

AGENDA

PRELIMINARY MEETING OF INTERDISCIPLINARY PROJECT, MONDAY, 5 OCTOBER 1953

I. Prof. Polanyi:

Broad aims of Project:

- A. Advanced work by associated scholars in their own fields.
- B. Joint undertakings, ie. interdisciplinary work.
- C. The training of students in interdisciplinary work.

II. Discussion of specific work and projects to be undertaken:

A. Profs. Arensberg and Polanyi:

Food transactions and equivalencies in tribal and archaic societies.

B. Mrs. Arnold:

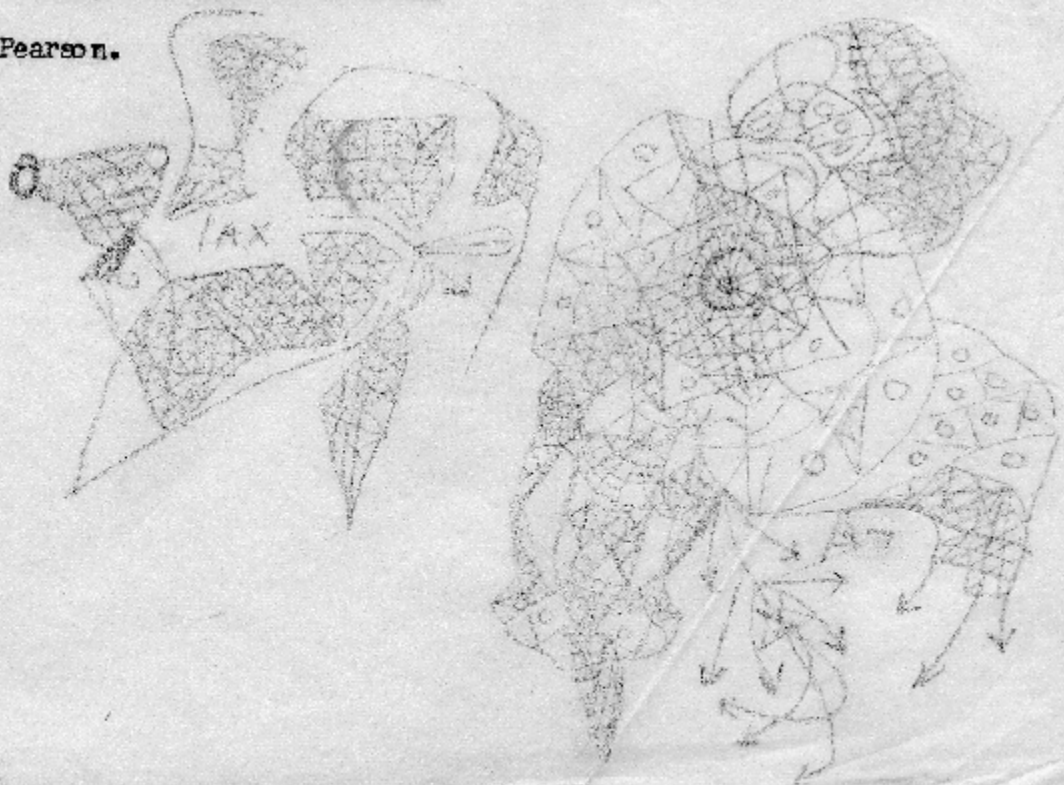
Trade and markets in the early American settlements.

III. Immediate tasks:

- A. Project students to prepare discussions of Ch. III, Semantics of General Economic History, from point of view of their own work experience.

IV. Preliminary notes on conceptual foundations of institutional analysis as applied to the study of man's livelihood.

Mr. Pearson.



INTERDISCIPLINARY PROJECT - ECONOMIC ASPECTS OF INSTITUTIONAL GROWTH

October 19, 1953

MEMO to: All seminar participants
re: date of seminar meeting; project hours and information.

The date of the next seminar meeting has now been set for Wednesday, October 28, at 7 pm, (not, as previously noted, Monday, October 26). The meeting will be held at Professor Polanyi's apartment, #76, 423 West 120th St., N. Y. 27.

Copies of the agenda are now in preparation and will be sent to all participants within the next few days.

All inquiries concerning project affairs may be sent or made by telephone to me at this address, tel: Monument 6-1223, on Mondays from 10 to 12 a. m. and Wednesdays from 2 to 5 p. m. On other days the project secretary, Miss Alexandra Krinkin, may be reached some time between 11 and 12 a. m., or from 2 to 4 p. m.

