoretical considerations and the facts that precede them are more closely linked than the subject matter of the loose sequence of chapters might indicate.

The authors see in the market bias the intellectual obstacle to that broadening of our vision in matters economic which they advocate. Adam Smith's discovery of the market as the pivot of the economy was more than a practical insight of superlative relevance; more than a pinpointing of the cell whence the emergent economic life could be theoretically mastered. His concept of the market as a spur to competition gave the decisive impetus for that view of society that was to arise from such an economy; a concept that was eventually regarded as an universal tool in the atomistically conceived history and theory of man. The market, then, shaped both the organization of our actual material existence and the perspectives from which we were allegedly enabled to grasp all forms of social organization.

(Concluding Note cont.)

And herein lies the key to unity in the argument of this book. The market envelopment of our own economy and society was seen as the major obstacle to understanding the economy in early societies. Only by a radical separation of the economic process from the market complex was it possible to proceed. The conceptual separation of trade from market institutions which might otherwise have appeared as merely pedantic, if not artificial, was justified by the uncovering of the "port of trade," that almost universal precursor of modern organs of foreign trade. Equivalencies, again, those antecedents of "prices," only became visible against this background. Similarly, regarding the purely theoretical question of what is and what is not "economic," what is and what is not a "surplus", and what is and what is not "scarce," the role which the market played in the evolution of our thinking emerged as the heart of the problem. Thus both in the theory and in fact, detachment from the market context was the way to clarity.

The exploring of new paths, the inevitable testing of new tools along the way, does not, of course, amount to a general theory of the interaction of economy and society. No more can be claimed here than an approach that may help to produce identifiable elements in economic institutions without regard to "economic" motives or "economic" rationality. Yet, by providing this precondition of comparative and developmental studies in this field, the threshold of much more comprehensive research in the social sciences may well have been reached. For in some such way, we believe, will be built up the valid contents of the reality of society that is replacing in our day the fading image of an individualistic atomism.