

Columbia University  
in the City of New York

NEW YORK 27, N. Y.

DEPARTMENT OF ANTHROPOLOGY

December 23, 1957

Dr. Norman Buchanan  
Director  
Social Sciences Division  
Rockefeller Foundation  
49 West 49 Street  
New York, New York

Dear Dr. Buchanan:

May I submit through you in the form of a letter an inquiry about a joint and an individual application to the Foundation for support of research?

The joint proposal asks for the support of the Foundation for a three-year project of comprehensive research into the social and economic effects of the use of money in non-Western and early societies. It is proposed by a group of historically-minded economists about Professor Karl Polanyi (retired) and of anthropologists including myself, and would be housed in the Columbia University Department of Anthropology. If the Foundation is inclined to consider the proposal for support, I will move at once to make formal application through the University.

The individual proposal would be support for myself of a year's leave from teaching, to allow me to consolidate my research experience, to bring to fruition my own contribution to the proposed comprehensive research, and to devote myself to the parallel production of a book of my own on models of social process summarizing accumulating comparative empirical data on behavior and organization in human institutions now at hand in sociology and anthropology.

Brief statements of the proposals follow: one joint, signed in common; the other personal and detachable, signed by me alone. We shall all be grateful for the Foundation's consideration of them and of the possibility of its support of both or either.

Yours truly,

Conrad M. Arensberg  
Professor of Anthropology

CMA/dg

## JOINT PROPOSAL: PLAN OF RESEARCH

The aim of the <sup>the</sup> proposed joint comprehensive research into the social and economic effects of the money in non-Western and early societies is two fold.

We hope, first, to resolve a number of definite problems that arise in the history of antiquity as well as in primitive and archaic societies in regard to the origin and function of money institutions. Secondly, we wish to link the insights thus gained with the general development of economic institutions in archaic societies, and ~~then~~ beyond that, with the emergence of market trade and price-making markets. It may perhaps not be too much to expect that this would eventually produce a much-needed clarification of the substantive foundations of trade, market, and money as institutions and of the historical development of their interrelations. In addition, further understanding of the evolutionary aspects of these interrelations will not fail to have important bearing on current knowledge of the development of such institutions and institutional connections in the changing contemporary non-Western world.

The interdisciplinary nature of our subject is convincingly borne out both as to matter and approach by our previous experience in the field of trade and market. Anthropology and economic history approximate not only as to subject-matter but also as to the approach required. In the absence of price-making markets -- a comparatively late development -- economies are integrated not by a special economic structure but rather by social structures provided by kinship, polity, and religion. The study of the causes and effects of money institutions of necessity comprises the data of cultural and social anthropology alongside of those of economics and history. In regard to the approach -- a variant of institutional analysis -- common concepts and terms have been evolved. Empirical and theoretical efforts proceeded pari passu. (See indices in Selected Memoranda, Volume IV).

Our book, Trade and Markets in the Early Empires (1957) is further evidence of results, modest though they be, ~~wh~~ which we hope may prove a permanent contribution to the field. The separateness of trade and market institutions asserted there led to the uncovering of the port of trade as the almost universal organ of overseas trade in pre-modern ages. The recognition of the absence of market places in cuneiform civilizations involved a reappraisal of the level of classical Greek economy and of its reflection in Aristotle's "Economics." In the field of economic development the theory of natural surpluses was subjected to criticism pointing to the institutional nature of the surpluses that induce growth.

*limited*  
The primary finding upon which the proposed research in hitherto unexplored fields of money rests is the distinction between modern all-purpose money and the ~~special~~ <sup>special</sup> purpose moneys of early societies and recent non-Western ones. This opens the way to analyzing the array of devices and social arrangements which perform certain monetary functions in early societies. We would thus examine such phenomena as gift exchange and elite circulation, "poor man's money," the "near" money function of treasure, valuables and bride wealth, operational devices for enumeration and record, rations, and equivalencies. One of the major problems

for the student of either early or recent non-Western societies is the function and significance of such economic institutions, here called archaic as only rarely occur in fully primitive society, but which disappear again with the advent of extensively used exchange money. Of a fairly long list we will here mention only a few, such as debt bondage, antichretic pledge, pawning of children, storage economy, equivalencies, brokerage, staple finance, auction, and leiturgies as developed in classical Greece. It is easy to see that a general use of exchange money would tend to make them obsolete.