Harry W. Pearson
Project Executive

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"INTERDISCIPLINARY PROJECT - ECONOMIC ASPECTS OF INSTITUTIONAL GROWTH"

Under the auspices of The Ford Foundation
Behavioral Sciences Division

Directors: C. Arensberg and E. Polanyi
Columbia University

AGENDA: Work seminar, October 28, 1953
Time of meeting, 7 p. m.

Project #1: Food Distribution and Equivalencies, (continued).

Food Equivalencies in their Institutional Aspects

- (a) Theoretical Introduction: definition; forms of integration; operational devices. (Polanyi)
- (b) Aristotle on equivalencies. (Finley)
- (c) The problem of equivalencies in the cuneiform economies. (Oppenheim)

Suggested readings

- (a) Semantics of General Economic History (Revised), pp. 20-24.
- (b) Aristotle, Politics, Bks. I and III, pp. 31-51, esp. 39-41. (Loeb editions)
The Nicomachean Ethics, Bk. V, v, paragraphs 1-16, A pp. 279-328.
- (c) "The Laws of Eshnunna", trans. by A. Goetze, (either in Sumer, Vol. IV, no. 11, September, 1948, or in J. B. Pritchard, Ancient Near Eastern Texts, 1950.

Arist

INTERDISCIPLINARY PROJECT - ECONOMIC ASPECTS OF INSTITUTIONAL GROWTH

Seminar meeting, November 16, 1953

Agenda: Food Distribution and Equivalencies (cont.)

I. Moses Finley - Aristotle on equivalencies.

II. Marshall Sahlins - The problem of equivalencies in primitive Polynesian Economy.

I. Finley

Aristotle on equivalencies not a precise title, more exact is Aristotle on exchange.

The history of economic doctrines make a bow to the ancient world while assuming that those people did not understand economic theory. This is true in so far as there is no book from the ancient world on economics.

Aristotle creates a special problem because as the world's greatest pansophist he wrote no special book on economics. Why was it that not even Aristotle not develop an economic theory? There are only a few paragraphs on economics scattered throughout his works, the most important being those in Politics, Ethics and in the Constitution of the Athenians. This latter work was not rediscovered until 1890 and so it was unavailable to most of the 19th century economists. But even in this work there is no economic analysis although there is material for economic analysis.

Aristotle was a contemporary of Alexander the Great and died ca. 322 B.C. This period was a great turning point in Greek history. The polis was on its way out and the monarch about to come in with Alexander the transitional figure.

What have people thought were Aristotle's economic theories:

1. Catholic view as expounded by Thomas Aquinas is still being repeated today as for example in the book by ~~De Pomer~~ in 1932. Here the emphasis is on what is natural as against what is not natural. A pagan ~~Latin~~ basis is found for certain "natural rights" as for example property and the right of just price, etc. Thomas Aquinas thought there should be no middle man. He also found confirmation for the biblical condemnation of usury.
2. The 19th and 20th century writings of economics treat Aristotle as a great man in general but as an idiot in the particularity of economics. They claim he did not understand; that he stumbled on the theory of marginal utility and didn't even realize it. See Soudik on the Proceedings of the American Philosophical Society for 1952, Vol. 96, No. 1, pp 45-75
3. Marxian approach. Marx in his Capital asserts that Aristotle was not able to understand the concept of value i.e. human labor because he lived in a slave society where human labor was thought degrading. Marx however credits Aristotle with a great insight, with discovering ~~that~~ the equality of commodities that is that all commodities possess one quality in common. Eric Held publishing in 1924 on ancient economic theory contends that because Greece did not have a capitalist economy the Greeks could not possibly have made an economic analysis of their society.
4. The classical ^{view} assume that the economists must know what they are talking about and thus usually accept the second appraisal of Aristotle.

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ARISTOTE. ETUDES
SUR LA "Politique"

In short, the prevailing view is that Aristotle fumbled in economics.

