

The concept of the economy and the underdeveloped areas.

Argument of the

ad 54: The doctrinal ~~background~~ ^{grounding} of the underdeveloped ~~areas~~ (unentwicked) areas that ~~have~~ ^{proposes} no market systems. Since 1987 a conceptual system was developed by Karl Polanyi and associates at Columbia University. It starts from the

two meanings of economic and leads up to a minimum definition of the economy which claims to be applicable in all the social sciences that touch upon the economy and its place in society. Comprehensive

theoretical and empirical efforts were made to establish the ^{new} substantive and institutional approach in the ~~economic~~ ^{sub-} disciplines of ~~anthropology~~ ^{anthropology} and ~~sociology~~ ^{sociology}.

Economic History Important contributions were made by Harry W. Pearson and Walter C. Heale, economists; Clarence K. Hopkins, sociology; Paul Bohannan and C. M. Arenberg, anthropology and A.L. Oppenheimer and R.H.G. Sweet, ~~Psychology~~ ^{Psychology}.

① A detailed bibliography is provided.

Superseded

The discovery:
Atomistic individualism - as
the situation of man.

with own it was the
discovery of society, and
the ~~other~~ ^{absorption} ~~disappearance~~ of
the individual (the result of
(a) moral non responsibility

(b) determining power of
indiv by society (power of
facts + ~~interest~~)

Rousseau i.e. circumstance
disappearance of the result of
society / as found (by man)
attributed to the individual

/ the central social sh^d be
dissolved again)

Hobbes: a central social
should be concluded, once
and for all. (irrevocably)

Adam Smith:
Stability sh^d be sought by
acceptance of the evil in
man as the good (utilitarian
overcoming of a self
regulation)

w

180

64

100 lb

W. F. 19m

700,000 fans : 20 = 3

20 100 lb W. F. 19m
+ 1 lb = 20 fans

700,000 x 20 = 14,000,000

The word economy is here used in two ~~entirely~~
 different ^{senses} ~~meanings~~, as Meyer was the first
 to point out with ^{subsequent} emphasis, ~~but~~
 when it may be ~~not~~ ^{attributed} Prof. R. Meunier's ~~opinion~~
 fault that the passage ^{is not} ~~is~~ ^{in fact} ~~is~~
 not known to him, (a matter to which
 we will return presently).

Since it has never yet been translated into English,

On the other hand it might be that Prof. R. Meunier
 was copying out of Meyer's "two aspects of the
~~distinction~~ economy, which indeed have
 "everything in common" since it is one and
 the same economy what can be looked
 upon once as a group of persons, once as
 an aggregate of objects, once as a group of
 persons dealing with those objects. ~~Actually~~
~~the one always means the other~~ but the
 abstract ^{means - ends} ~~means - ends~~ relation where it
 occurs, while on ~~substantive economy~~
 whether in connection with a subst. ec. or
 not, while ^{and} ~~the~~ substantive economy is
 what is currently called the ~~economy~~
~~without regard~~ sphere of material livelihood
 whether or not we mix up activities

The word economy is here used in two different senses

The ~~main~~ departure from earlier & later
social scientists was Menger's refusal to regard
the economy as a necessary part of all human
society. It was conceivable no provision for ~~was~~
was ~~satisfaction~~ necessary, neither through exchanging
nor through production. Such a paradisiac state
of affairs was admittedly most improbable, yet
but could not be excluded. ~~However, this~~ already
with consumption, nor distribution was formal
part of the economy. All this followed from its
limitation to ~~the~~ acts of "providing".