To sum up, our purpose is to explore the social situations in which money uses first appear, the functions performed by different moneys in specific situations, the development of more complex monetary systems as they are related to social, political, and economic development, and, finally, the full range of the effects which different money uses have produced in the total culture. For money as a means of measurement has the peculiar capacity of changing the relation of the situations in which the measurement took place. Investigations would show what money uses are responsible for this sui generis effect of monetarization comparable only to the introduction of language or writing.

#### ORGANIZATION

In order to accomplish the task set out above we propose a three years' effort to be organized in the following manner:

Director - Conrad M. Arensberg, Professor of Anthropology, Columbia University

Executive Director - Harry W. Pearson, Economics, Bennington College  
(there is no academic rank at Bennington)

Consultant ~~Director~~ - Karl Polanyi, Visiting Professor of Economics, Columbia University (1947 - 1953)

Research Associates - In addition to the officers, the working nucleus of the project would consist of a group of scholars who are placed at various universities in the East, and who have been in close communication in their work off and on over the past four and one-half years, and many of whom have been in close contact for much longer periods. Among these are Paul J. Bohannan, Assistant Professor of Anthropology, Princeton University; Dr. Walter C. Neale, Instructor in Economics, Yale University; Terence K. Hopkins, Instructor in Sociology, Columbia University.

Each of the research associates would undertake an independent study of early money institutions within the field of his special competence.

#### INTEGRATION OF RESEARCH

(a) Monthly meetings would be held in New York to coordinate research findings and to stimulate, through cross-fertilization of ideas and methods, new efforts.

(b) The collation of our systematic survey

(b) The collation of our systematic survey data in graduate classes of anthropology will be undertaken.

(c) There are a number of special problems that will arise in the fields of classics, medieval history, or Assyriology. For such problems scholars in these fields, with whom in most cases we have already been working, will be called upon for reports.

## PUBLICATION

Our plan is to publish twice each year, probably in bound mimeographed volumes, papers produced by project members on the common theme. It would be the function of the Executive Director to supervise these publications. Eventually the most significant of these would probably be published in book form.

## CONFERENCES

In at least one of the years of the project it is hoped that a conference of a wider group of interested scholars might be held, probably at Bennington College, where facilities have already been offered. This would provide an opportunity to put results to the test of the critical review of a wider group of scholars.

## TENTATIVE BUDGET PROPOSAL: (Three years at \$40,000 per year)

### Annual Budget

#### A. Professional Salaries

##### 1) Directors

a) K. Polanyi		\$ 6000	
b) C. M. Arensberg		2000	
c) H. W. Pearson		<u>2000</u>	\$ 10,000

##### 2) Research Associates<sup>(1)</sup>

a) 4 per year @	\$ 1200	4800	
b) 1 per year @ (F. Bohannan)	<u>1500</u>	<u>1500</u>	6,300

##### 3) Specialist Reports

a) 5 per year @	600 (ea)	3000	3,000
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(1) Item No. 2 is viewed as \$1200 to be paid for 6 months of intensive research and writing involving, say, a summer and part-time of an academic term. The research associate would be in continuous contact with the Project during the entire year, however. Associates would probably be: Walter Neale, Terence Hopkins, Paul Medow (Rutgers).

## 4) Anthropology Graduate Students

a) 2 per year @	\$1000 (ea)	\$ 2000	\$ 2000	\$
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## 5) Research Assistants

a) K. Polanyi @	2400			
b) C. M. Arensberg @	<u>1000</u>	3400	3400	24,700

## B. Research Expenses

## 1) Secretaries (2)

a) K. Polanyi @	800			
b) C. M. Arensberg @	800			
c) H. W. Pearson @	<u>1500</u>	3100	3100	

2) Travel (3)		4000	4000	
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3) Phone		1000	1000	
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4) Mimeographing		1000	1000	
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5) Publication		1500	1500	
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6) Conference		1500	1500	12,100
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C. Reserve				<u>3,200</u>
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Grand Total				\$40,000
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Signed,

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 Karl Polanyi

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 Conrad M. Arensberg

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 Paul Bohannan

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 Harry W. Pearson

(2) Item No. 1: The \$1500 for H. W. Pearson is for a half-time secretary for the project executive director to assist with all project communication and editorial work.

(3) Item No. 2: It is estimated that with monthly meetings of eight to ten, coming from various distances, the cost would be about \$325 per month.

