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Karl Polanyi, 1947

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PRIMITIVE, ARCHAIC,
AND
MODERN ECONOMIES

Essays of Karl Polanyi

EDITED BY GEORGE DALTON

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KARL POLANYI (1886–1964), studied law and philosophy, and was called to the bar in Budapest in 1912. He served as a cavalry officer in the war of 1914–18. From 1924 to 1933 he was foreign affairs editor of *Der Oesterreichische Volkswirt* in Vienna. He emigrated to England in 1933, and lectured for the Workers Educational Association and for the extra-mural departments of the universities of Oxford and London. He was joint editor of *Christianity and the Social Revolution* (1935), to which he contributed a chapter, "The Essence of Fascism."

His work in economic history was done in the United States, from 1940 to 1943 as resident scholar at Bennington College, and from 1947 until his retirement in 1953, as Professor of Economics at Columbia University. From 1953 to 1958 he and Professor Conrad M. Arensberg were joint directors of a research project on the economic aspects of institutional growth.

The first of Polanyi's three principal works, *The Great Transformation* (1944), was concerned with the structure of nineteenth century capitalism and the enormity of its social consequences. His second book, *Trade and Market in the Early Empires* (1957), edited with Conrad M. Arensberg and Harry W. Pearson, created a theoretical framework for the study of economies which were neither industrialized nor organized by market institutions. His last work, published posthumously — *Dahomey and the Slave Trade* (1966) — analyzed the internal economic organization of the eighteenth century West African kingdom, and the economic organization of its external trade in slaves with Europeans.

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Important aspect,
Security, Neutrality -

Ports of Trade in Early Societies

I

This study is intended as a confirmation of the global presence of the economic institution to which, for want of a better word, we have given the name "port of trade."¹

Previous to modern times, so it appears, the typical organ of overseas trade was an arrangement capable of dealing with the security requirements of trade under early state conditions. The general emergence of price-making markets must be regarded as a later development, characterized by competing groups of buyers and sellers, whose activities are governed by market prices. In the port of trade, [governmental] administration prevailed over the "economic" procedure of competition. Trade between primitive communities, whether expeditionary trade, gift trade, ceremonial beach meeting, or other chieftain's trade must face up to the security aspect of carrying goods over a distance in unpoliced areas. In the desert, on mountains and high seas, robbery and piracy are accepted forms of existence; on land, panyarring or kidnapping are the stranger's risk; coastal sites are threatened from sea and hinterland. The port of trade was often a neutrality device, a derivative of

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¹ K. Polanyi, C. M. Arensberg and H. W. Pearson (eds.), *Trade and Market in the Early Empires*, Glencoe: Free Press & Falcon's Wing Press, 1957; cited hereafter as *T. & M.* See Chapters II-IV, VII-LX.

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silent trade, of the prehistoric Mediterranean low-walled *emporium*, open to the sea, and of the neutralized coastal town. The archaic syndrome comprised a trade carried on at set prices, and by other administrative means. Native inhabitants provided organs for mediation and accountancy, while competition was avoided as a mode of transaction. Where present, it was relegated to the background, or was merely lurking on the periphery.

Ports of trade were in evidence on the north Syrian coast ever since the second millennium B.C., in some Greek city-states of Asia Minor and the Black Sea in the first millennium; in the Negro kingdoms of Whydah and—later—Dahomey on the Upper Guinea coast and of Angola on the Lower Guinea coast; in the Aztec-Maya region of the Gulf of Mexico; in the Indian Ocean on the Malabar Coast,² in Madras, Calcutta, Rangoon, Burma, Colombo, Batavia, as well as in China.

Thus we find the port of trade as a universal institution of overseas trade preceding the establishment of international markets. It was, as a rule, situated on coastal or riverain sites, where inlets and extensive lagoons eased transportation by land. A related institution, however, might also be found far inland, on the border of two ecological regions, such as highland and plain, but particularly on the border of the desert, that *alter ego* of the sea. The caravan cities of Palmyra and Petra, Karakorum, Ispahan and Kandahar may be said to have fallen in the category of *quasi* ports of trade.

Even the barest outline of the origins and development of the port of trade confronts us with a number of forms, varying in range and scope as widely as do market institutions to which, in historical retrospect, the port of trade may appear as a functional alternative. Indeed, markets differ as an African bush market does from the New York

² A. Leeds, "The Port of Trade in Pre-European India and as an Ecological and Evolutionary Type." Paper presented at the Annual Meeting of the American Ethnological Society, 1961.

Stock Exchange, and the international market for capital, freights, and insurance from the slave market in the American South of a century ago, yet all of them are authentic markets. In either case—market-type institution and port of trade—history and anthropology present a bewildering ramification.

Among riverain trading sites of antiquity mention will also have to be made of the Babylonian *kar*. Was it essentially competitive market or administered port of trade? The two patterns, an administration proper and a system of price-making markets, are mutually incompatible, though some of their elements may mix. On the answer to the nature of the Babylonian *kar* important issues in the dating of the civilizations of antiquity may depend.

An appeal to administrative action in the economic field appears to many intrinsically as a relinquishing of rationality since, as Max Weber taught, market behavior was to be regarded as the paradigm of rationality. The great Assyriologist Paul Koschaker showed on this score a mood of resignation in his last study.³ For him the full-blown market-economy was a tissue of contracts or transactions. This tissue was knit of rational acts and could therefore be resolved logically. Administrative acts, on the other hand, possessed no safeguard of equality of exchange, since such acts were an outflow of power not of a free contract. A Romanist by training, Koschaker had established almost singlehandedly our knowledge of transactional law in Babylonia. In 1942 he published a paper on the governmentally administered economy (*staatliche Verwaltungswirtschaft*) of Larsa, dealing mainly with the revenue of the palace in regard to fish. Reluctantly, he confessed his inability to find a consistent interpretation of the textual evidence in which the transactions between palace and *tamkarum* were laid

³ P. Koschaker, "Zur staatlichen Wirtschaftsverwaltung in altbabylonischer Zeit, insbesondere nach Urkunden in Larsa," *Zeitschrift für Assyriologie* N. F. Bd. 13 (Bd. 47) (1942), 179-80.