Development of reason that ~~permeated~~ ^{permeated} Western ^{Culture} ①

It has been said - Max Weber devoted his genius to this thesis - That the ^{source} of the use of ~~reason~~ ^{Western culture} was the ~~consequence~~ ^{consequence} of the pursuit of science, technology and economic organization. ~~It~~ ^{It} might well be that their independent separate emergences ^{were then} ~~was~~ not ~~unavoidable~~ fortuitous and ~~that~~ their eventual convergence was even less so. ~~It~~ ^{It} was the force of human reason that ~~was~~ ^{was} asserted itself against superstitions and irrational custom. ~~This would help to~~ Hence the spectacular success of the modern mind ^{today} in the real world. But what ~~our~~ ^{our} lives are imperilled by - this must be understood ~~is not~~ ^{is not} to ~~be~~ ^{be} the irrational ~~extent~~ ^{extent} to which those originally rational motives have gained possession of our ~~personalities~~ ^{personalities} and ~~thereby~~ ^{thereby} driving us into ~~excess~~ ^{excess} ~~are~~ ^{are} ~~driven~~ ^{driven} passion for knowledge, a ~~passion~~ ^{passion} for efficiency and ~~at all cost~~ ^{at all cost} a hunt after ~~gain~~ ^{gain} for its own sake. In each of these instances a mechanism was ~~every time~~ ^{always}

of an existence amplified of reasonable content
— that is the ~~True~~ characteristics of the
mode of action in the ~~technological~~ ^{technological}
civilization ~~which~~ that feeds on ~~the~~ ^{success}
of science, technology & economic ~~organization~~
organization.

~~It might~~ ②
It would be ~~no~~ else than ~~the~~
~~the~~ ~~easy~~ ~~to~~ ~~see~~ ~~in~~ ~~this~~ ~~nothing~~ ~~but~~ ~~the~~
~~the~~ ~~most~~ ~~obvious~~ ~~tragedy~~ ~~of~~ ~~all~~
human intent that turns
good into evil, by the very
excess of ~~the~~ its success.
This maybe just dialectic
~~but~~ ~~it~~ ~~is~~ ~~an~~ ~~explicit~~ ~~proof~~ ~~of~~
~~the~~ ~~change~~ ~~to~~ ~~irrationality~~ ~~the~~ ~~actual~~
~~social~~ ~~action~~ ~~is~~ ~~nothing~~ ~~is~~
~~that~~ ~~in~~ ~~the~~ ~~social~~ ~~world~~
Socially ~~is~~ effective that has
not previous ~~for~~
attained to ~~the~~
condition of institutional ~~but~~
consistency: ~~that~~

Always a mechanism

To the
pitch

Automatically enhanced rational
action of the rational drives into a
pursuit of irrational excess.

for

The pursuit of knowledge was
absolutized ^{instituted and professionalized} until science itself
invaded the recesses of personality
thus undermining the search of means
by confusing us about our
own ~~best~~ ends. The ^{look-out} ~~search~~ for useful
contraptions (the urge to invent), the
will to improve our tools was

a fetish
by

absolutized into an idolatry of a
efficiency irrespective of ^{the} occasion
and object, elevating it into an
idol fetish, that demanded ^{from us} the sacrifice
of ~~the~~ reasonable ends ~~to which~~

governed
by

that efficiency should be subservient,
to economic organization, also, too,
the arrangements ~~governing~~
means ends relations was
absolutized through the monetary
medium into an itch for
gambling and calculative
gain, which hypostatized a
~~reaction~~ for profit, destructive of
happiness, in addition to an
obsession of a wish for ~~excess~~ a veritable
urge to transcend the limits of that wish,
where ~~helpless~~ submission to a

an obsessive
wish,

to the point
where ~~helpless~~ submission to a

physical addiction becomes the focus
of an existence emptied of all
reasonable content — that's
the true characteristic of the mode
of action in the technological
civilization that feeds on the
successes of science, technology
and economic organization.

Develop the habit of

It has been often said - Max Weber
devoted his genius to this thesis -
that the use of man's reason ~~was~~
~~the~~ explains those modern pursuits -
Science, technology and economic
organization. It might ^{then} indeed be
that their emergence was not ~~unavoidable~~
fornitions, and that their eventual
fusion ~~was~~ in the Industrial Revolution
was a ~~mere matter of~~ chance. ~~It is~~ ~~hard~~ ~~to~~
deny ~~that~~ that ~~whenever~~ it was the
force of man's rationality that was
here ~~operating~~ itself against
superstition and irrational custom.
That may well be so; it ~~would seem~~
~~to~~ ~~help~~ ~~to~~ explaining the spectacular
success attained by the modern
mind in the real world, and
then attribute ~~the~~ ~~present~~ ~~ills~~ of
~~the~~ present to the inevitable con-
sequences of those successes
themselves; too much science
to much technology, too vast
economic organization. This
may be fair dialectics, but
hardly shows up the way how
things happen. Actually our
rational drives were allowed