INDIVIDUAL PROPOSAL (Detachable): STRUCTURAL-PROCESSUAL MODELS  
OF INSTITUTIONS

A detachable proposal, in no way indispensable to the joint effort just described, but certainly both contributory and of importance in my personal development, is that I ask the Foundation to support me in research and writing for a year's leave, most probably in 1959-60, the second year of the joint project's life, when in any event I shall be eligible for over-due sabbatical leave and at the end of my current administrative commitment (Chairmanship) of my Department. The research and writing would be on subjects parallel to and usable in the joint project, which I would continue to direct as proposed above, but would far transcend my directional contribution to it.

In the proposed free year I should write a book presenting a number of proved structural models of relationships among the data of several lively areas of current empirical social science research. The structural models would embody the method and theory of structuring data developed, from modern natural science where other than statistical methods are in vogue, by Levi-Strauss for culture in ANTHROPOLOGY TODAY (Chicago, 1953, Kroeber et al., eds.) and in my recent articles, "Community Study Method," "American Communities," "In-plant Sociology: Real Contributions." They would attempt to generalize, in inductive theory-building, the cumulating field-work data of culture and behavior in kinship, in community studies, in non-western economics, and in industrial relations small group and "social-systems" ("human relations") studies. They would do so by constructing appropriate structural models, in which the form and processes of culture patterns, in institutional and social systems, are connected in mutual dependence with the sentiments (values), attitudes, and performances of the group-members and all in turn fitted to and derived from the recorded regularities of interpersonal interaction.

Materials for the creation of such generalizing and comparative structural models of behavior and its correlates in the various areas named already exist, partly assembled, and explanatory models exist in varying degrees of what seems to be successful invention and fit. I should use the year to assemble more materials and continue experimentation with creating and testing the models.

A first part of the work, or first chapters of the book, would develop a family of models explaining, by hypothesis, the kinship systems of the world. Kinship is an area of culture, behavior, and social organization in what may be the penultimate stages of successful conceptualization and explanation by anthropological science. My present structuralizations seem to indicate that the already achieved partial generalizations of kinship organization and behavior by Murdock and Levi-Strauss can be further synthesized into a master family of models for the distribution of potential mates among families (a fruitful line of explanation opened but not completed by Levi-Strauss) and that the world's kinship systems represent a mathematically regular and simple series on increase in number of interacting, children-exchanging families from 0 through 8 and up (N).

The second part of the work, and of the eventual book, would treat the inter-connections of behavior and attitude, communities, and culture. I have assembled material from cross-cultural community-study field data suggesting that there are important dependencies upon one another uniting forms of the human community, in land-use and calendric features of its social and technical organization, and the values and personality components of a culture. These suggest that in significant ways the community functions as a representative unit of minimal organization and culture-trait transmission for each culture. When the now-reported variations of the human community are cast in structural model form capable of ordering these dependencies according to differences in measures of the interactive behavior of their inhabitants, explanations of culture and institutional experience in various parts of the world seem to be forthcoming. The second part of the work would be to explore such structural models for community-culture correlation and to describe and report on them.

A third effort of research and part of writing of a book would be devoted to the invention of structural models representing the empirical inter-connections between patternings of interpersonal, interactive behavior and culture-trait and institutional emergence, together with formation of sentiments and attitudes motivating new behaviors, in the two further areas of current social-science research cumulation: (1) "primitive" and other-than-western economic systems, and (2) group research, particularly in industrial settings where field-work observations have been employed.

For (1) I have made a modest start at assembling, with the aid of the Polanyi-Arensberg Interdisciplinary Project on the Development of Economic Institutions, now culminated in our book, *TRADE AND MARKETS IN THE EARLY EMPIRES* (cited in the joint proposal), comparative economic behavioral data from many cultures, both those accessible to economic historians and those reported by anthropologists treating economic matters. Such data are tell-tale for the vexed economic-theory question of the universality of the behaviors and motivations characteristic of the market-system. Following Polanyi's classification of these data into several empirically-supported alternative economic systems, at variance with or historically antecedent to the market system of classical economic theory, it seems likely already from correlational and functional exploration of cultural and social concomitants of these alternate systems and their particular economic institutions that, in general, economic institutions vary with, and repeat in the organization of productive effort and distribution of goods and services, the forms of interpersonal inter-action patterned into the other culture and social-organizational features of any given society. These interpersonal action patterns, describable in the universal operational measures for interaction originally presented by myself, Chapple, Coon, Whyte and Homans, need to be established firmly and the empirical regularities and dependencies they suggest need to be put into summary structural-model terms. I shall attempt some of this myself; but I also hope to direct such effort in others: graduate students and future collaborators in particular in the joint comprehensive project to run parallel here and in my graduate research seminars.