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down. Koschaker had justly inferred that the so-called *tamkarum* (traditionally interpreted as a private merchant) was actually "a governmental trade officer, a state-banker."

The situation, so it seemed, lacked rationality. At least partly, it was the result of administrative decisions, not of the free exchanges on which a market system must be based. The fish prices of Larsa—like the wool prices of Sippar—were probably state-fixed,⁴ as Koschaker himself had written. Yet he had also stated that "in the Old Babylonian period we should assume the existence of a fully developed system of market exchange, and even one with recorded price fluctuations."⁵ This was conclusively evidenced, he asserted, by the manifold terms used to describe prices as attested in the Series *ana ittišu*, 2 III 10 f. Actually, the resolution of the paradox was within his reach. The manifold adjectives attached to prices in *ana ittišu*, which understandably disturbed him, were not conclusive proof of the existence of a "fully developed system of market exchange," for they might well have formed part of a predominantly administered economy such as the early New Deal, or the actual Soviet economy.

In this paper, starting with antiquity and proceeding toward the modern era, the following instances of a port of trade or its antecedents are touched upon: the North Syrian coastal towns; the Greek *emporium* in two distinct meanings, the first being Lehmann-Hartleben's discovery, his prehistoric *emporium* (in its few Norse instances called *wik*),⁶ the second the commercial harbor of the classical Greek coastal city which, as a survival from prehistoric times, was a characteristic formation in Greek seaports.⁷ Drawn from

⁴ Ibid., p. 142.

⁵ Ibid., p. 158.

⁶ E. Ennen, *Frühgeschichte der europäischen Stadt* (Bonn: Röhrscheid Verlag, 1953).

⁷ K. Lehmann-Hartleben, *Die antiken Hafenanlagen des Mittelmeeres* (Leipzig: Klio, Beih. 14, 1923), pp. 4 ff.

more modern times are the Aztec-Maya lagoon towns of Mexico,⁸ the Guinea coast of West Africa,^{9, 10} as well as the Malabar coast of India,¹¹ all before the European conquest. To this list is added the Babylonian *kar*,¹² the port-of-trade character of which, as I said before, is controversial.

II

Al-Mina and Ugarit,¹³ on the North Syrian coast, may have been among the earliest ports of trade in the Mediterranean. Al-Mina was situated some forty miles north of Ugarit, on a marshy tract, not far from the small inland kingdom of Alalakh¹⁴ (Atchana). Al-Mina itself lay at the mouth of the Orontes, and appears as a small principality of its own. Both coastal towns served as sources of imports to the empires of the hinterland. The Babylonians in the East, the Hittites in the North may have been keen to keep Al-Mina neutral. Egypt in the South felt similarly towards Ugarit.¹⁵ They maintained friendly relations with

⁸ A. M. Chapman, "Port of Trade Enclaves in Aztec and Maya Civilizations," in *T. & M.*, pp. 114-53.

⁹ R. Arnold, "A Port of Trade: Whydah on the Guinea Coast," in *T. & M.*, pp. 154-76; "Separation of Trade and Market: Great Market of Whydah," in *T. & M.*, pp. 177-87.

¹⁰ K. Polanyi, in collaboration with A. Rotstein, *Dahomey and the Slave Trade* (in preparation).

¹¹ A. Leeds, "The Port of Trade," cited in ft. 2.

¹² A. L. Oppenheim, "A Bird's-Eye View of Mesopotamian Economic History," in *T. & M.*, pp. 30-31.

¹³ R. B. Revere, "'No Man's Coast': Ports of Trade in the Eastern Mediterranean," in *T. & M.*, pp. 38-63.

¹⁴ K. Polanyi, "Comparative Treatment of Economic Institutions in Antiquity, with Illustrations from Athens, Mycenae and Alalakh," in *City Inevitable* (Chicago: Univ. of Chicago Press, 1960), pp. 347-48.

¹⁵ R. B. Revere, "Ports of Trade in the Eastern Mediterranean," pp. 40-43.

the small kingdoms on whose neutrality peaceful access to the ports depended. The excavation of Ugarit¹⁶ by Cl. Schaeffer's French expedition and of Al-Mina¹⁷ by Sir Leonard Woolley's British group produced evidence of warehouses close to the beach. History points toward a broadly independent existence of these ports of trade. Almost a millennium later their neighbors to the south, the Phoenician port towns of Sidon¹⁸ and Tyre¹⁹ replaced Ugarit and Al-Mina as ports of trade.

Lehmann-Hartleben saw in Herodotus' "silent trade" the origins of his prehistoric *emporion*, archaeological vestiges of which he discovered on the Mediterranean coasts. The Carthaginians, according to Herodotus,²⁰ indulged in a dumb barter with the natives of the African coast, exchanging their goods for gold. Caution impelled the parties to repair, in turn, to a spot near the beach, leaving there an amount of goods and gold, respectively. This was repeated, until the other party was satisfied with the amounts offered, both sides withdrawing then with the purchase sought, never having met their counterparts face to face. Lehmann-Hartleben found remnants of semi-enclosed spots open toward the sea and showing ruins of an altar, separated only by a low stone wall from the background area. The low wall did not by itself offer defense against attack, it merely indicated the area to which the protection of the altar and the "peace" of the *emporium* extended.

In this meaning, introduced by Lehmann-Hartleben, the term *emporium* conveys a meeting place of traders, located outside of the gates of a town, or even on an uninhabited coast.