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fortuitous, and that their eventual
fusion ~~was~~ in the Industrial Revolution
was a ~~chance~~ ^{certainly not} ~~it~~ ^{who could}
deny ~~that~~ that ~~it~~ it was the
force of man's rationality that was
here asserting itself against
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That may well be so; it ~~would seem~~
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the present to the inevitable con-
sequences of those successes
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things happen. Actually our
rational drives were allowed

to develop into passions governed
and stimulated beyond all rational
ends by some institutional mechanism,
which alone accounts for the
"dialectical miracle" of reason
turning into unreason, all
along the line. The pursuit of
- knowledge was institutionalized
into professional organizations with
secondary interests of their own;
the search for improvements was
mechanized into an efficiency
principle; economic organization
was made into an end in itself
through the monopolization of all
economic activities. ~~But~~ our troubles
~~only~~ do not derive from some
inefficient, overdone of ~~the~~
rationality, but by the absence in a
technological civilization of any
protective medium that would
prevent the development of
institutionalized mechanism into
boundless and sinister passions
that would automatically destroy the
very ends to which our reason
had attained.

(- Max Weber devoted his life to this thesis.)

It has been said that the use of reason ~~is~~ ^{is} the ~~cause~~ ^{cause} for ~~the~~ ^{the} ~~emergence~~ ^{emergence} of science, technology & economic organization. ~~But it might be~~ ^{It might be} ~~argued~~ ^{argued} that their independent ~~emergence~~ ^{emergence} was not ~~merely~~ ^{merely} fortuitous, ~~but~~ ^{but} ~~their~~ ^{their} ~~convergence~~ ^{convergence} was, not so. ~~Since they sprang from~~ ^{Since they sprang from} ~~the~~ ^{the} ~~fulfillment~~ ^{fulfillment} of ~~the~~ ^{the} ~~force~~ ^{force} of human reason ~~but~~ ^{but} ~~was~~ ^{was} ~~an~~ ^{an} ~~assertion~~ ^{assertion} ~~itself~~ ^{itself} against super-~~stitious~~ ^{stitious} traditional superstitions and irrational custom. ~~That may well be so;~~ ^{That may well be so;} ~~this~~ ^{this} ~~also~~ ^{also} ~~helps~~ ^{helps} ~~to~~ ^{to} ~~explain~~ ^{explain} the ~~striking~~ ^{striking} ~~success~~ ^{success} of those ~~ideas~~ ^{ideas} of the modern ~~world~~ ^{world} ~~mind~~ ^{mind} in the real world. But ~~the~~ ^{the} ~~true~~ ^{true} ~~source~~ ^{source} of ~~our~~ ^{our} ~~troubles~~ ^{troubles} ~~and~~ ^{and} ~~part~~ ^{part} ~~of~~ ^{of} ~~our~~ ^{our} ~~troubles~~ ^{troubles} ~~is~~ ^{is} ~~the~~ ^{the} ~~triumph~~ ^{triumph} ~~of~~ ^{of} ~~the~~ ^{the} ~~processes~~ ^{processes} of ~~reason~~ ^{reason} ~~and~~ ^{and} ~~the~~ ^{the} ~~processes~~ ^{processes} of ~~reason~~ ^{reason} ~~are~~ ^{are} ~~imperilled~~ ^{imperilled}, is due - this must ~~be~~ ^{be} ~~understood~~ ^{understood} - to the ~~excess~~ ^{excess} ~~of~~ ^{of} ~~irrational~~ ^{irrational} ~~but~~ ^{but} ~~irrationality~~ ^{irrationality} of the ~~degree~~ ^{degree} to which we have allowed those originally rational ~~mechanisms~~ ^{mechanisms} to ~~proceed~~ ^{proceed} ~~unchecked~~ ^{unchecked} ~~of~~ ^{of} ~~their~~ ^{their} ~~own~~ ^{own} ~~power~~ ^{power} ~~and~~ ^{and} ~~drive~~ ^{drive} ~~us~~ ^{us} ~~into~~ ^{into} ~~a~~ ^a ~~condition~~ ^{condition} ~~of~~ ^{of} ~~irrational~~ ^{irrational} ~~excitement~~ ^{excitement} ~~of~~ ^{of} ~~a~~ ^a ~~vicious~~ ^{vicious} ~~passion~~ ^{passion} ~~for~~ ^{for} ~~knowledge~~ ^{knowledge}, ~~a~~ ^a ~~mad~~ ^{mad} ~~drive~~ ^{drive} ~~for~~ ^{for} ~~efficiency~~ ^{efficiency} ~~and~~ ^{and} ~~an~~ ^{an} ~~insane~~ ^{insane} ~~hunt~~ ^{hunt} ~~for~~ ^{for} ~~gain~~ ^{gain} ~~for~~ ^{for} ~~its~~ ^{its} ~~own~~ ^{own} ~~sake~~ ^{sake}. In each ~~case~~ ^{instance} ~~where~~ ^{where} ~~it~~ ^{it} ~~was~~ ^{was} ~~established~~ ^{established} ~~itself~~ ^{itself}.