This is true if it is assumed that Aristotle was talking about a market economy. But was he? No. Then what was he talking about? In order to answer this first we must examine some of the content of Aristotle's thought:

1. Unfortunately Aristotle is known as a philosopher hence it is deduced that he did not know what was going on in the market place. The latter is not true. Politics and the Constitution of the Athenians reveal that he knew a great deal about what went on in his day, that he had an amazing command of detailed knowledge of local conditions such of which was gotten with the assistance of his students. He was very very familiar with the market place.
2. Everyone has heard from Aristotle that "man is a political animal." In truth he said "man is a polis animal." Polis was translated as political but in the meaning of Aristotle polis is the perfect form, the natural form that is man operating within the polis. To Aristotle ~~man~~ is not an abstract idea but rather the perfect citizen of a polis. He was not concerned with the abstract isolated needs of the individual. Here is where Soudik makes a fundamental error. Politics is not about politics but about the polis. The Greek word for Plato's Republic is polis auxi for some reason this same word was translated as Politics as the title for Aristotle's work.
3. Underlying Aristotle's concepts on biology, psychology, sociology, etc. is the assumption that men are fundamentally, by nature, unequal. Men are unequal not only because of ~~the~~ accidental status but because their souls are unequal; they are unequal by nature - this is a biological assumption. Thus some men are born to be masters and others to be slaves. Aristotle recognized that sometimes accidents occurred, as during a war, where men who were born to be masters might become slaves by being captured, etc.
4. Aristotle assumed that the fundamental aim of both the household and the polis in so far as they were concerned with problems of food, shelter, etc. was self-sufficiency or autocracy. This self-sufficiency was considered natural i.e. provided by nature except for certain items such as salt and metals. Thus he conceived that the achievement of self-sufficiency by both the household and the polis as natural.

Turning to the literary context of Aristotle's ~~in~~ discussions on economics in Politics and Ethics we see that the former context is property and the latter justice.

In Politics (Bk. I, iii, pp 131-51, Loeb edition) he treats the nature of wealth of property and goods. The Greek word (οικονομία) usually translated as ~~most~~ economics ~~οικονομία~~ literally means management of a household. The Greek word (χρηματιστική) is translated as money getting, the root of this verb being to use thus this word has been interpreted as demand and thus in modern economic usage opposed to supply with the concomitant implication of marginal utility. ~~The other part of the latter word means property or things which can be used.~~ Apparently Aristotle has not used the word translated as economy strictly in the sense of management of a household. Obviously in his time there was no technical terminology for such matters and so the terms he employed did not have any specialized meanings as such but rather their meaning was implied in the context in which he used the word. He uses the term "money getting" in two senses: as money getting, trade etc. and in connection with self-sufficiency as referred to above.

In is in this latter sense that he employs it in the passages of Politics.

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Here then "money getting" refers to the problem of wealth and of needs of the people. Wealth is related to needs because acquisition is the means by which things are made available for the fulfillment of needs. He deals with the proper use of things. Is wealth limited or unlimited? Aristotle asks. He answers: Wealth is limited. The household and the polis have to have necessary goods or wealth and these are limited. The needs are limited therefore the wealth which supplies these needs is also limited. Money is a tool to acquire the necessary wealth. Aristotle recognized that people wanted to acquire as much money as possible and that in this sense it was unlimited but he insisted that wealth in its proper sense was limited. There are natural ways of acquiring wealth as for example by agriculture, fishing, hunting, war and exchange - a certain kind of acquisition.

Polanyi Aristotle calls it trade not exchange. There is a slight difference.

Finley Correct. (Continues)

In Ethics (Bk. V, v, paragraphs 1-16, pp. 279-289, Loeb editions) justice is the context. He discusses three types of justice: distributive, corrective and exchange. In order to distribute honors, security and wealth (goods and property) there must be some sort of principle upon which the distribution will be made. This principle must take the natural inequality of man into consideration, and the distribution must conform to this inequality. If everyone is given honors then there will be no honors. In battle, for example, it is impossible for everyone to have the same security, some must be assigned safer positions than others and so forth. In these passages Aristotle has been interpreted as talking about ~~an~~ scarcity. This is not so. Corrective justice involves voluntary and involuntary transactions. Where there are relations between two persons, one of whom has suffered some injustice from the other the problem is to give back to the loser that which he lost, to restore the balance. In contrast to the Orient where tables of lists of punishments and penalties were used as references in the judging of crimes here in Athens each case was discussed individually and the judge had to solve the problem of how the accuser and the accused could be put back into the situation in which they were prior to the crime. In this context A. noted that exchange justice is not similar to ~~either~~ distributive nor corrective justice. A. considered that exchange was ~~just~~ in so far as it involved exchanging of necessary goods that is of wealth which would be used to supply the needs of the household or the polis. He therefore considered gain or profit unnatural and was opposed to the middle man.

I In Politics A. asks, "How did trade (or exchange) come to be?" In the self-sufficient household there was of course no such thing. But when the community out grew the household and many households were formed then one household might not have everything it needed because it did not harvest sufficient grain or lacked wine, etc. Thus if after attempting to acquire wealth by natural means, i.e. by agriculture, hunting, fishing, extractive activities, war, etc. the household still lack sufficient wealth for its needs then it was natural to trade or exchange in order to acquire the objects specifically needed.