¹⁶ Ibid., p. 53. Cf. also Cl. Schaeffer, *Ugaritica*, III (Paris, 1956).

¹⁷ Ibid., pp. 53-54. Cf. also Sir Leonard Woolley, *A Forgotten Kingdom* (London: Harmondsworth, 1953).

¹⁸ Ibid., pp. 58-59.

¹⁹ Ibid., pp. 58-59. Cf. Ezekiel 27.

²⁰ Herod., IV. 196.

It is from the prehistoric *emporium* that in classical Greece another meaning accrued to the word, namely that part or sector of a coastal town which was devoted to foreign commerce. Separated from the rest of the city, it contained its harbor, quay, warehouses, mariners' hostel, administrative buildings. The classical *emporium* as a rule had its own food market.²¹

Monuments, closely resembling Lehmann-Hartleben's *emporia* with their semicircle of low stone walls open towards the river, lake, or sea were found more recently in northern Europe and have been named *wik*.²² Three are on record: Durstede²³ in the Waal delta of the Rhine, Haithabu²⁴ on the River Schley in eastern Schleswig, and Birka²⁵ on the Lake Mälär, near Stockholm. They are credibly attributed to roving traders of Norse origin, who erected the walls for protection of their meetings with other overseas traders' caravans that carried or portaged their wares from central and eastern Europe, maybe from as far as southern Russia, or the Near East, including Iran.

Although none of these northern *emporia* subsequently developed into towns, some German economic historians of the 1930s believed that the frequent "wik" or "wich" ending of German and English town names might indicate a Viking origin. This idea was subsequently rejected for

²¹ The use of the word *emporium* as denoting a large center of commerce is of later origin.

²² E. Ennen, *Frühgeschichte*, p. 124. Cf. also W. Vogel, *Wik-Orte und Wikinger*, *Hans. Geschichtsbll.*, 60 (1935). F. Rörig, *Lübeck*, *Hans. Geschichtsbll.*, 67/68 (1942-1943); *Magdeburgs Entstehung und die ältere Handelsgeschichte*, *Misc. Akad. Berol.* II, i (1950), 103-32. H. Planitz, *Frühgeschichte der deutschen Stadt*, *Zschr. Savigny Stiftg., Rechtsgesch., Germ. Abt.*, 67 (1950).

²³ E. Ennen, *Frühgeschichte*, p. 56.

²⁴ *Ibid.*, p. 59. Cf. also Jankuhn, *Haithabugrabungen*, 1930-1939.

²⁵ *Ibid.*

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several reasons.²⁶ First, German historians on the whole accept Pirenne's view that long-distance traders settling around the cités and bourgs of northwest France started the movement of the revival of towns which then spread east to Germany, reaching her therefore by no means from the North.²⁷ Second, the "wik" ending was quite obviously derived from "vicus," the common Latin term for an unwalled urban settlement.²⁸ Third, insofar as the "wik" ending might have had a Nordic derivation, it denoted a bay or bight, which in Scandinavian is called "wick."²⁹ The fact that a few semicircular walled areas off the coast or the waterways have been found in northern Europe, should be regarded merely as proof that Lehmann-Hartleben's *emporium*, common in the Mediterranean, was not unique to it.³⁰

Pirenne's portus theorem should be mentioned in this context on account of the current meaning of "port" as a harbor. It is common knowledge that the revival of the European towns about the eleventh and twelfth centuries was attributed by him to the so-called *portus*³¹ development around the towns of northwest France and south Flanders.

²⁶ F. Rörig, *Lübeck. Th. Frings, Wik. Beiträge zur Geschichte der deutschen Sprache und Literatur*, begr. v. Braune-Paul-Sievers. Herausgegeben v. Th. Frings, 65 (1941-1942), 221-26.

²⁷ F. Rörig, *Magdeburgs Entstehung*, p. 128. H. Planitz, *Die deutsche Stadt im Mittelalter* (1954), p. 54 ff.

²⁸ E. Ennen, *Frühgeschichte*, p. 130, "Die Autorität von Frings steht hinter der Herleitung von 'vicus'," also n. 202, same page.

²⁹ K. Polanyi, review of E. Ennen, *Frühgeschichte*, in *THE JOURNAL OF ECONOMIC HISTORY* XVII, No. 2 (June 1957), 312.

³⁰ E. Ennen, *Frühgeschichte*, p. 69, "Die Wikingischen Emporien lassen sich allenfalls mit den Emporien vergleichen, die von Lehmann-Hartleben bei vielen antiken Seestädten nachgewiesen wurden."

³¹ "a place through which merchandise was carried."

But this development consisted in the actual settlement of traders in the suburbs outside of the walls. The word "portus" itself derived from the Latin *portare*, and denoted places of transshipment or portage where wares were stored and guarded and which offered the traders a chance of settlement. Such spots were mostly located on waterways and attached to towns, outside of which the traders found an abode over the winter. These traders' settlements were credited by Pirenne with eventually contributing to the growth of the town, whether bourg or cité.

These populous settlements had very little, if anything, in common with the *emporia*, which typically were empty locations. The traders of Pirenne's portus became residents in the portus, while our port of trade is inhabited by natives, not by strangers. Medieval law regarded the trader as resident not where he was born or occasionally traded, but where he died, *ubi mercatores moriantur*.

III

During the precolonial era ports of trade, not market places, were the growing points of the world economy.

Anne M. Chapman's eminent paper on pre-Conquest Mesoamerica³² is to our knowledge the only record of a large geographical region in which small ports of trade were densely located. Between two neighboring trading Mesoamerican empires, Aztec and Maya, an expanse of inland waterways settled by tribal communities existed, in which dozens of villages developed into ports of trade. Traders met there to transact business.

