

8, THE GROWTH OF MARKET TRADE

Nothing could be more definite than the administered character of the corn trade of classical antiquity; we have concentrated on this branch of trade both because of its crucial importance to Attica and because of that easily understandable fact that the great bulk of the evidence on Greek trade refers to this branch. Yet it is almost equally certain that not corn alone, but trade in general was administered in the period at hand.

Let us quote again the Old Oligarch's forceful words

The Athenians are the only nation among the Greeks and barbarians that can secure wealth; for if any state is rich in timber for shipbuilding, where shall they dispose of it, unless they gain the favor of the rulers of the sea? Or if any state abounds in iron, or brass, or flax, where shall they dispose of it, unless they obtain the consent of the lords of the sea? It is, however, from these very materials that our ships are constructed; for from one nation comes timber, from another iron, from another brass, from another hemp, from another wax. 1/

Naval stores, in other words, essential for the fleet upon which Athenian power in turn depended, are objects of tightly controlled administered trade. As with corn, Athens maintains a tight monopoly of the trade in timber, iron, brass, hemp, wax, etc; no state may buy these except with Athenian permission. And this Athenian policy is but a match for identical regulations in those areas outside Athenian naval control. For, adds the Old Oligarch,

such as are our rivals will not allow people to carry these things to any other parts than where they themselves command the sea. 2/

Athenian dependence on imports of timber was particularly great, since Attica, like most of Greek proper, was largely

deforested by the classical period. Macedonia and Thrace (and partly Thessaly) was the major source of supply, along with northern Asia Minor. The importance of the Thracian-Macedonian as early as the late sixth century supply is suggested in the famous story of the Persian protest against Darius' gift of a Thracian city to the Ionian tyrant, Histiaeus. The Persian general, Megabazus, reproaches the emperor as follows:

What mad thing is this that thou hast done, sire, to let a Greek, a wise man and a shrewd, to get hold of a town in Thrace, a place, too, where there is abundance of timber fit for shipbuilding, and oars in plenty, and mines of silver... ^{3/}

Control of the timber supply figured prominently in the Peloponnesian War. The Spartan capture of Amphipolis, at the mouth of the Strymon river, "caused great alarm" at Athens, in large part because of its importance as a source of timber for shipbuilding. ^{4/} When the Spartans failed to conduct their campaign in accordance with the desires of the Odrysian emperor, Perdiccas, who had temporarily allied himself with Sparta, Perdiccas concluded a treaty with Athens ^{5/} in which he agreed (among other things) not to permit the export of wood for oars anywhere except to Athens. ^{6/} Similarly, the Greek cities of Chalcidice signed a treaty with Amyntas of Macedonia in 389, establishing conditions for the export of pitch and timber, and there are several instances of individuals (perhaps acting in an official or semi-official capacity) being formally granted the privilege of cutting and exporting wood without paying any duty. A stele dated about 350 records joint decrees of Athens and of the Cean cities of Carthoea, Ceresus, and Iulis, granting Athens a monopoly of Cean ruddle (red

ochre) vital as a pigment and drug. According to the decree, ruddle could be exported only in Athenian ships, the transport charge (paid by the producers) being fixed at 1 obol per talent.^{6a/} All of these regulations are reminiscent of the organization of the corn trade. We can hardly assume that the other staples mentioned by the Old Oligarch were obtained in any other way.

One other staple item of trade of great importance remains, namely, slaves. These were supplied entirely from external sources, the most important being prisoners of war. In the fifth century until the battle of Mantinea in 223, however, the general rule was to sell only the non-Greek and non-free segment of the population, the main source of slaves thus being captured barbarians.

The disposal of prisoners of war raises tactical problems of the greatest magnitude (as does the problem of booty disposal in general): there are both physical problems involved in storing and moving the booty, and financial, involved in the monetization of the booty. The slave trade, at least in its first stage, thus could hardly have been other than administrative. At the same time, its administration provided a major impetus to the growth of ports of trade and markets. In the fifth century, the enslaved captives were transported to a nearby port, where they were sold.^{7/} In the early fourth century, the Spartan mercenary general, King Agesilaus, seems to have developed the technique of auctioning on the spot -- thus shifting the logistic burden to the slave merchants.^{8/} This method is closely linked to a shift in the methods of army provisioning; instead of foraging through the countryside, or depending on markets provided by the cities in the area, the army is accompanied by hosts of sutlers who sell directly

to the general, or with his permission, and at suited prices, to his soldiers.