Ind. civilization: Anglo-Saxon - Roman - Chinese - Indian - Arab
When the W. became the beam of Ind. Civ. to it, ^{India, NA East}
became ideally the whole of mankind.

But with the conquest of the planet for
Ind. Civ; new non-western cultures
sprang into being. (unexpectedly)

(A) The reaction of this on the West - is the whole
the position? This is a matter of ~~adaptation~~ ^{work} to ~~work~~ ^{work out.}
What leads ^{of life times}
My proposal is to turn to the urgent practical
issues
of ^{novel conditions} ~~novel conditions~~
it?

- (1) To turn ^{on them} the light of ^{our} ~~our~~ ^{own} ~~own~~
experiences in the earlier phases
- (2) ~~Don't~~ Rely on "our own ^{share} ~~share~~ ^{interests} in the coming
course fate" as the "intent" that
moves us;
- (3) claim no lead, but the ~~available~~ ^{our}
availability to the extent of our
aspirations to be judged by others.

~~Western universalism postulated
its identification with the
wide-world occurrence.
In future it must be
~~universalistic~~ ^{universalistic} lists,
although reduced to a part.~~

The decline of a civilization
not its threatened civilization
itself is reaching its culmination
not on account of its failure, but
as a consequence of its success.
It falls to the lot to strain to
the utmost its faculties, in
seeking to master the science of
celestial navigation by its
industrial revolution. Yet it
has ~~to pass on~~ its ways to go
~~but~~ ^{its} ~~has~~ ^{technical} ~~not~~ ^{not}
use of ~~its~~ ^{its} ~~not~~ ^{not} ~~its~~ ^{its} ~~not~~ ^{not}
deeply suspicious of its ^{not} ~~not~~ ^{not}
selflessness. ^{not} ~~not~~ ^{not} ~~not~~ ^{not}
It ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not}
nevertheless ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not}
with the ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not}
immense ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not}
practical ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not}
issues are requiring ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not}
urgent ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not} ~~not~~ ^{not}
attention.

Even

- 11 -

1522

Assuming ~~that~~ ~~we~~ managed
 to trace a ^{persuasive} ~~sequence~~ sequence of dozens
 of ~~converging~~ ^{converging} lines, ^{useful} ~~that~~ would be gained?
 (How much, in truth?)

The thinkers ^{and} writers of the West, following
 their lights, ~~and their consciences~~,
 would still have ^{had} ~~the~~ the same
 experiences ^{that} build up to ~~a~~
 specific situations in which they
 had ~~to~~ seek their integrity. So many
 for the depth, the length ~~and~~ the clarity
~~of penetrating~~ ^{of penetrating} ~~the~~
~~past~~ ^{of} ~~the~~ ^{our} human past. Though

by
 means
 yet

it may ~~be~~ ^{be} ~~the~~ ^{the} ~~stretch of~~ ^{stretch of} ~~our~~ ^{our} personal
 experience, ~~in~~ ⁱⁿ the history of the race,
 it is ~~not~~ ^{not} out a limited area ~~of~~
 a span, ~~defined~~ ^{defined} sharply ~~the~~ ^{the} fenced off from
 earlier times. This is an important

consideration
 worthy even of
 thought

fundamentally, the search of means ~~and~~ by
transcending the search of ^{our} ends
confronting us about ~~the~~ ~~very~~ ~~ends~~ ~~themselves~~.