The creation and fit of structural models serving for economic data from anthropology would, of course, be the main contribution of the students and assistants from anthropology which I should be able to set to work under the joint comprehensive project's

budget line assigned to anthropology. Nevertheless, during my free year of most intensive work, I should like to be able to draw on the intensive collaboration of Dr. Paul Bohannan, working directly within anthropology instead of in the interdisciplinary collaboration of the joint project. It would be useful if he could be freed, in the summer of 1959, at the beginning of my potential free year, for such collaboration. We would like to make it a detachable charge upon my personal proposal that such a summer be provided for him from his commitments at Princeton. (I enclose his letter to me in explanation of this proposed arrangement.) Abstract experimentation with the structural models which could best fit such data would continue to figure in my own work in the year of research proposed here.

Similar progress can be expected in small-group research, where models for the fit of changes in interpersonal interaction with processes in the production of change in attitude and individual performance or action already have begun to suggest themselves. (See article: "Behavior and Organization" in Rohrer and Sherif, as well as Homans' THE HUMAN GROUP.)

To continue this work and to free myself for the writing required as well as for the experimentation with the production of explanatory models and their trial for fit, I should also particularly need secretarial assistance in the preparation of manuscript, the typing of memoranda for discussion, comparison, and consultation with colleagues in the various substantive areas I have named for which explanatory models are required. I may need money as well for hiring draftsmen for experimentation with models in geometric form and for hiring young mathematicians for recasting these into quantifiably-verifiable mathematical propositions, but can draw on other sources for that.

The projected budget, then, of such a free year for myself would be, in addition to the \$2000 and the other moneys earmarked for my use in the parallel joint project, only my salary (I would not draw sabbatical pay that year) of \$10,500.00 and a half-time typist, at \$1800.00, plus \$1000.00 incidental or travel expenses (I should not go farther than my place in the Maryland countryside), or \$13,300.00. Plus the doubly detachable provision of a summer salary for Paul Bohannan, at \$1200.00, the full total of the individual proposal would then be \$14,500.00

For bibliographical references, see vita attached.

Signed \_\_\_\_\_

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SECOND DRAFT - DECEMBER 16, 1957.

May we submit through you our application to the Rockefeller Foundation for a project of comprehensive research into the social and economic effects of the use of money in non-western and early societies?

The aim of the proposed effort, very broadly, is two-fold. We hope, first, to resolve a number of definite problems that arise in the history of antiquity as well as in primitive and archaic societies in regard to the origin and function of money institutions. Secondly, we wish to link the insights thus gained with the general development of economic institutions in archaic societies, and then beyond that, with the emergence of market trade and price-making markets. It may perhaps not be too much to expect that this would eventually produce the much needed clarification of the substantive foundations of trade, market, and money institutions in their interrelations.

The interdisciplinary nature of our subject was convincingly borne out both as to matter and approach by our previous experience in the field of trade and market. Anthropology and economic history often approximate not only as to subject-matter but also as to the approach required. In the absence of price-making markets -- a comparatively late development -- economies are integrated not by a special economic structure but rather by social structures provided by kinship, polity, and religion. The study of the causes and effects of money institutions of necessity comprises the data of cultural and social anthropology alongside those of economics and history. In regard to the approach -- a variant of institutional analysis -- common concepts and terms have been evolved. Empirical and theoretical efforts proceeded pari passu. (See Indices in Selected Memoranda, Volume IV.)

Our book, Trade and Market in the Early Empires (1957) is further evidence of results, modest though they be, which we hope may prove a permanent contribution to the field. The separateness of trade and market institutions asserted there led to the uncovering of the port of trade as the almost universal organ of overseas trade in pre-modern ages. The recognition of the absence of market places in cuneiform civilizations involved a reappraisal of the level of classical Greek economy and of its reflection in Aristotle's "Economics". In the field of economic development the theory of natural surpluses was subjected to criticism pointing to the institutional nature of the surpluses that induce growth.

The primary finding upon which the proposed research in hitherto unexplored fields of money rests is the distinction between modern all-purpose money and the special purpose moneys of early societies. This opens the way to analyzing the array of devices and social arrangements which perform certain monetary functions in early societies. We would thus examine such phenomena as gift exchange and elite circulation; "poor man's money", the "near" money function of treasure, valuables and bride wealth; operational devices for enumeration and record; rations; and equivalencies. One of the major problems for the students of early society is the function and significance of such economic institutions here called archaic, as only rarely occur in primitive society, while disappearing again with the advent of extensively used exchange money. Of a fairly long list we will here mention only a few, such as debt bondage, antichretic pledge, pawning of children, storage economy, equivalencies, brokerage, staple finance, auction, and leiturgies as developed in classical Greece. It is easy to see that a general use of exchange money would tend to make them obsolete.