Certainly there was trade in articles other than staple products; contemporary historians -- and the Athenians themselves -- love to dwell on the wonderfully wide range of goods available in Athens. One such list, compiled through literary references, includes Chalcidian swords and cups, Corinthian bronzes, Milesian woollens, Argive weapons, garlic from Megara, game and fowls from Boeotia, cheese and pork from Syracuse, raisins and figs from Rhodes, acorns and almonds from Paphlagonia, mustard from Cyprus, cardamon from Miletus, onions from Samothrace, marjoram from Tenedos, wine from Attica, Chios, Cnides, and Thasos, trumpets from Etruria, chariots from Sicily, luxurious chairs from Thessaly, bedsteads from Miletus, carpets and pillows from Carthage, incense from Syria, hunting dogs from Epirus ... ^{9/} -- and all or most of these must have been available in Athens, to judge by the boasts of Xenophon, Isocrates and others. Imposing, this list certainly is; but apart from food stuffs, these articles are luxury goods, some are objets d'art. While their availability added color and excitement to the life of the wealthy and contributed to the cosmopolitan atmosphere of Athens, we can hardly assume an extensive trade, volume-wide, in mustard or chariots or pillows. Here, too, the Old Oligarch is very suggestive; trade in luxuries, he suggests with a sneer is one of the minor advantages of the thalassocracy. (In his mind, these goods clearly contribute to the weakening of the moral fiber of Athens).

If we may allude, in addition to some smaller advantages, the Athenians, through their intercourse with other nations,

in consequence of maritime ascendancy, have discovered various sorts of luxuries; since whatever is attractive in Sicily, or Italy, or Cyprus, or Egypt, or Lydia, or Pontus, or the Peloponnesus, or anywhere else, may be collected into one spot through enjoying the command of the sea. 10/

Trade in luxuries, in short, is an interesting but minor by-product of the administrated trade in staple goods. Such a relationship existed during the first two centuries of the Roman empire; cargo ships organized through the imperial annona were permitted to utilize extra cargo space for private trade.

II

Our history of the grain trade, as given in chapter 36 above, carried us down to the last quarter of the fourth century: for almost two centuries, the corn trade was non-market, administrated trade. Yet there is no doubt of the existence of an international corn market in the eastern Mediterranean in the last quarter of the fourth century (and enduring in substantial form until the systematization of the imperial annona under Augustus). Already in 324 B.C., corn supplies moved throughout the eastern Mediterranean in response to the movements of relative prices, and price tended towards uniformity in the entire area. Paradoxical this development certainly was; but in no sense does it vitiate our argument. Far from being the result of the evolution of the classical organization of trade, it was its complete antithesis. This high-point in market development in classical antiquity was the product, in fact, not of Athens or of the Greek

states, but of the super-planners of Ptolemaic Egypt, who applied Greek marketing methods to the traditional redistributive techniques of the Pharaohs. And it provoked, not cooperation, but the most violent opposition imaginable on the part of Athens and the Greek states -- so much so, in fact, that the organizing genius behind the development Cleomenes of Naukratis, has remained vilified and despised as few other men in ancient history, down to our own day.

Cleomenes, of course, did not create the "world" market from a vacuum; there were certain anticipations of his market development throughout the fourth century, when the Athenian hold on the grain trade was weakened. Thus, for example, Xenophon, writing some time after 385, remarks that the emporoi love corn so intensely that

on receiving reports that it is abundant anywhere, merchants will voyage in quest of it; they will cross the Aegean, the Euxine, the Sicilian sea; and when they have got as much as possible, they stow it in the very ships in which they sail themselves. And when they want money, they don't throw the corn away anywhere at haphazard, but they carry it to the place where they hear that corn is most valued and the people prize it most highly, and deliver it to them there. 11/

This passage indicates the growth of certain market elements in the fourth century, but hardly the existence of anything even remotely resembling a market organization. All that is demonstrated here is the existence of certain tendencies towards "rationality" in the distribution of corn, tendencies at best incipient. Note for example, that the emphasis is on the means of procuring grain: merchants rush to any spot reputed to have an abundance of grain, not to that spot where grain prices are

low! There is, in fact, no mention of price in any technical sense; the context suggests the idea that a merchant might himself decide where to sell his grain, instead of acting in accordance with imperial directions, was quite novel for the time, hence must be clearly explained: "they don't throw the corn away anywhere at haphazard, but they carry it to the place where they hear that corn is most valued and the people prize it most highly". The passage was written we may presume, shortly before the construction of the second Athenian Confederacy and before the resumption of close relations between Athens and the Bosporean kingdoms; Athenian control of the corn trade, in short, was at a low ebb at the moment.