which ~~organized~~ ^{organized} the action of the rational
drive ~~into~~ ~~in~~ ~~into~~ the into a
pursuit of irrational excess. (Knowledge
was absolutized, made ~~a~~ sacred (The pursuit of)
invaded the recesses of personality, ~~itself~~
and muddled the knots of self-preservation, the
atoms of the ^{search} ~~pursuit~~ of useful,
containing the urge to invent, the
wish to improve was absolutized
into a ~~idolatry~~ ^{idolatry} of efficiency irrespective
of subject and occasion, elevating
it into a fetish that would eliminate
from us the sacrifice of all the

Finally

arrange
ments

reasonable ends ~~to~~ that very
efficiency ought to be subservient to,
Economic organization, the former
subordination of a rational means-
ends relation, was absolutized though
the means, mediated into an
endless ~~of~~ ^{of} ~~limitless~~ ^{limitless} ~~its~~ ^{its} ~~for~~

game play

made on
the
of ~~practice~~ ^{practice}

and calculated gain, which
hypostatized a motive of profit,
abstractive of happiness ~~the~~ ^{the} ~~drive~~
typical ^{an} ~~addiction~~ ^{addiction} ~~to~~ ~~the~~ ~~material~~
all observed ~~the~~ ~~excess~~ ~~the~~ ~~lack~~ ~~of~~

A work ~~any~~ ^{any} ~~excess~~ ^{excess} ~~and~~ ~~an~~ ~~urge~~ ~~to~~
transcend drive even beyond the limits of
that will, where helpless ~~addiction~~
Submission to a physical addiction became the form,

Outline (1)

Na R Ry

The conventional view of eco-polity:

In the conventional view the ecoy is a private realm, the polity public. The ecoy is the sphere in which individuals go about the business of life, providing themselves with the means of existence. The polity is the sphere in which decisions are made regarding the collectivity.

Supported by economist's view - positive economics - based on means*ends distinction with "economic" action involving the neutral adaptation of means to ends. Thus the economy is viewed as a value-neutral instrument for satisfying wants and the economist as a neutral analyst.

The political scientist sees himself as concerned with the use of power to achieve collective ends.

Actually the economy is a social political order unto itself, a distinctive way of ordering the relations between men in a wide variety of situations. As such it is a rival to the polity. It provides its own self generating set of rules and powers. This with fact that its ~~values~~ values pervade the society has had fateful implications for the ~~economic~~ polity. It is in the nature of the market economy that the ends of life appear as means; all as means to end which is making money. Aristotle was first to perceive the effects of this on the polity: "every art is turned to money making." It is these arts which are the ends, the primary values of the liberal polity.

The problem, therefore, is not to bring the polity to bear on the ~~polity~~ economy; that we have accomplished. The problem is to reaffirm the sovereignty of the sovereign, to recognize and affirm the rights and aspirations of the citizen and distinguish these from those of the consumer and the producer.

The Rec. for of ...

\$ 180

HARRY

Beneath the concerns now rising to the surface of public debate in the United States is the fundamental question of the relation between the economy and the polity in our society. In essence it is the question of the place and function of the economy and the polity in the liberal democratic society which both serve. It is the burning question of our time. It applies with urgent pertinency to several levels of contemporary thought and action, from public policy to the abstract realms of economic theory; from the transcendent ideals of political philosophy to the intimate reaches of private morality. And as the polities and economies of the new nations of the world struggle to emerge from the chrysalis stage of embeddedness in their societies, a new urgency is added to the question. Unfortunately, it is a question which we are exceptionally ill-equipped to answer confidently, so deeply has the conventional view of the place and function of the economy and polity in a free society penetrated our thinking at all levels of action.