Polanyi As the number of households increases some of them break off and form new households and therefore are no longer self-sufficient and so must exchange with other households.

- Finley A. considered that the polis might import goods if it were necessary to supply its "natural" needs and only under this condition did he justify importation.
- Polanyi The point here then is that money should not be made in trade.
- Finley A. saw that once money was introduced trade was aimed at personal gain.
- Arensberg These are familiar ideas. They occur again and again throughout history.
- Finley An important question to be asked is, did A. understand value?
- Polanyi A. was talking about things that really existed. He was an empiricist.
- Finley In his Ethics A. clearly states that justice is not simple reciprocity. His criterion of justice as applied to exchange or trade is the people in a specific situation and not their work. For example if ~~axaxaxaxaxaxaxax~~ exchanging A ~~xxxx~~ a housebuilder and B's product were to exchange with B a shoemaker his product B' the determining factor which would regulate the exchange would not be the products to be exchanged but the ρ status of the persons doing the exchanging. In this light and given the natural inequality of man a just exchange between two people of unequal status would necessarily be unequal. Unfortunately A. does not specify how you define status. Money was instituted according to A. because a way had to be found to measure. Another stipulation for trade was ~~xxxx~~ that the two parties had to need what the other had. This passage often gets interpreted as evidence of A.'s awareness of demand. In the context of a modern market economy this does not make sense as most modern economists have noted. However A. was not talking about a market economy.
- Polanyi A. does not deal with commercial trade, ~~in the~~ Ethics.
- Finley There is no place for ~~xxxx~~ gain in A.'s scheme.
- Polanyi Why was A. always regarded as absurd? Because he specifically states that of prime importance is who is doing the buying and who the selling. In a price economy this is ~~not~~ important.
- Finley A. was aware of what was going on. He knew about gain and the market but this was not his problem. He was not cognizant of 19th century market theory but of the institutions through which livelihood was organized. In Politics he explains how commercial trade came to be and what was wrong with it but he is not concerned with the merchants, nor gain, etc.
- Polanyi Why did Hellenistic culture decline? Rostovtzeff tells us that because the polis refused to disintegrate. Remember that the polis remained the fundamental unit for the next 500 years.
- Arensberg The polis was found still in the 16 century (A.D.) in the Crimea.

By name
irrelevant.

- Gussov What about the aliens?
- Finley Not all the aliens were in the same category. There was for instance an important difference between the metics and other aliens. †
- Polanyi When A. talks of unequal status he is referring to the citizens of the polis.
- Finley A. did not treat commercial trade in Athens nor how much trade went on within the polis.
- Polanyi The polis could not exist without a market; if allowed for the self-sufficiency.
- Leeds What about interest and usury?
- Finley There are no known laws from the Greek world which prohibit interest. The taking of interest went on but apparently no one complained of it at least there are no complaints against usury in the literature.
- Arensberg The citizens of the polis were farmers while the metics were not. †
- Polanyi The citizens were also day laborers, artisans, small merchants.
- Finley As in Rome, so in Athens some citizens could not vote. In Athens some citizens were men of leisure but Socrates is said to have been a stonemason by trade although he quit this trade at the age of 12.
- Arensberg The polis historically descended from the joint household - village farmers.
- Finley It is true that farming was an esteemed profession. A. said - if you must work be a farmer but on the other hand if you inherited commercial wealth this is O.K.
- Polanyi A. thought that a farmer was an exception to others in that he could honorably do manual labor.
- Arensberg Here A. was referring to the free village of equal farmers.
- Finley In the 4th c. B.C. the majority of polis citizens are urban dwellers. A.'s different levels of inequality refer to the farmers and those who do not have to work. By nature they are unequal.

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COLUMBIA UNIVERSITY

INTERDISCIPLINARY PROJECT: ECONOMIC ASPECTS OF INSTITUTIONAL GROWTH

Under the auspices of The Ford Foundation
Behavioral Sciences Division

Directors: Professors C.A. Arensberg and K. Polanyi

MEMO to: all seminar participants
re: time and agenda for work seminar meeting

TIME: December 14, 1953 at 7 (seven) P.M. To be held at 423 West 120 St.,
Apt. 76, New York 27.

AGENDA: Project # 1: Food Distribution and Equivalencies (cont.)