But whatever the circumstances, nothing could have been more irrational than attempts in this period to base corn movements on relative price movements. Our knowledge of prices for this period (indeed, for all of antiquity, and for modern times until quite recently) is tragically scanty; the data is so limited that it is impossible to construct any sort of indices, indeed to make any but the crudest comparisons of price movements. Perhaps paradoxically, however, it is precisely this inadequacy of the data for most purposes which provides an impressive argument against the existence of any sort of market organization outside the confines of the polis. Certainly we should expect a market organization of trade to produce some degree of uniformity of prices and regularity in their movements. Yet what makes the price data so difficult to use for most purposes is the complete lack of any pattern whatsoever. According to Jarde, the

chief authority, ^{12/} "la regle east la continuelle variation des prix." -- continual variation for any one area as between the different months of any one year and between the years themselves, and similarly between different areas, ^{13/} These variations, moreover, are completely random, showing ~~no~~ conceivable pattern between areas for any one period of time or between different periods of time for one or more areas. The movements of grain prices, in fact, can be correlated only with political events -- but here there is a close connection, prices fluctuating in accordance with the opening and closing of the trade routes. ("Les cours oscillent selon que les routes maritimes s'ouvrent ou se ferment..."). ^{14/} Riezler, in fact, insists that there is no justification for speaking of a "world price" or of a "world market" for the Mediterranean, but only of "world commerce." ^{15/} The degree of variation is suggested by the following table of Athenian wheat prices constructed by Jarde: ^{16/}

393 B.C.	3 drachmae per medim
"beginning of the century"	6 " " "
340-330	9
around 330	5
330/329	5
329/8	6
329/8	10

The incisiveness of this evidence is compounded by two added facts: the persistence over two centuries (with some qualification) of a wheat-barley price ratio of two to one, regardless of the variations in their prices; ^{17/} and the persistence and strength of the view throughout the Greek world that the fair and proper price for wheat was five drachmae per

medim, anything over six drachmae being regarded as a public calamity.^{18/} Although barley and wheat were generally consumed by completely different groups and partly produced by different regions. The persistence (with minor exceptions) of a 2:1 ratio in their prices is striking. We remain ignorant of the precise mechanism involved, although the ratios suggestive of the barley-silver equivalence of Sumeria and Babylonia. The negative inference is clear, however; a price-making market could hardly produce such uniformities over time when the conditions of both production and consumption were so very different.

Nor should we regard the preference for five-drachma wheat as mere sentimentality or prejudice. Rather, it appears a normative principle of great effectiveness: we find a definite tendency even in the Hellenistic period to return to this price.

Such stability and uniformity should not surprise us, however; the real problem, rather, might more accurately be the attempt to understand such fluctuations as did occur. For these institutions would normally produce equivalences of some sort; fluctuations may be referred to defects or inadequacies in the institutions. (Such is the haze surrounding the nature and determinants of prices and price movements, such is the paucity of information, that conclusions must be stated with the utmost reserve and caution. But this same scarcity of facts places the greater burden on interpretation: the facts are so few as by themselves to be meaningless).

Perhaps the first question to be asked of the price data is the specific place to which they refer. When Jarde, for

example, quotes grain prices at Athens, it is not clear whether he refers to the price in Athens proper i.e. the price on the agora, or to the price in the port-of-trade, or emporium, in the Piraeus. The distinction is not simply one between wholesale and retail trade, for we frequently find the retail price less than the wholesale! This should not really be surprising to a period accustomed (if not resigned) to dual-pricing systems for internal and international trade. The institutional separation, not simply of internal and external trade and traders, but of their sites and prices as well, is central to this whole problem.

Grain moving into Athens as a result of Athenian control of the grain trade did not, in fact, enter the city indiscriminately or directly. Goods acquired from overseas were brought to the great emporium located in the harbour of Athens in the Piraeus: its separation from the rest of Athens in every sense was symbolized by the boundary stones which surrounded it and separated it from the Piraeus proper, which legally and institutionally (although not administratively) was one with Athens herself. The physical location of the emporium was, in fact, a real problem for the Greeks. Aristotle believed that its institutional separation should be reinforced geographically, he implicitly rebukes Athens for locating hers within the city-limits proper.

Nowadays we often see in countries and cities dockyards and harbors very conveniently placed outside the city, but not too far off; and they are kept in dependence by walls and similar fortifications. Cities thus situated manifestly reap the benefit of intercourse with their ports; and any harm which is likely to accrue may easily be guarded against by the laws, which will pronounce and determine who may hold communication with one another, and who may not." 19/

Locating it where she did, on the east side of the harbor of Centherus, must only have slightly complicated matters for Athens, however. A greater complication stemmed from the fact that the Athenian emporium served the entire Aegean and not merely Athens -- a development which Aristotle severely frowned at,

for a city ought to be a market, not indeed for others, but for herself.