The economy has played a unique and dominant role in the development of our society. It is ~~an~~ the essential feature of a money-market economy that its values and institutions pervade thought and action in the society which houses it. The money-market economy provides an order which, with its system of universal rewards and punishments, can call forth or curtail the "production" of an infinite array of values, ~~material and not~~, from the everyday items of subsistence to the services of a doctor, and artist, a teacher, or a television "personality." Through the countless economizing choices of individuals getting and spending their

Here, say what
is conventional
view,
etc.
see outline
①

income, the economy, therefore, has the task of "producing" not only the material means of livelihood but a wide variety of the social, cultural and intellectual roles which are vital to the health of the body politic. Thus in the market economy it is but slight exaggeration to say that all the values and illusions are transformed into one. Economic success is success itself; a healthy economy is a healthy society.

In the development of the market economy the distinction between the economic and political orders was thus dangerously obscured. Indeed, the political order was, to a large extent, engulfed in the economy. Politics became economics as the interests embodied in the liberal state sought their realization through the economic order, and the political values of a free society found their principal expression and their upholders in the profit system. Government itself came perilously close to becoming an instrument of the contending powers of the market place rather than a vehicle for the citizen.

But as we steam ahead to the dubious shores of the "affluent society," a sea change seems to be overtaking American opinion. Increasingly we hear doubts expressed concerning the time honored view that economic success can solve all our ills, private and public. Actually we are in the middle of a secular shift in the place of the enemy in our society.

The first major departure from tradition followed upon the economic crises of the post-World War I era and the depression decade of the 1930's. The theories of Keynesian economics and the policies of the New Deal brought the political process to bear upon the economy. The stability of employment and prices in the economy became a matter of public policy, and the balance of power

among the major contending forces in the economy was altered by political means.

Radical though this shift was, it was relatively easy for economists to understand and for policy makers to accomplish without any of us raising questions about the nature of the economy and its place in our society. For though Keynesian economics and the New Deal both represent the reemergence of the polity over the economy contemporary society, the immediate values served by these events were still economic values. The ~~right~~ right to a steady job, to the enjoyment of a high standard of living, and the right of the worker to exert some control over the work process were not in themselves revolutionary values. The producer and the consumer still prevailed.

Currently the shift in emphasis from ^{the} economic to the political sphere continues, but in a radically new phase. It sought articulation in the late President Kennedy's "New Frontier;" it is inherent in the new concern with the persistence of poverty in the midst of plenty, in the civil rights struggles throughout the land, and in such recent Supreme Court decisions as those concerning parity of voter representation in the several states. But this phase we do not so readily understand. Our current crisis is from the beginning one of the political order. The liberal polity, which thrives and progresses only when nourished by a plurality of functionally independent interests, has been seriously weakened by our excessive reliance on the market system to provide for the representation and resolution of conflicting interests in our society. We have relied on the economic system not simply to provide the material means of life, but to

serve as a decision-making instrument which, to a large extent, determines the functional variety of the "interests" which compose the liberal polity. Education, health, research, the arts, politics, the communication of ideas, even the activities of leisure itself -- all these are "produced" wholly or in large part through the agency of that remarkable institution, the market. Viewed in this light it is a political institution comparable to and more powerful than the state itself. And it is precisely in these areas which introduce the vital qualitative balance of life in a free society that the market fails

Where to begin the doctrinal
discussion ?

This is an ^{Harry} irrelevancy, but it was
the original starting point, so I endorse it.

The slow but steady ascent of economic theory to the aloof realms of positive science over the past three decades poses some interesting dilemmas for those economists whose principal interest in the economy is political, sociological and historical -- indeed, for all those social scientists who wish to locate the economy and study its place, or function, in society. For, while much has been achieved in the direction of a logically positive theory of economics, the economy has been lost.

There is an exceptionally wide area of agreement among contemporary economists of the West upon the definition of economics and of the economic problem of man living in society, but as the acceptance and logical refinement of these central concepts of modern economics is extended, the possibility of defining the economy with equal certitude and locating its place in society recedes further and further into the background.

Even a cursory glance at the accepted definition of economics and the economic problem exposes the problem clearly. Economics, as every textbook now tells us, is a science concerned with the maximal adaptation of means to ends. The economic problem is essentially a problem in rational action. It derives from the inherent scarcity of means to satisfy an endless variety of human ends and the consequent difficulty of allocating means to ends so as to maximize achievement. Thus economics is concerned with economizing, an aspect of human action in all kinds of situations, but never (except in the most artificial situations, such as some kinds of games) an act found in its pure form in

the daily course of life. This point that economic man is an abstraction, once a source of bitter controversy, is not only accepted by economic theorists; it is really the basis of economic theory's claim to the status of a positive science. It is a point which also seems to have stilled the institutionalist criticism of economic theory's lack of empirical validity, and largely to have satisfied contemporary sociologists and anthropologists.