Thus the Mesoamerican ports of trade played a vital part in Aztec-Maya commerce. The close network of waterways—rivers, lakes, and lagoons of the Gulf of Mexico—were the sites of many Nahuatl³³ as well as some

³² A. M. Chapman, "Port of Trade Enclaves," in *T. & M.*

³³ *Ibid.*, pp. 117, 138.

Chontal-speaking³⁴ tribes that served as long-distance meeting places of status traders, Mexican *pochteca*³⁵ and Mayan *ppolom*.³⁶ Outstanding was Chicalango³⁷ in the Laguna de Términos. The area was politically neutralized by the conjoint interest of the powers of the Northwest and the Northeast. The advantages of the site lay in the abundance of waterways, some running parallel to the coast, while the western mountains sent their rivers coastwards, linking the landlocked interior such as Acalán³⁸ by boats and pirogues with the low-lying lagoons. The port of trade was equipped with warehouses and storage, and a population skilled in the portage and handling of wares. For the long-distance traders of either side were not from among the local people,³⁹ but were rather leaders, both western and eastern, of caravans trekking from the North. Apart from the superior transportation facilities, there were also plantations growing cacao beans,⁴⁰ which served in long-distance trade as current money and that all strangers were keen to acquire. There is evidence of a neutralizing policy of the Mexican empire, which shunned any manifest lordship over Chicalango, presumably so as not to frighten away the hillmen who might fear to be kidnapped by the military on the spot. The coastal area was dotted with tribal villages, the names of which are recorded on the sixteenth-century Spanish maps. These small-scale trade ports possessed no market-places as a rule, and served merely for storage and meeting in long-distance trade. With the Spanish conquest the political organizing centers of long-distance trade were destroyed, and the ports of trade vanished.⁴¹

³⁴ Ibid.

³⁵ Ibid., pp. 120 ff.

³⁶ Ibid., p. 132.

³⁷ Ibid., pp. 139–40.

³⁸ Ibid., pp. 142–45.

³⁹ Ibid., p. 116.

⁴⁰ Ibid., p. 134.

⁴¹ Ibid., p. 119.

On West Africa's Guinea coast, more than a century later, a port of trade appeared that attained world fame: the slave port of Whydah.⁴² It was a politically neutral open port, which carried on passive trade with all the European powers by administrative methods. In 1727 Dahomey conquered Whydah and incorporated its territory, subjecting trade to its own administration.

Passing on to precolonial Asia, many highly developed ports of trade meet us on the Malabar coast of India and in other parts of the Indian Ocean. The great majority consists of independent small states. Counting only coastal cities south from Sandabur (formerly Portuguese Goa) to Calicut and Quilon (Kawlam), more than a dozen ports of trade flourished from the fourteenth century onward.⁴³ The Malabar towns differed in three regards from the ports of trade hitherto cited. No commercial profit of the state was involved; in other words, the town itself did not trade. Its interest was purely fiscal, restricted to customs duties, port fees, and other items of revenue. Second, the administration of trade was not according to a uniform pattern, since it comprised both competitive attitudes and adherence to statutory prices. Third, the motivation of transactions was partly collective, as in guilds, partly individual; in either case the traders' morale, whether Hindu or Muslim, reflected the grounding of their status in religious affiliations.

The ports of trade hitherto mentioned differed in their politico-economic character. They can be distinguished according to whether the port functioned as the organ of an independent small state (Ugarit, Al-Mina, Sidon, Tyre, Whydah in its first stage), or whether it was in the possession of a hinterland empire (Whydah after 1727). Again, the neutrality of the port of trade may have been safeguarded either by the agreement of the hinterland empires

⁴² R. Arnold, "A Port of Trade," in *T. & M.*

⁴³ The *Rehla* of Ibn Battuta (tr. Mahdi Husain, *Gaekwad's Oriental Series*, CXXII, 1953), map facing p. 176.

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(Ugarit and Al-Mina), or by the consensus of the overseas trading powers (Whydah), or by reliance on the port of trade's own naval strength (Tyre). Finally, there is in contrast to the majority of cases in which the port looked to overseas trade, the rarer case in which only inland trade was involved (Chicalango).

A port of trade *sui generis* was, it appears, the Babylonian *kar*. As mentioned before, it was a riverain port, the economic organization of which is still obscure. No archaeological remains whatever have survived, but business documents amply testify to its widespread occurrence. Now that doubts have arisen about the very existence of a market system in ancient Mesopotamia, the *kar* has unexpectedly gained focal interest for the Assyriologist. Also, historians of antiquity have become conscious of the fact that the economic historiography of Greece had been firmly built on the assumption that the institutions of Greek trade derived from the old Orient. If our interpretation proves true to fact, and the Babylonian economy was not grounded on a market system, the question arises: "How, when and where did market trade, fluctuating price, profit and loss accounts, commercial methods of business, commercial classes and all the paraphernalia of a market-organized economy originate? The history of market trade may then be found to have shifted (from Babylonia) by a thousand years downwards, and several degrees of longitude westwards, to the Ionia and Greece of the first millennium B.C."⁴⁴

IV

The traditional assumption, which reached axiomatic status since the discovery of Hammurabi's Code in 1902,

⁴⁴ K. Polanyi, "Marketless Trading in Hammurabi's Time," in *T. & M.*, p. 26.

was the commercial character of Babylonian culture and society. The underlying concept was that of an economic life governed by the profit motive. Gain was here made on price differentials, and the economy oriented on fluctuating prices.

Doubts first voiced by Paul Koschaker in 1942⁴⁵ were taken up by the end of the 1950s.⁴⁶ They focused on the *tamkarum*, the central figure in trade; on the origin and nature of the prices recorded in thousands of clay tablets; on the different moneys and money-uses; finally, on the precise meaning of the Akkadian terms that in various contexts had been rendered as "market" and "market-place."