Such an emporium is necessary, since a city must import what is not found within its borders and export its own surpluses; this is a legitimate purpose. But

those who make themselves a market for the world only do so for the sake of revenue, and if a state ought not to desire profit of this kind, it ought not to have such an emporium.

(These profits, it must be remembered, are largely the revenues derived from excises on imports and exports, harbor dues, etc: "fiscalisme" in its purest form. Cf. ch above). The main problem, it is clear, is the legal-administrative problem of regulating the emporium.

Within the emporium itself, transactions were centered on a long pier, known as the Deigma extending into the harbor in about the center of the emporium. The emporoi displayed their wares in the form of samples on the Deigma; the Greek term for "sample" was itself a derivation of Deigma. It was here that the money-changers, the trapezites, sat at their tables and by changing and testing money and accepting deposits for payment, greatly facilitated transactions. (Polyaenus describes an enemy attack on Athens in which the attackers leap ashore on the Deigma,

seize the money on the bankers' tables, and sail away. ^{20/}

Xenophon describes a comparable scene in which the attackers leap ashore, seize merchants and shipowners and carry them off. ^{21/}

Besides the Deigma, where the transactions are made (and we must remember that these are firstly sales of goods to be carried into Attica proper, and secondly sales to other foreigners to be carried abroad once again), the emporium contains its own agora, in the northern tip. We have found no literary references to this agora, but its unquestioned existence clearly implies that those whose business took them to the emporium could be provisioned there, without the need of entering the city proper. That this was actually so seems evident from the usual presence of such a food-market within the African ports-of-trade of the sixteenth to eighteenth century. (Cf. chapter below). Without question there must have been lodging-houses, etc. in the emporium to accommodate over-night travellers (although many of these may have remained on board their ships); thus Xenophon, who seems to be proposing the conversion of the entire Piraeus into an emporium in his Ways and Means, argues the advantage of constructing hotels and places of amusement in order to attract more metics and foreigners. Those who were temporarily in the emporium thus had no occasion to enter Athens; those who were there permanently were metics, hence subject to Athenian law.

One major reservation existed which seriously modified the degree and extent of Athenian control of the emporium: the predominance of the import interest of Athens, as well as of

most other Greek cities. Athens wanted cheap corn, of course, and so would attempt to keep prices low; but above all, she needed corn. There could be no conflict between these two interests during the Periclean age. "For if any state is rich in timber for shipbuilding, where shall they dispose of it, unless they gain the favor of the rulers of the sea?" Interestingly enough, scanty and spotty as our price data is, we have none whatsoever for the fifth century. While no proof is possible, we may permissibly infer that proclaimed equivalencies were maintained in the emporium during this period; since corn ~~is~~ could be sold nowhere but at Piraeus or Byzantium, excessive prices could not have been a problem.

But the problem must have taken a different turn after the fall of the Athenian empire. In the fourth century, Athenian control of the Bosporan corn supply rested not on military supremacy, but on financial advantages given to those selling to Athens as a result of Athenian diplomacy. (It is true that it was Athenian naval power which won her these concessions from the Black Sea monarchs; but, as the frequent seizures of grain ships demonstrates, this power was far from absolute). Thus, the remission of customs dues to merchants sailing for Athens was entirely relative, particularly since (at least at certain intervals) Leucon gave comparable but lesser remissions to other states, as for example to Mytilene about 350 B.C. 22/ Should Athens attempt to keep prices substantially below those in other cities, she would court the possibility of losing her corn supply altogether, since the merchants would simply avoid Athens. The

merchants knew how to use this threat, too; thus two foreigners suing to recover a sea loan warn the jury that

"many of those engaged in overseas trade are standing here and watching you to see how you decide this question. For if you hold that contracts are to be binding, and show no leniency towards those who transgress them, lenders will be more ready to risk their money and the business of your port will be increased".

An adverse decision, the plaintiffs warn, will be interpreted as a denial of the sanctity of contracts; hence none will be willing to risk his money in trade or in sea loans. "Do not permit this", they warn,

for it is not to the interests of the mass of your people any more than of those engaged in trade, who are a body of men most useful to your public at large and to the individuals who have dealings with them. For this reason you should be careful of their interests. 23/

At the same time, high prices would amount to public catastrophe, because of the central place of corn in the diet. The delicacy of the Athenian position could hardly be greater. (This should not be regarded as an exceptional situation, however; the medieval cities were in substantially the same position with respect to foreign trade, as were many of the North American colonies in the seventeenth century).