But there is a problem. The very success of economic theory ~~in~~ isolating for analysis what seems a universal aspect of human experience dooms to failure any attempt employing the same concepts to locate the economy and study its variegated relation to the society of which it is a part. Following the precepts of economic theory we shall find that the economy is both everywhere and nowhere. Economizing is an essential part of human action. It pervades thought and action to a greater or lesser extent in all kinds of situations. If we take the economy to be the locus of economizing, we shall have to find it in the experiences of love, religion, politics, war and play as well as in those of making and distributing the material means of life, or in the getting and spending of money. ^{But} The very fact that economic theory deals only with an aspect of action prevents it from identifying the economy as a distinctive set of interrelated operations, such as those of the production, and distribution of material things. Here economic theory leads us nowhere, because it deals with an orientation toward action rather than action itself.

Outline (2)

WARRRY

Outline: Doctrinal development.

Conventional view of the relation betw. polity and economy arises with emergence of polity and economy in 17th and 18th cents.

Hobbes: fundamental statement of nature and necessity of political order in liberal, utilitarian society.

"artificial" (not natural law) character of polity.

absolute power to sovereign; sovereignty the only basis of rights and obligations, including property rights. The state, the polity is the creative center for all powers granted to individs.

Locke: Separation of economy from polity as property rights given natural law foundation (rights inhere in man), labor theory of val; function of state re economy to protect rights generated in private sphere by labor and exchange.

Smith: First analysis of exchange as a system of order see The of Mor. Sent. for breadth of exchange concept.
W. of N., theory of market exchange.
Separation of economy from polity remains; now exchange as a separate order is given natural validity in instinct to Tr., B and exchg.

But the economy remains restricted largely to the substantive sphere through the labor theory of value.

Marshall: Subjective value revolution and expansion of concept of economy and exchange sphere.

By shifting to scarcity as source of value rather than labor, sphere of economy expands to include all scarce values; anything saleable. Intangible property.

The battle is won and lost in Marshall's principles. Starting with substantive concept, he is forced by logic of his theory to free the economy from substantive moorings. Now the economy is the exchange order and it is everywhere.

Poliform ^{civilizations} ~~AREAS~~ :

4

MARKETS? absence?

fringe non-pushables
interest

operations: "referencing with?"
at "price"
king merchants

{ Temple - oikos
palace - oikos

oekonomika II:

the man of information contained in
Dec II in regard to the use of
market devices by redistributive
authorities.

{ Clearances + the structure of the
+ export trade accounts
(in the light of 1920-40)

{ Pyramids

Robo money

forget these I would list the
~~relationships~~ ^{relationships} obtaining between
(1) the relations of trade relations
to market exchange in an archaic
society.

(2) ~~the relationship of~~
~~ancient society~~
the coherence of beliefs
ancient legal and anthropology
anthropology

(2) the pooling of information
gained from the study of
ancient ^{evolutionary} ~~evolutionary~~ ^{relations} ~~relations~~
~~about that of~~ ^{that of} ~~shaping~~ ^{and} ~~processes~~ ^{processes}
pre-literate societies.

Ad (1) ~~the~~ ~~initial~~ ~~stage~~ ~~of~~ ~~the~~ ~~to~~
~~trade~~ ~~relations~~ ~~in~~ ~~initial~~ ~~stage~~ ~~of~~ ~~the~~ ~~to~~
trade ^{relations} ~~relations~~ ~~in~~ ~~initial~~ ~~stage~~ ~~of~~ ~~the~~ ~~to~~
led ~~to~~ ~~the~~ ~~formation~~ ~~of~~ ~~the~~ ~~initial~~ ~~stage~~ ~~of~~ ~~the~~ ~~to~~
descriptive picture clearer picture
of the social ^{relations} ~~relations~~ ~~in~~ ~~initial~~ ~~stage~~ ~~of~~ ~~the~~ ~~to~~
irrigational surplus.