In a collective work, *Trade and Market in the Early Empires*, 1957, A. Leo Oppenheim of the Oriental Institute of the University of Chicago and I argued in separate essays the absence of market-places within the cities of the ancient Near East. Oppenheim laid down the background of the approach:

The reaction against the thought patterns evolved in the nineteenth century in the fields of history of religion, linguistics, sociology, etc., have taught us to respect alien civilizations and sharpened our faculties for self-observation in those areas; but this, unfortunately, is not true with regard to economics. There, epistemological discussions, traditional or otherwise, have created an atmosphere in which there is no understanding of any economic pattern beyond that which has grown out of the spectacular economic development of Western Europe since the eighteenth century. The resulting attitude of the economic historians, be their background that of historical materialism or of traditional liberalism, is characterized by a markedly

⁴⁵ P. Koschaker, "Zur staatlichen Wirtschaftsverwaltung," p. 179: "Meine Ausführungen schliessen mit Zweifeln und Dissonanzen."

⁴⁶ K. Polanyi, "Marketless Trading," pp. 12-26, and A. L. Oppenheim, "A Bird's-Eye View," pp. 27-37, in *T. & M.*

inadequate treatment of the economies of so-called primitive peoples as well as by a complete disregard for the essentials of the economics of the ancient great civilizations.

A new approach to this problem has been opened up by the Interdisciplinary Project at Columbia University, and has been tested in several areas with considerable success.⁴⁷

The basic advantage of this approach is that it provides us with a new set of concepts⁴⁸ which can be used to describe large sections of the complex and varied array of data which the Assyriologist culls from the economic texts.⁴⁹

I shall use it here with a view to elucidating the problem of the market and *kar* in Babylonia. Babylonian towns, Oppenheim explains,

... consisted of the town proper (*uru*), the suburb (*uru.bar.ra*) and the port (*kar*). *The absence of a market-place* [my italics, K. P.] is exactly as reveal-

⁴⁷ Columbia University, Interdisciplinary Project on the Economic Aspects of Institutional Growth, *Selected Memoranda*, 4 vols., 637 pp., 1953-1958 (available at Columbia University, Butler Library, reserved). C. M. Arensberg, "Anthropology as History," in *T. & M.*, pp. 97-113. Paul Bohannan, "The Impact of Money on an African Subsistence Economy," in *THE JOURNAL OF ECONOMIC HISTORY*, XIX, No. 4 (Dec. 1959), 491-503. Paul Bohannan, *Tiv Trade and Markets* (in preparation). T. K. Hopkins, "Sociology and the Substantive View of the Economy," in *T. & M.*, pp. 271-306. W. C. Neale, "Reciprocity and Redistribution in the Indian Village: Sequel to some Notable Discussions," in *T. & M.*, pp. 218-36. H. W. Pearson, "The Economy has no Surplus: Critique of a Theory of Development," in *T. & M.*, pp. 320-41.

⁴⁸ K. Polanyi, "The Economy as Instituted Process," in *T. & M.*, pp. 241-70. Cf. also K. Polanyi, *The Great Transformation* (New York: Rinehart & Co., College edition, 1957) ch. IV, "Societies and Economic Systems," pp. 43-55.

⁴⁹ A. L. Oppenheim, "A Bird's-Eye View," pp. 28-29.

ing of the internal economic structure of the city as is the presence of a special extramural district, called the port [*kar*] for intercity economic relations.⁵⁰

I listed some *prima facie* arguments supporting the view that Babylonia possessed no market system, and apparently practiced risk-free forms of trading in the frame of a redistributive system carried on through administrative methods. I invoked, *inter alia*, a passage from Herodotus which had been practically ignored by economic historians of antiquity. The Greek historian, who had visited Babylon sometime between 470 and 460, was writing after the Persian Wars (490–480). Herodotus intended to highlight the meeting of the hostile worlds, East and West, the clash of which was to be the focus of his nine books. The contentious innovation of the food market was the Athenian topic of the day. He made Cyrus, King of Kings, pointedly choose that subject, when meeting the Spartan embassy in Sardis, that was delivering a protest against his interference in the affairs of the Hellenes of Ionia. Cyrus turned on them:

I have never yet been afraid of any men, who have a set place in the middle of their city, where they come together to cheat each other and forswear themselves.

Cyrus meant these words, so Herodotus comments,

. . . as a reproach against *all* the Greeks, because of their having market-places where they buy and sell, which is a custom unknown to the Persians, who never make purchases in open marts, and indeed have in their whole country not a single (*parâpan*) market-place.⁵¹

Herodotus, as we know, saw the fate of empires in terms of the *hybris* of their rulers. The Persians were indulging

⁵⁰ Ibid., pp. 30–31.

⁵¹ Herod., I. 153 (tr. Rawlinson).

in chauvinistic war propaganda and Cyrus' successors paid on the battlefield for having underrated the morale of the polis.

As to market-squares, I pointed to the archaeological proof of the almost complete absence of open spaces in the walled towns of ancient Palestine,⁵² as well as to the marketless layout of Babylon, attested by the finds in the library of Assur-banipal. In a separate study of the translations of the "Cappadocian" tablets available to me, I developed a conjectural sketch of the administrative functions of the *tamkar*; of non-market trade; of the riskless forms of administered foreign commerce and other requisites of treaty-trade, which appeared compatible with the postulate of non-market methods and with some known uncontentious data.⁵³

As early as 1925, in the very first analysis of the "Cappadocian" tablets, B. Landsberger noted the peculiar fact that only gains, not losses were being referred to. Also, in *ana ittišu* he called the *tamkarum* a public trustee (*Treuhänder*).⁵⁴ Later on, Koschaker also judged the *tamkarum* not to have been, in Larsa, a private merchant, but a trade officer, a state-banker.⁵⁵ Moreover, he wondered, might not fish prices in Larsa have been state-fixed prices rather than market prices.⁵⁶

Eventually, F. W. Leemans moved significantly closer to this position. In his *Old Babylonian Merchant* (1950), he still had upheld all the way the private-businessman view

⁵² A.-G. Barrois, *Manuel d'archéologie biblique* (Paris: Picard, 1939), I, 291-92.