A variety of techniques were used in order to overcome this problem, all involving the sharp distinction between the emporium and the agora prices. Perhaps the most successful and interesting obtains from the early Hellenistic period and to our knowledge was not used in that form at Athens; its logic, however, reveals much of the Athenian situation. In the case at hand, the city of Lagina bought the entire corn needs of the city from private merchants at the prevailing price and

resold the corn to its citizens at the "just" price of five drachmæ; a revolving fund was established for that purpose by a special assessment of the wealthy which was invested so as to produce an annual income. Thus, the citizens always had cheap grain, while the merchants, on whom Lagina depended completely, had no complaint. (Francotte reports the existence of identical arrangements in five other Greek cities in Asia Minor).^{24/} Tarn describes what seems to be similar arrangements in another group of cities.^{25/} (The resemblance between these plans and the "Brannan Plan" for American agriculture is so striking as to call for comment. Secretary Brannan's proposal would permit a perfectly free market for agricultural products, indemnifying the farmer by direct payment should the price fall below a certain "just" level. While the objectives are somewhat different both the logic and the techniques of the two plans are almost identical).

Athens, however, was not so willing to give up all control of the external price; her technique, therefore, was only partly to insulate the agora price from external fluctuations, partly to control the external price and thereby link the agora price to it. Two-thirds of the corn arriving in the emporium had to be immediately brought into the city; this was a specific charge on the ten "Supervisors of the Emporium", whose general obligation to "superintend the Mart".^{26/} At the same time, middlemen were rigorously excluded by a law forbidding anyone to buy more than fifty medimns of corn at one time;^{27/} cornering the market, or comparable practices, were thereby avoided.

The agora-price was closely tied to the price in the emporium:
the Corn Commissioners (sitophylaces)

see to it that the unprepared corn in the market is offered for sale at reasonable prices, and secondly ... that the millers sell barley meal at a price proportionate to that of barley, and that the bakers sell their loaves at a price proportionate to that of wheat... 28/

At the time of Aristotle's writing there were twenty sitophylaces for the city and fifteen for the Piraeus; at an earlier date there had been five for each. "Reasonable prices" for unprepared corn means no more than one obol per medim higher than the emporium price. 29/ So strict is the supervision that on occasion sitophylaces were put to death for failure to enforce the laws. 30/ The effectiveness of the sitophylaces' control is indicated even more strongly in an indirect way in Lysias' famous speech. Lysias cannot relate details enough of the diabolical extortions of the corn retailers: the high point of his denunciation is his charge that the retailers made a profit of one drachma per medim of corn, proof of unlimited greed and profiteering to any Athenian audience. But on the basis of the "normal" price of five drachmae per medim, this amounts to a mere twenty percent gross margin! Since this was a period of high prices, the one-drachma profit amounted to an even smaller proportion. The fact that Lysias' imagination cannot exceed this (in modern terms) very small mark-up demonstrates conclusively the effectiveness of price control in the agora.

Lysias' speech suggests the weakness of the Athenian position, however, as well as the inadequacy of her price-control methods. The prohibition on purchases of more than fifty medians

of corn at any one time clearly was designed to prevent cornering the market as well as preventing the likelihood of competitive bidding in the emporium forcing up the wholesale price of corn. This probably was the result in normal times; but the prohibition apparently proved to be a double-edged sword when corn was scarce in the emporium. In the case at issue, the retailers' inability to maintain any store of corn for future sales forced them into the emporium every day; since the supply at anyone time was inadequate, the result appears to have been that they outbid one another for the available quantity, thus forcing the corn price higher and higher. At this point, the sitophylakes suspended the prohibition on large purchases (perhaps because a large convoy had arrived), permitting the retailers to buy up larger quantities. (This fact is offered in defense of the retailers; Lysias does not refute it, but rather attacks its legality. Lysias was hired by a group of grain importers to prosecute the retailers, apparently to shift the onus of blame for profiteering from their own shoulders to those of the retailers).

Our picture, so far, is of competitive price determination in the emporium: Lysias presents a picture of short supply pushing up prices. The picture is supported by other sources; Demosthenes, for example, describes a situation in which seizures of grain ships by Byzantium, Calchedon, and Cyzicus had caused a grain shortage in the emporium, with associated high prices. 30a/ But such a description should not be pushed too far. Far at a certain point we find the correlation between supply and price completely broken: instead of price rising steadily as supply drops, we find the reverse --- past that point, the price falls!

For it is at this point that the mechanism of state control comes fully into operation. Athens could link its agora to the emporium as long as the emporium price fluctuated within certain limits; to abandon itself completely to the vagaries of external prices would be suicidal.