- (a) Hard Grain Economies. (Arensberg)
- (b) Indian Village Economy. (Levine)

Suggested reading:

- (a) Principles of Anthropology, Chapple and Coon, New York, 1942
chapters 8 (husbandry), 10 (techniques), 11 (division of labor)

Historical references:

- (b) Village Communities in the East and West, Maine, Henry J.S.
- (c) English Village of the Thirteenth Century, Homans, George C.

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COLUMBIA UNIVERSITY

INTERDISCIPLINARY PROJECT: ECONOMIC ASPECTS OF INSTITUTIONAL GROWTH

Directors: Professors K. Polanyi and C.M. Arensberg

Under the auspices of The Ford Foundation
Behavioral Sciences Division

MEMO to: all seminar participants
re: time and agenda for work seminar meeting

TIME: February 8, 1954 at 7 p.m. To be held at 123 West 120 St.,
Apt. 76, New York 27.

AGENDA:

Questions on Forms of Trade and Money Uses in the Ancient
Near East. (Polanyi)

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COLUMBIA UNIVERSITY

INTERDISCIPLINARY PROJECT: ECONOMIC ASPECTS OF INSTITUTIONAL GROWTH

Directors: K. Polanyi and C.M. Arensberg

TO: All seminar participants.

RE: January meeting of the seminar.

Date of seminar: Wednesday, January 12th at 6:30 p.m., 423 W. 120th Street, Apt. 76.

Agenda: Notes on Berber markets and tribal organization. (Francisco Benet)
Beginnings of local food markets and market trade in the Old World.
(Prof. Polanyi)

Please note the new earlier time for the seminar meeting.

Columbia University
in the City of New York
[NEW YORK 27, N. Y.]

423 West 120th Street
New York City 27
July 27, 1957

INTERDISCIPLINARY PROJECT

Economic Aspects of Institutional Growth

You are invited to join in the discussion at the next meeting
of the Interdisciplinary Project:

Date: Monday, August 5, 1957
Time: 10:30 a.m.
Place: Apartment 76 (Polanyi)
423 West 120th Street
New York City 27 (MO-6-1223)

Subject for discussion:

Equivalencies and the Development of Exchange Institutions
--Karl Polanyi

This will be a regional survey of equivalencies in antiquity
and their role in the distribution of foodstuffs. It will include
a survey of:

1. equivalencies
2. elite circulation
3. poor man's money
4. rations

An outline of this survey will be sent you prior to the meeting.

Very truly yours,

Harry W. Pearson
Harry W. Pearson
Executive Secretary

HWP:L

LIST OF PERSONS NOTIFIED OF AUGUST 5, 1957
INTERDISCIPLINARY PROJECT MEETING

(MI-0200 E 1650
B.H. [unclear])

Leo Oppenheim - Oriental Institute, Chicago, Illinois

~~Tony Leeds - 443 Riverside Drive, New York City 27~~

8-1240

Dr. Martin Ostwald -- 117-01B Park Lane South, Kew Gardens, N.Y.

Hi 1-1848

Dr. Walter M. Neale - Maltby Lane, Branford, Conn.

H. [unclear] 8-5712

Thomas Hazard, 517 W. 113th Street, New York City 25

Stephen Carus - 598 West 178th Street, New York City 33

WA 3-0396

Terence Hopkins - ^{214 E 15th} 90 Bedford Street, New York City

WA 3-6573

Dr. Paul Bohannon, Dept. Economics and Sociology, Princeton University
13, Alyce Court, Trenton NJ. Princeton, N.J.

Professor Conrad M. Arensberg, 35 Sandford Road, Fairlawn, N. J.

Fairlawn

Emmett Mulvany, 32 Earl Street, Toronto 5, Ont. Canada.

4-3776
WA 3-0022

Karl Polanyi, R. R. 3, Pickering, Ont. Canada

AT 2-5488

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copy

Columbia University
in the City of New York
[NEW YORK 27, N. Y.]

MEETING OF INTERDISCIPLINARY PROJECT:

TIME: Mon., Sept 9, 10:30 a.m.

PLACE: Apt. 76, 423 W 120th., N.Y.

SUBJECTS FOR DISCUSSION:

1. Money Uses and Patterns of Integration -

C.M. Arensberg

2. Fr. Steiner's, "Toward a Classification of Labor"-

W.C. Neale
Paul Bohannan
Terence Hopkins

3. "Our Daily Bread", Luke 11:3 -

Daniel E. Gershenson

4. The proposed Symposium on money -

H.W. Pearson

(sgu) HWT