⁵³ K. Polanyi, "Marketless Trading in Hammurabi's Time," in *T. & M.*, pp. 12-26.

⁵⁴ B. Landsberger, *Materialien zum Summerischen Lexikon*, I. Die Serie *ana ittišu* (1937), p. 115.

⁵⁵ P. Koschaker, "Zur staatlichen Wirtschaftsverwaltung," p. 164.

⁵⁶ *Ibid.*, pp. 158-59.

of the *tamkarum*.⁵⁷ But in his *Foreign Trade in the Old Babylonian Period* (1960), he professed:

... if the word "market" is used, one must realize that there is no evidence that a market in our sense of the word was held in the ancient cities of Southern Mesopotamia, or, that there was a "market-square." There is not even a word for it in fact. (Cf. K. Polanyi and A. L. Oppenheim, in chapters II and III of *Trade and Market in the Early Empires* [1957].)⁵⁸

There was also a hint that Leemans himself was in the course of revising his previous views about the "activity of the *tamkarum*."⁵⁹ Meanwhile, R. F. G. Sweet, in his doctoral thesis, "Moneys and Money Uses in the Old Babylonian Period,"⁶⁰ sponsored by A. L. Oppenheim, surveyed all available tablets—approximately twenty-five hundred. The results confirmed my hypotheses on special-purpose moneys: barley for payment, silver for a standard, and other equivalenced staples as means of exchange. Gardin and Garelli,⁶¹ in a recent study on the "Cappadocian" tablets, described the *tamkarum* as engaged in assisting the traders in their dealings, deriving his own revenue *not* from gains on the transactions in hand but from commission fees. Thus the trend of expert opinion appeared to run in favor of my views critical of the traditional marketing interpretation of the Babylonian economy.

It is at this point that our story reverts to the *kar*.

⁵⁷ F. W. Leemans, *The Old-Babylonian Merchant*, *Studia et Documenta*, III (Leiden: E. J. Brill, 1950), ch. IV, "Conclusions," pp. 36 ff.

⁵⁸ F. W. Leemans, *Foreign Trade in the Old Babylonian Period*, *Studia et Documenta*, IV (Leiden: E. J. Brill, 1960), p. 1, n. 1.

⁵⁹ *Ibid.*, preface, p. vii.

⁶⁰ Oriental Institute, University of Chicago.

⁶¹ G.-C. Gardin and P. Garelli, "Études des établissements Assyriens en Cappadoce par ordinateur," *Annales*, 16^e année, No. 5 (Sept.-Oct. 1961).

V

An important controversy as to the nature of the *kar* has arisen. Leemans⁶² followed up his declaration about the absence of an Akkadian word for "market" in these unexpected terms:

On the other hand, there is evidence that business was often carried out on the quay, which is in accordance with the fact that the waterways were the principal means of transport. The quay, the *karum*, seems to have served the same function as a market in lower Mesopotamia [my italics, K. P.]. So the price of the quay (*kima karum ibaššu*, etc.) is what we call, and therefore translate, as the "market price."⁶³

Leemans, referring to Koschaker (ZA, 1942, p. 159), added that such a price would be a market price even if it were fixed by the government. F. M. Heichelheim, a classicist, concurred with Leemans on the nature of the *kar* as a market, a view already foreshadowed by Leemans in almost identical terms in his 1958 review of *Trade and Market in the Early Empires*.⁶⁴

The now-admitted absence of market-places and of the market habit, indeed of even so much as a word for "market" in the Akkadian language must raise many questions for Assyriology. The new role suggested by Leemans for the *kar* offers prima facie a clue in the case of the lost market. But apart from there being no supporting evidence, there are also grave objections to his market interpretation of the *kar*. On early markets, whether anthropologi-

⁶² F. W. Leemans, *Foreign Trade in the Old Babylonian Period*, p. 1, n. 1.

⁶³ Ibid., pp. 1-2, n. 1.

⁶⁴ F. W. Leemans, "Economische gegevens in Summerische en Akkadische teksten, en hun problemen," *Jaarbericht No. 15, Ex Oriente Lux* (1957-1958), pp. 203-4.

cally or historically conceived, we find the distribution of fresh food for general consumption to be their vital function. Among other things, this involves the holding of markets on fixed days, the availability of money in small denominations, such as cowrie shells, gold dust, or fractions of obols, the role of women in the regular preparation of food for sale, popular barter or cash transactions, ceremonial, juridical and ritual customs, gods and altars guarding the peace of the market and strictly delimiting its borders, also market personnel and rules for the settling of disputes. Such matters belong to the most penetrating everyday items of culture, items that leave their mark on religion, law, literature, and common speech. They cannot go unnoticed. Yet Leemans adduces no evidence of this kind. Evidence, such as it is, points rather towards intercity transportation of staples in bulk, under supervision of governmental officers responsible for finance.

The *kar* as an organ of external trade undoubtedly has much in common with authentic ports of trade on the Malabar Coast and in the Maldivé Archipelago studied by Ibn Batutah. The fourteenth-century Malabar Coast counted about a dozen coastal states where trade was administered by the Sultan and his body of officers. In at least one case, the Sultan of Fakhanar,⁶⁵ a fleet of thirty warships insured that no foreign merchantman passed the town without stopping at the harbor and submitting to its far-reaching customs procedure, the *bandar*.⁶⁶ The customs officers were empowered to seize an indeterminate part of the cargo against payment at prices set by themselves, which could be lower than its value. The goods were then resold by the treasury, which benefited from the revenue thus accruing to it. On the other hand, very considerable expenses caused by the lavish hospitality exercised by the port of trade were borne by the *bandar*. The term carried

⁶⁵ Ibn Battuta, *The Rehla*, p. 184.