The delicacy of the Athenian situation must have been heightened in such a crisis, however: how then deal with foreigners who now were more vital than ever! The method must remain partially obscure to the modern rationalistic mind: for the solution was not force (because it was not available) nor even an appeal to the self-interest of the merchant (couched, perhaps, in references to his long-run interests in creating customer good-will, as opposed to short-run profits). The appeal, rather, was to his pride, his ego, his desire for status and prestige. The magistrates persuaded, or tried to persuade, the merchants to sell their corn at the conventional price of five drachmae per medimn regardless of how high the prevailing price was in the emporium; in return, the grateful city would pass a decree in the merchant's honor, perhaps grant him some other honor, or post the decree in the emporium of Byzantium. Thus, two alien litigants suing to recover a sea-loan remind the jury that a few years earlier they had sold ten thousand medimns of corn at five drachmae per medimn when the prevailing price was sixteen drachmae. 31/ A merchant from Salamis, Heraclides was honored by a decree for selling 3000 medimns at 5 drachmae in 330/329. 31a/ Still others sold quantities of 10,000, 12,000, and 40,000 medimns respectively, at the same price during this famine. 31b/ Not only the merchants were prevailed upon to

sell at the "just price"; it has been suggested that some of the great gifts of grain to Athens from foreign states were actually sales by these states at the five-drachma price. Leucon, the ruler of the Bosporean kingdom, gave many such gifts, presumably at a time of grain shortage; one, in 356, was so large that (in some mysterious way which we do not understand) the Athenian treasury made a profit of fifteen talents ^{32/} -- the state taking over the retail sale of such grain. Leucon was greatly honored for these gifts, including a grant of honorary citizenship. Perhaps the largest gift received by Athens was the 100,000 medimns given by Cyrene between 330 and 326 B.C.; Tod believes that this grain was sold at the normal price rather than being an outright gift. (He also suggests that the stele which records the donations of Cyrene uses the Aeginetan standard of weight; the donation thus amounted to roughly 150,000 Attic medimns). ^{33/} This view is perhaps reinforced by Tod's belief that the famous Athenian decree in honor of Leucon's sons suggests the same possibility. Leucon had been succeeded at his death by two sons, Spartocus and Paerisades, who promptly informed Athens of their intention to continue their fathers' favorable policies. They also raised the question of a debt owed to Bosporus by Athens; in Tod's opinion, this is a state debt, not one owed by private individuals. ^{34/} Such a public debt may very well have been for state purchase of corn from Leucon.

We do not know precisely what sorts of inducements or pressures were brought to bear on the merchants to sell at the conventional price; but we have the same difficulty in understanding clearly the way in which the citizens reacted through the

liturgy. This technique of influencing corn prices is, in principle, an extension of the liturgy system to the alien and metic. Besides selling at the lower price, the merchants were induced to contribute money to the city to finance corn purchases; the corn, we may assume, was resold to the citizens at the five-drachma price. Thus, the same two clients of Demosthenes who sold grain at five drachmae when the emporium price was sixteen, on another occasion contributed a talent to the city for grain purchases; Heraclides, the merchant from Salamis, contributed 3000 drachmae in 328/7.

Athens was by no means exceptional in this regard; Francotte ascribes similar techniques to the cities of Ephesus, Ilion, Parion, Astypalea, Oricus, and Priene.^{35/} And, in a general way, Jarde points out that all the Athenian techniques of controlling prices and supply are met with in all the Greek cities.

These techniques proved increasingly inadequate, however, as the fourth century progressed, probably because of the continuing disruption of trade routes attendant upon the growth of Macedonian power. Thus, a new figure appears on the scene for the first time in 328: the sitones, a tamkar-like figure (or rather, a board of three officials) appointed to purchase grain on governmental account. The great , Demosthenes, was chairman of the board and himself contributed one talent to its funds. The grain was resold to the citizenry at 5 drachmae per medimn.^{36/} (The impact of the famous famine of 330 to 326 will be discussed in detail below). Besides the governmental purchases, particular honors would be accorded citizens who contributed money or grain for either free distribution or sale at low prices.

The net result of these policies, therefore, was to tie the agora-price to the emporium price as long as the latter remained within reasonable limits, but to sever the connection completely whenever the emporium price rose to a threatening level. Francotte, in fact, could hardly be more emphatic in insisting on the sharp institutional distinction between the internal and external grain markets; he is inclined to believe, in fact, that the agora price was almost always fixed by the *sitophylakes*. (Jarde was also struggling to establish some sort of comparable distinction) These policies involved a large element of continuity from the redistributive past of Athens.