(4)

To sum up, our purpose is to explore the social situations in which money uses first appear, the functions performed by different moneys in specific situations, the development of more complex monetary systems as they are related to social, political, and economic development, and, finally, the full range of the effects which different money uses have produced in the total culture. For money as a means of measurement has the peculiar capacity of changing the relation of the situations in which the measurement took place. Investigation should show what money uses are responsible for this sui generis effect of monetarization comparable only to the introduction of language or writing.

#### Organization

In order to accomplish the task set out above we propose a three-years effort to be organized in the following manner:

Director - Conrad M. Arensberg, Professor of Anthropology, Columbia University

Executive Director - Harry W. Pearson, Economics, Bennington College  
(there is no academic rank at Bennington)

Consultant Director - Karl Polanyi, Visiting Professor of Economics, Columbia University (1947-1953)

Research Associates:- In addition to the officers, the working nucleus of the project would be selected according to their availability from a group of scholars mostly placed at various universities in the east. Almost all of these scholars were institutionally connected over the last four and a half years, some indeed for more than a decade. We wish to mention Dr. Paul Bohannan, Assistant Professor of Anthropology, Princeton University; Miss Anne M. Chapman, Anthropology; Terence K. Hopkins, Instructor in Sociology; both of Columbia University; Paul Medow,

Instructor in Economic History, Rutgers University; Dr. Walter C. Neale, Instructor in Economics, Yale University; Martin Ostwald, Assistant Professor of Greek and Latin, Columbia University; R.F.G. Sweet, Assistant, Oriental Institute, University of Chicago.

Each of the research associates would undertake an independent study of early money institutions within the field of his special competence.

#### Integration of Research

(a) Monthly meetings would be held in New York to coordinate research findings and to stimulate, through cross-fertilization of ideas and methods, new efforts.

(b) The collating of our systematic survey data in graduate classes of anthropology.

(c) There are a number of special problems that will arise in the fields of classics, medieval history, or assyriology. For such problems scholars in these fields, with whom in most cases we have already been working, will be called upon for reports.

#### Publication

Our plan is to publish twice a year, probably in bound mimeographed volumes, papers produced by project members on the common theme. It would be the function of the Executive Director to supervise these publications. Eventually the most significant of these would probably be published in book form.

#### Conferences

In at least one of the years of the project it is hoped that a conference of a wider group of interested scholars might be held, probably at Bennington College where facilities have already been offered. This would provide an opportunity to put results to the test of the critical review of a wider group of scholars.

One + only copy. June 12.

Dr. Norman Buchanan  
Director  
Social Sciences Division  
Rockefeller Foundation  
49 West 49 Street  
New York, N.Y.

Dear Dr. Buchanan:

*respectfully*  
May I submit through you an individual application to the Rockefeller Foundation for a project in the comparative study of the early forms of trade, money and market institutions?

The immediate occasion for the proposal grows out of the need *in an established conceptual framework* of ~~fructifying~~ *fructifying* a considerable amount of still untapped research ~~data~~ *data*, ~~in the framework of an established scheme~~. The material was collected in a sustained effort, carried on at Columbia University under my direction. The conceptual ~~scheme~~ *s* and the analysis *employed in the* ~~type of anal-~~ *framework* ~~is applied~~ derive from the aims and methods of the inquiry as a whole.

*Hence* A brief summary of its *origin and* history, as well as a tentative assessment of results attained, if any, may be in order.

*aims and methods*  
I. HISTORY OF THE INQUIRY

Beginnings may be traced back over more than twenty years, to preparatory studies for my "Great Transformation" (New York, 1944, also First Beacon Paperback edition, 1957). The *perspective* ~~outlook~~ was set there by Chapter IV, 'Societies and economic systems', and Chapter V. 'Evolution of the market pattern'. A two year grant from the Rockefeller Foundation enabled me to produce the book.

Starting with Spring, 1947, a graduate course of general economic history at Columbia ~~University~~ gave me the opportunity *of* ~~to~~ develop *ing* my viewpoint systematically; a short course on the economic institutions

of antiquity offered a further chance <sup>(to)</sup> of applying the new substantive definitions to historical material, chiefly Babylonian, Israel and ancient Greece.