⁶⁶ *Ibid.*, p. 184, n. 6.

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both the meanings of quay or harbor, and of treasury, customs duty and storehouse. The two meanings, however, were fused. The authenticity of the law of the *bandar* is attested by Ibn Battutah,⁶⁷ who sojourned for a year and a half in the Maldives, on the chief island of Malan, where he was in office. A troop of mercenaries to the number of one thousand, he wrote, was in the queen's service. They presented themselves daily at her palace, and once a month made a brief appearance requesting their pay, which was thereupon issued to them in rice from the stores of the *bandar*. The etymology⁶⁸ of the word—Persian: quay or harbor; Sanskrit (*bhandāra*): treasury, storehouse, toolshed, magazine—conclusively supports the view of the administrative functions of the *bandar* within the frame of a port of trade.

The importance of the *kar* controversy for Greek classical scholarship is very great. It has been long accepted as unwritten law that the business life of the Hellenes inherited its practices by way of the Lydians and the Phoenicians from the ancient Orient, which was identified with the chrematistic urge attributed to Tyre and, since the discovery of Hammurabi's Code, to the whole of Babylonia. In regard to Greece, G. E. M. de Ste. Croix⁶⁹ strongly disagreed with my admittedly late date for the first beginnings of Greek market trade; he seems, however, greatly to favor some of the conceptual innovations of the new approach. The disestablishment of some Western preconceptions concerning the culture of the ancient Orient must deprive the West of its belief in having its roots in a civilization of early Greek market trade; second, on a more scholarly level, of the traditional ready-made answers to the actual development of Greco-Roman market trade from an alleged Cunei-

⁶⁷ Ibid., p. 201.

⁶⁸ Ibid., p. 200, n. 5.

⁶⁹ G. E. M. de Ste. Croix, review of *T. & M.* in *The Economic History Review*, 2nd Series, XII, No. 3 (April 1960), 510.

form mercantile civilization of millennial age. Hence the close interweaving of Assyriologist and classicist reactions to the *kar* controversy⁷⁰ follows naturally. In a review, to-

⁷⁰ This compels me to try and unravel the interlocking criticisms which F. M. Heichelheim has leveled against my several contributions to *Trade and Market in the Early Empires*, 1957 (in his review of that work in *Journal of the Economic and Social History of the Orient*, III, Pt. I [April 1960], 108-10). Unfortunately, the conceptual system developed in that work had, as he avowed, no interest for him.

Heichelheim's impatience with my voicing of any doubts concerning the dominance of a market system in the ancient Orient antedated Leemans' partial concurrence (1961) with my views on the matter. Heichelheim asked, had I "in fact, never heard of the 'market'-prices at the quays?" It was precisely the suitability of such all-too-often-used terms, that the new conceptual tool box was designed to probe. As a result, trade and market were not only sharply distinguished, but up to a point contrasted in the archaic empires. Heichelheim, having ignored theory, employed "trade" and "market" interchangeably. Since the actual links between market and trade institutions were in question, his insistence on employing the term "market trade" in disregard of the significance attaching to this technical term in the work was anything but helpful.

Still another instance of Heichelheim's practice of "no theory" should perhaps be adduced. The methodological device of transcending time-bound institutions through the introducing of generalized terms was applied by me throughout the work. In order to avoid the marketing connotation of "price" where inappropriate, a new term—"equivalency"—was introduced by me as well as by Oppenheim, which would apply irrespective of the pattern of integration under which the figures denoting the rate occurred. "Thus price systems," I argued, "may have an institutional history of their own in terms of the types of equivalencies that entered into their making." For an historical illustration of the principle, I quoted Max Weber's remark that "for lack of a costing basis Western capitalism would not have been possible but for the Medieval network of statuated and regulated prices, customary rents, etc., a legacy of guild and manor." Heichelheim, in his disregard of the theoretical argument, mistook the long-run history of different types of equivalencies to which I was referring for the history of the actual prices themselves. The legendary thirty pieces of silver received

gether with R. F. G. Sweet, of Leemans' *Foreign Trade*

by Judas as the "price of a man," which typologically appear in the New Testament as a "close variant" of the "equivalency" of a slave as set out in Hammurabi's Code eighteen hundred years earlier, were badly misconstrued by Heichelheim. He assumed I was arguing the derivation of an actual slave price of the first century A.D. in Jerusalem from Hammurabi's Code, which would have been indeed, as he put it, "a howler." As it was, his risky practice of "no theory" boomeranged.

Twice Heichelheim in his review appealed expressly to his authority "as an Ancient Historian and Classical scholar."

First, my reference to Herodotus I. 153—no market places in the city of Babylon—drew from him this answer: "We do not have here probably a Herodotean statement before us, but an interpolation by some post-Classical copyist who was under the influence of Stoic anthropological theory. Cp. here J. E. Powell, *Herodotus Translated* I, (1949), p. IV, 78." Actually, J. E. Powell's preface to his translation contains no reference that bears out Heichelheim's statement about a post-Classical interpolation or Stoic influences. On the contrary, Powell's italics in the Herodotean passage on p. 78 signify both the interest he feels should be attached to Herodotus' comment, and his belief in its authenticity. Cf. Powell's statement of intent (p. iv), which leaves no doubt as to his typographical practice. Nor does the critical text of Karl Hude contain any expression of doubt. The same is true of any of the translators, including Rawlinson, who remarked on Herodotus' statement on no market places in Persia. Heichelheim's treatment of Herodotus I. 153 is, to put it mildly, unclear.