III

The great famine of 330-326 involved more than the emergence of some new Athenian techniques for maintaining low internal prices; rather, it marks the great turning-point in the history of the corn trade, for it was in connection with this famine that the eastern Mediterranean corn market was first organized. Rostovtzeff, more than any other historian, seems to have realized the central importance of this event; he calls it the beginning of "a new period" in the history of the corn trade. ^{37/} But even Professor Rostovtzeff underestimates its importance, having assumed the existence of a corn-market in the preceding two centuries, he can only analyze this event in terms of a sort of triumph for *laissez-faire* principles: "after Alexander, it (the corn trade) became free, once and for all."

The outbreak of the famine by itself offered dramatic evidence of the inadequacy of the existing organization of the grain trade; the growth of Macedon under Alexander had disrupted any pretences Athens might still have had at controlling the sources and trade routes. It seems clear that although the famine affected almost the entire Greek world, it was not due to any crop failure within Greece; Professor Westermann has pointed out that the inscriptions always refer to "wheat scarcity" (*sitodeia*) and "lack of wheat" (*spanositia*) rather than to a general grain shortage, and that wheat was imported almost in its entirety. Rostovzef, in fact, suggests that there was no shortage in the grain-producing countries, either; the problem was entirely an organizational one.

There was plenty of grain in the market and in most cases plenty of money to buy it. The problem was how to distribute and regularize the supply, and how to stabilize the price. Athens, the great corn-exchange of antiquity was unequal to the task, and her successors, Alexandria, Rhodes, Miletus, and Ephesus, required time to discover the appropriate methods. ^{38/}

Such a view is supported by Warde's belief that the famine did not continue throughout the entire five-year span, but rather was intermittent, with wide variations of supplies from year to year. For example, a decree from the year 328 speaks of the famine of the preceding years, thus implying relatively normal supplies at the moment. ^{39/} The main immediate cause actually was the loss of part or all of the Bosporean supply to Alexander's army. ^{40/} The growth of a new and hostile power spelled the end of Athenian control -- or even influence -- over corn supply.

The need for complete reorganization of the grain trade

must have been self-evident. The prospects, moreover, were favorable. For the "new power" which had arisen was completely unlike those of the recent past. Alexander was no mere conqueror; he envisaged a unification of east and west, an integration of all parts of his empire. Trade played no small part in his scheme of things; the scale on which the new city in Egypt named after him was planned and built makes it clear that Alexandria was destined by Alexander to serve as both a cultural and commercial center for the western half of the empire. Alexander, with his deep insight into Greek politics and economics, must have known the economic and political importance of corn for Greece: who controlled the corn trade, controlled Greek livelihood, hence controlled their political fate. Alexandria's location at the mouth of the Nile, the main artery of the fabulously wealthy grain-producer, Egypt, could not have been accidental: why start fresh when such emporia as Athens, Rhodes, and Corinth were already in existence? Centralization of the corn trade must have been one of the objects, therefore; and so we find the same man -- Cleomenes of Naukratis -- responsible both for the creation of a corn market centered and for the construction of Alexandria! (It would be a mistake to assume a solely commercial purpose to the construction of Alexandria, however; Groningen has argued persuasively that had trade been the sole objective, Alexander would more likely have developed Naukratis as his chief entrepot. Both the choice of the site and the scale of the city, he insists, suggests the primacy of strategic considerations. 41/

The combined villification and neglect of Cleomenes on the part of most scholars is one of the most puzzling chapters in classical historiography, for he was surely one of the greatest and most influential men of the Alexandrian period. At the same time, it does explain why the decisiveness and importance of the organization of an eastern Mediterranean corn market in this period has generally been missed, since Cleomenes dominated both the event and the few surviving contemporary reports of it. The historians of the past two centuries have, with a few notable exceptions, concentrated so completely on Cleomenes' alleged venality and extortion that they have ignored his achievements; even those who, like Rostovsteff, acknowledge his greatness, feel constrained to make apologies for him. This reputation for evil deeds is as incorrect as it is irrelevant: if historical perspective means anything at all, it is that individual motives and personalities are quite unimportant compared to institutional changes. The incident of the cherry tree is, after all, no longer of burning interest to historians of the American revolution.

The defamation of Cleomenes' character rests on two main pieces of evidence, with support coming from several minor episodes. The one is his apparent role as an extortioner and racketeer in the great famine of the 320's, the other a letter from Alexander to Cleomenes, quoted by Arrian offering to "pardon any offenses you may have committed" if he complies with certain requests of Alexander, and offering remission from any future sins. Arrian himself refers to Cleomenes as a "bad man" "who had committed many acts of injustice in Egypt." 42/

The minor evidence concerns several incidents related in the second volume of the pseudo-Aristotelian Oeconomica.