In 1948 and the following years, Columbia University, acting through the Council for Research in the Social Sciences, endowed my work. ~~Its~~ <sup>I had described at the time, its general intent</sup> intent was described in my submission to the Council, as "research, serving a broadly similar purpose to that which, if on a much larger scale, was undertaken a quarter century ago by Max Weber ~~in~~ in his magnum opus 'Economy and Society'." ~~Accordingly,~~

~~Accordingly,~~ <sup>task:</sup> the task I set myself was <sup>a</sup> two-fold, "Primarily, to inquire into the origins <sup>s</sup> of trade, money and market institutions; secondarily, to ascertain the place occupied by economic systems in human societies, in general". These aims were consistently adhered to. ~~It~~

<sup>expressly</sup> The method followed was not identical with that of Max Weber, who discounted the value of economic anthropology for his theme and concentrated on the role of rationality in the emergence of modern civilization. On ~~the~~ the other hand, it differed also from the approach of the German Historical <sup>(as well as ~~the~~ of the</sup> school ~~and the~~ / American institutionalists. Both had attempted to transcend formal economics without, ~~however,~~ <sup>recognizing specific</sup> having at their disposal a positive system on which to rely. While not ~~discounting~~ <sup>recognizing</sup> the achievement of economic analysis, I was aiming at a comprehensive presentation of economies in societies. <sup>To this end</sup> ~~based~~ <sup>(was required)</sup> by way of a concept of livelihood, based on a substantive meaning of economic, <sup>and</sup> ~~fundamentally~~ <sup>valid</sup> <sup>for</sup> all the social sciences. In ~~doing~~ <sup>this</sup> ~~so,~~ I was following the example of Karl Menger, whose posthumous formulations <sup>(1923)</sup> have, unfortunately, been ~~ignored~~ <sup>by</sup> by-passed on the part of the broad stream of historians of modern economic doctrines.

~~It is too early to assess the degree of failure or success of this attempt.~~ <sup>It</sup> In the decades 1948-58 I concentrated on the first aim, the conceptual and empirical clarification of the origins of trade, money and ~~market~~ market institutions. Admittedly, publication lagged ~~behind~~ behind, ~~research~~ <sup>research</sup>

*expressly*

*Conceptual*

*J*  
*Stet!*

*2*

*Epam*

*Research had frequently to*  
~~mainly~~ <sup>order</sup> on account of the latter branching off ~~onto~~ interdependent subjects  
 in the endeavour to attain ~~comparative results that can be safely~~  
 reliable comparative results. Meanwhile, <sup>data</sup> ~~results~~ continued to be put on  
 record internally in a number of studies on Babylonian, Old Testament,  
 ancient Greek and native Dahoman economies, and filed with the C.R.S.Sc.  
 When, from 1952 onwards, support was forthcoming under a Ford Foundation  
 grant, which made the advice of the Assyriologist available, "Selected  
 Memoranda" were collected in four paper-bound volumes; in 1957, "Trade  
 and Market in the Early Empires" appeared <sup>as a</sup> ~~in~~ book form (The Free Press,  
 Glencoe, Ill.), containing many of the ~~Memoranda in revised form~~  
~~three~~ papers, in revised form, from "Selected Memoranda," vols. 1-3.

*Tentative assessment of results attained*

It is surely too early to assess the degree to which this attempt  
 has met with failure or success. Nevertheless, some ~~new~~ insights, modest  
 though they be, are claimed which may be hoped to prove a permanent cont-  
 ribution to our knowledge. At the time of writing the position in regards  
~~on which the management name to rest~~  
~~on the main points of fact by that name involved in the management name~~  
~~is summarized in the following~~ to ~~some~~ of the points of fact on which the main  
~~issues~~ issues turn, can be put as follows:

- Market places in Babylonian cities  
 1. The crucial assertion concerns the role of markets in ancient  
 Babylonia. It is seriously <sup>to be</sup> doubted whether the Sumerian, Old Babylonian,  
 Assyrian, Hittite and other cities ~~that lay~~ in the "cuneiform" range of  
 civilizations, possessed either market-places or any other ~~institutions~~  
 institutions that might embody a supply-demand-price mechanism. These ~~doubt~~  
 doubts, so I have been given to understand, <sup>essentially contributed to the decision of</sup> ~~have induced a Doctor's Thesis~~  
~~to be sponsored at the Oriental Institute, University of Chicago, having~~  
~~for subject~~ <sup>of</sup> the ~~economy~~ <sup>economy</sup> of Old ~~Babylonian~~ Babylonia, ~~the first time~~  
~~since Walter Schanzner Schwenzner's dissertation of 1912, at the Uni-~~  
~~versity of Breslau~~ <sup>at any University</sup> ~~that a thesis~~  
 sponsored by Bruno Meissner.