Second, Heichelheim's reference to "primary evidence" in the three volumes of *Hesperia* (1953, 1956, 1958) containing the monographs by W. K. Pritchett, A. Pippin, and A. Amyx on "The Attic Stelai" is misleading. They contain exclusively the famous lists of auction prices of the graffiti pottery. No reference to "primary evidence" about market prices is to be found there. Heichelheim has neglected the warnings of the authors not to draw conclusions in regard to "a scheme of prices for actually extant vases," referring to the "many pitfalls" (Vol. XXVII [1958], 278).

Heichelheim's dismissal of *Trade and Market in the Early Empires* as a "most regrettable book" adds nothing to the issue of the port of trade in general, discussed there in several chapters, nor to the subject of the Babylonian *kar*, raised in this paper as an issue of the port of trade.

in the Old Babylonian Period (1960),⁷¹ I expressed the opinion that the perspectives opened up by the *kar* controversy are of a comprehensive interest and merit further research.

⁷¹ THE JOURNAL OF ECONOMIC HISTORY, XXII, No. 1 (March 1962), 116-17.

driving) with age, and by the growing family obligations and communal ties with age.

The psychological syndrome typifying lorry drivers was not investigated in this study, but several clues to its existence are detectable. One of the strangest sources of job satisfaction for the lorry driver is the autonomy of the job. They resent closed places, monotony and repetition, and close supervision. In fact, freedom from supervision and informal, personal management are highly desired organizational traits to most of the subjects—even at the cost of less favorable working conditions experienced by some lorry drivers in the privately owned firms.

A significant contribution to the body of knowledge of occupational sociology is made in the last three chapters of the book, dealing, respectively, with lorry driver's family life, leisure pattern and occupational status.

Several forms of mutual adaptation taking place in the lorry driver's family life were revealed. Adaptation is necessary since there is a typical incompatibility between the occupationally induced pattern of behavior and the socially induced normal time behavior of a family head, caused by the long hours of work and irregular presence at home of the lorry driver. Leisure activities are described as being occupationally induced. The rather low status of this occupation is explained, in the last chapter, by its role set—involving managers of large transport firms not recognizing the lorry driver's special expertise, and private motorists, conceived to be strongly prejudiced against lorry drivers. There seems to be no easy way out for the lorry driver, for "in his desire for freedom he has not created the agencies through which his professional claim may be presented."

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G. Dalton, (Ed.), *Primitive, Archaic, and Modern Economies: Essays of Karl Polanyi*. Garden City, New York: Doubleday & Company, Inc., 1968. Pp. liv, 346. \$1.45.

George Dalton has performed a noteworthy service in bringing together under one cover many of the most important writings of Karl Polanyi, some of which have been either relatively inaccessible previously or unpublished (appendices to chapters 6 and 8). Included in the thirteen essays of this collection are six from Polanyi's more familiar works *The Great Transformation* and *Trade and Market in the Early Empires* and two from the recently published (1966) *Dahomey and the Slave Trade*. Dalton has also provided an extremely lucid introduction to and summary of Polanyi's works.

The volume is divided into two parts: "Economy and Society" and "Primitive and Archaic Economies." The first part contains essays which develop in detail Polanyi's hypotheses on the relation of economy and society. For Polanyi, history records the progressive "disembedding" of the economy from society, i.e., the freeing of economic relationships from determination by societal arrangements. Indeed, he argues that the polar extreme presently exists: that society is today embedded in the economic system (p. 70); that social relationships are currently governed by economic considerations.

Polanyi consistently takes us to task for "Our Obsolete Market Mentality". He explicitly denies the existence of "economic man," the ideal type of economic theory, and provides evidence to support his contention that man does not have a natural propensity to "truck, barter, and exchange." As much of Polanyi's writings deal with non-market economies, he goes to great lengths to demonstrate that as economic theory is based on the functioning of market economies it is not merely irrelevant, but is a substantial obstacle to understanding in the analysis of non-market economies.

In "The Economy as an Instituted Process," Polanyi makes a distinction between what he terms the "formal" and "substantive" definitions of economics. The formal meaning relating to choice, to economizing action; the substantive, to the satisfaction of material wants. He suggests that these coincide only in those instances in which market exchange serves to integrate the economy. In non-market economies, the principal integrative mechanism is either reciprocity or redistribution.

Part II of the collection contains essays on early economies and on economic organization in West Africa in the eighteenth and nineteenth centuries. These selections contain applications of Polanyi's analytical framework.

Reaction to Polanyi's ideas has been mixed. Dalton's introduction is a strong statement of support for these ideas. The reader interested in an extensive criticism is referred to Scott Cook, "The Obsolete 'Anti-Market' Mentality: A Critique of the Substantive Approach to Economic Anthropology," *American Anthropologist*, VIII (April 1966), 323-46.

For the reader who has not discovered Polanyi, this volume is heartily recommended; for the reader who has, it will be welcome for the collection it presents.

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Hubert M. Blalock, Jr., *Toward a Theory of Minority-Group Relations*, John Wiley & Sons, N.Y., 1967, pages xii + 275. \$A 6.95.

On the dust jacket of Professor Blalock's book the title is displayed with "toward a theory of minority-group" in red and "relations" in a muddied yellow. It might have been more appropriate to show "toward a theory" in one colour and the rest of the title in another, and so convey the two dimensions of the important contribution which this book represents. It is primarily an exercise in theory-construction, based on what the author calls a "propositional approach" and originally stimulated by Robin Williams' *The Reduction of Intergroup Tensions*. By a process of deductive and largely mathematical reasoning, Professor Blalock derives relevant lower-order propositions from the higher-order propositions contained in general theories, such as J. W. Atkinson's theory of motivation. He spells out the theoretical implications of these lower-order propositions for negro-white relations in the United States and examines them in the light of empirical evidence. The approach is subtle and exploratory; at different points in the book Professor Blalock gives illuminating comment on such recurring problems as discrimination between group and individual