*at any University*

The results of the Chicago investigation are expected to be known in the course of this year. It may be, in this context, permitted for me to mention the fact that I have been invited to contribute a paper on the part played by the economic factor in the growth of civilization to a Conference to be <sup>held</sup> held in Spring, 1958, in Chicago and sponsored by the Oriental Institute, other scholars having been invited to represent the parallel factors. I must add, however, that my contribution is not meant to deal specifically with the subject of the Babylonian economy, but with the problem in general.

~~Inevitably~~, <sup>Out</sup> of such a re-appraisal of the Babylonian economy two sets of problems arise. First, how in the absence of a market system was Babylonian trade <sup>actually</sup> carried on? And, secondly, when and where did market-trade develop, if it was not present, nor even pre-formed in the Ancient Near East? *Both questions*

2. *Redistribution and equivalencies in Old Babylonia*  
 The question of the actual organization of the Babylonian economy underlies Professor A.L. Oppenheim's article in "Trade and Market". He links the absence of market places (pp. 29, 30-1) with the role of redistribution and equivalencies in Old Babylonia. This marks a significant step in the direction of <sup>some of</sup> my fundamental assumption. <sup>S.</sup> Though his novel description of Babylonian society should not be taken to imply a tacit acceptance of any of my suggestions in regard to "early Assyrian" trading methods, <sup>necessarily</sup> neither does it imply their rejection.

3. *Aristotle and market-trade*  
 The answer to the second question - the origins of market-trade - involves no less than the economic history of the Egean and the Eastern Mediterranean, in the First Millennium B.C. <sup>For if</sup> ~~II~~ Babylonia was not the cradle of market trade, where did these important practices originate? A re-appraisal of the level of classical Greek economy and of its reflection in Aristotle's "Economics" seems imperative. ~~Chapter~~ <sup>Chapter</sup> 5 of "Trade and Market" brings some vital suggestions <sup>in regard to errors in translation</sup> on this point, which have been

~~endorsed~~ <sup>by the</sup> ~~consulted~~ <sup>classics at Columbia and Princeton.</sup> Even a <sup>critical</sup> ~~generally unfavorable~~ reviewer <sup>concedes</sup>

III. PROPOSAL

A two years' plan is proposed -- the first year to produce three separate survey papers as a summary of results in regard to trade, money and market institutions; the second year to present, in a comprehensive form, the understanding gained of the place that economies occupy in various societies, as it emerges from the study as a whole.)

(It was in *view of* ~~regard to~~ this *perspective* ~~advanced condition of research~~ that I recently outlined procedure in my "Notes of the place occupied by economy in societies", "Selected Memoranda," IV, 1957. Part III of this paper "On the semantics of money-uses" ~~is designed to illustrate~~ the manner in which the broad problems are to be envisaged.

Technically, the ~~present~~ apparatus now mainly consists of *twenty* index files, capable of holding on the average 1900 cards each, (3 by 5 in), systematically arranged, alphabetized, and indexed. The 1949 Indices (enclosed) have been recently superseded by a list (enclosed) of the growing points of research, and the whole apparatus was in all relevant parts, reorganized accordingly. The number of items is approximately 30,000 (7000 of which are duplicate citations under their authors). Work done by myself on historical Dahomey, in the British Museum and the International African Institute, London, is contained in a voluminous ring book, indexed and alphabetized (enclosed).

Tentative budget (two years at \$9885 per year)

Salary	\$6000	(1)	My last <sup>research</sup> salary was \$7000.
Research assistant	\$2400	(2)	5 day week, <del>22 hours per 1.50, plus compensation for fare and travel time at \$3 per day. i.e., \$33 plus \$15 = \$48 per week.</del>
Specialists' minor reports	\$ 500	(3)	Classical <sup>ist</sup> , \$200; Assyriologist, \$200; Semitist, \$100.
Typing	\$500	<del>(3)</del>	
Supplies	\$ 50		
Postage	\$25		
Mimeo	\$150		
Travel	\$140	(4)	Twice to New York and return.
Telephone	\$120	(5)	Long distance calls.
<hr/>			
TOTAL.....	\$9,885		

IV. ON AN EXTENSION OF THIS PROPOSAL TO A SPECIAL STUDY ON MONETARIZATION

The deep influence exerted on the economy by social structure, culture and religion is universally recognized to-day, an insight ~~which~~ <sup>has</sup> already resulted in valuable empirical studies. However, in the absence of basic research into the nature of that influence no significant progress ~~should~~ <sup>can</sup> be expected. It would be ~~doubtless~~ <sup>very</sup> necessary to re-define the <sup>whole</sup> process of monetarization, ~~nam~~ i.e., ~~of~~ <sup>of</sup> the specific effect ~~of the~~ <sup>exerted by</sup> ~~the~~ spread of ~~the spreading~~ money uses in order ~~effectively~~ to penetrate this field. ~~miniminvestigation~~

Research along the lines here suggested requires purposeful, close co-operation of ~~trained~~ social scientists, trained in the use of formal and substantive terms alike. For such inquiry should extend the study of the economy into pre-modern societies with the help of substantive concepts, a technique ~~which~~ <sup>that</sup> requires, in a monetarized sector of society, thorough familiarity with the principles underlying economic analysis. Of the young scholars, desirous to participate, I should like to name Paul Bohannan, Anthropology, Princeton; Terence K. Hopkins, Sociology, Columbia; Walter C. Neale, Economics, Yale; Paul Medow, Economic history, Rutgers, and ~~miniminvestigation~~ Harry W. Pearson, Economics, Bennington.

A supplementary estimate ~~securing~~ such collaboration on a minimum basis, would increase the tentative budget (p.4) by approximately \$2000 per year. This sum includes additional travel from Bennington (Pearson) and Toronto (myself) to New York, (\$300 plus \$700). The junior scholars live largely around New York and wish to attend the meetings at their own expense; ~~from~~ additional telephone calls (\$40 per month, i.e., \$480), and provisions for multigraphing (\$300), leaving \$220 for unforeseen expenses.

Sincerely yours,

Karl Polanyi.

C.M. Arebsberg,  
Chairman, Department of Anthropology  
Schermerhorn,  
Columbia University.

Jan. 11, 1958

Dear Connie:

Thank you for copy of the covering letter with which you passed on our joint proposal to the R.F. Naturally, the elaboration of your personal proposal, also enclosed, raises a number of problems to be jointly resolved. Harry and myself have been doing a lot of thinking and we are quite hopeful to find solutions, within reason, for the essential questions.

We are concerned for the viability of the parent project, both as to its anthropology and its economic history side, particularly in regard to the future. The answer, it appears to us, lies in the complete separation of parent and offspring. We have been discussing matters among ourselves and are going to see Dr. Buchanan about research questions on Friday, Jan. 17. Harry says he has been writing to you about our concerns and is arranging for us to talk over in New York things together soon. I am expecting to be in New York on Thursday, Jan. 16, and I am counting on our meeting that day to have a good look at the position.

As ever,

*With best wishes*

Karl Polanyi

THE ROCKEFELLER FOUNDATION

49 WEST 49th STREET, NEW YORK 20

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February 26, 1958

Dear Professor Polanyi:

I want to thank you for your patience with us in considering your proposal submitted in your letter of February 14 following your discussion with Mr. McKinley.

I am reluctantly forced to the conclusion that there is no possibility that we could recommend support for this proposal to our Trustees in view of the program priorities which we have been instructed to observe. As I told you on the telephone, I was almost sure this would be the case. I am only sorry that your conscientious efforts to make your proposal clear to us bore no tangible result. As I also told you, there is no confusion in our minds between your proposal as set forth in your letter and the earlier proposal submitted by Professor Arensberg which we also declined.

Thank you again for your patience.

Sincerely yours,

*(signature)* Norman S. Buchanan

Professor Karl Polanyi  
423 West 120th Street  
New York 27, New York

NSB:ph

C O P Y

THE ROCKEFELLER FOUNDATION  
49 West 49th Street, New York 20

February 26, 1958

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Thank you again for your patience.

Sincerely yours,

(Signed) Norman S. Buchanan

Professor Karl Polanyi  
423 West 120th Street  
New York 27, New York

NSB:ph

1  
First application, torn off with Dr.  
Weinberg + His Treasurer was submitted  
with CMA covering letter was turned  
down by phone by Buchanan to CMA.

Second application, my individual  
one was turned down by letter of  
Febr. 26, 1958. Letter to K. H.  
Ref. Ec. Paper (Field) - Survey by Mrs  
describes US Buchanan's position as  
"fanatical" lawyer -  
Lure  
Buchanan died Apr. 1978

Book of Olds

I - Newstos - Blawyn

II - K. P. (Army) (alone)