The first charge involves our central problem of the creation of the "world" corn market, for it was in connection with the famine that this was accomplished. The establishment of the corn market was regarded as a serious threat to Athenian independence, hence Cleomenes was attacked and villified by the Athenian writers. The episode will be discussed in detail below.

The second -- Alexander's implicit rebuke, together with Arrian's unequivocal denunciation -- has generally been regarded as the most convincing piece of evidence against Cleomenes. But the letter is now regarded as a complete forgery! Mahaffy was perhaps the first historian to point out that the letter could not be genuine, since in it Alexander commands Cleomenes to build two chapels in honor of his friend Hephaestion, one of them in Alexandria, the other on the island of Pharos, "where the tower is situated;" the famous Pharos lighthouse was not built before the reign of Ptolemy II i.e. at least forty years after the supposed incident.^{43/} W.W. Tarn, who is an extreme critic of Cleomenes, rejects the letter's authenticity on stylistic grounds as well; he suggests that Arrian was "taken in" by the forgery but nevertheless was uncomfortable about it, since he feels impelled to interject a rather peculiar running commentary on the letter.^{44/} Tarn also rejects it on the grounds that Alexander never would have forgiven a man as evil as Cleomenes; but that assumes the guilt which the letter was supposed to prove!

The origin of the forgery is fairly obvious, moreover: it was Ptolemy Soter himself who was responsible for the blackening

of Cleomenes' name, in order to justify his assassination. In the struggle for power after Alexander's death, Egypt was one of the main prizes. While the rule of Egypt was given to Ptolemy, Perdicas insisted that Cleomenes remain as his assistant, in order to keep a check on Ptolemy's power; Perdicas was still trying to keep the empire intact. Ptolemy very quickly broke with Perdicas and allied himself with Antipater; he thereupon killed Cleomenes because of his close relationship to Perdicas.^{45/} Tarn, Bevan, and Mahaffy are agreed that Ptolemy proceeded to villify Cleomenes' reputation, particularly since Cleomenes' claim to rule was at least as legitimate as Ptolemy's.

For the rest -- the minor incidents of the Oeconomica II -- we need not concern ourselves in detail; we tend to agree with the dictum of Mahaffy (one of the few consistent defenders of Cleomenes) that none of the stories "show an oppression of the poor, but rather of the financiers and priests. From what we know of them and their doings we shall be slow to condemn Cleomenes upon their complaints".^{46/} We might merely add that the incidents have very close parallels in the Oeconomica II itself;^{47/} Cleomenes' actions, therefore, even if immoral by modern standards, appear typical of his own time. Cleomenes' attack on the priests and local rulers, moreover, apart from its morality, was one of the prerequisites of the superbly effective and efficient scientific planning of the Ptolemies which would not have been possible under the degree of autonomy enjoyed by the priests and monarchs (local governors) at the time of the conquest.

It seems very likely, in fact, that, with his murderer and successor, Cleomenes deserves a large part of the credit for the

development of the economic system which is usually attributed to the second Ptolemy, Philadelphus. Professor Rostovtzeff, for example, decries the tendency to "underestimate the achievements" of both Cleomenes and Soter, although he feels Philadelphus inherited his main problems from them.^{48/} Ulrich Wilcken quite definitely sees "certain connections" between the "economic tendencies" of the Ptolemies and of Cleomenes.^{49/} While the thesis cannot be proven with certainty (because almost all the documentary evidence dates from Philadelphus), there can be little doubt that this is so. Cleomenes was the satrap of Egypt until Alexander's death^{49a/} and in addition was in charge of the finances of Lybia, Cyrenaica, and Marmarica.^{50/} His activities included the raising of a fleet and a mercenary army, the financial reorganization of Egypt, reorganization of grain trade (on which see below) and the construction of Alexandria.

We know little of nothing of the details of Cleomenes' financial administration except its fabulous success: when Soter took over the rule of Egypt from Cleomenes, he found the staggering sum of 8000 talents in the treasury.^{51/} This treasury accumulation, incidentally, provides the clearest insight into the unreasonable scholarly prejudice against Cleomenes. Tarn, following a long scholarly tradition, accuses Cleomenes of appropriating that sum for himself:

"The guilt of the worst offender, (of the Alexandrian period) Cleomenes, is corroborated from better sources... He amassed 8000 talents by his misdeeds, a fantastic sum at a time when the richest man in Greece was perhaps worth 160 talents..."^{52/}

Only Tarn's unquestioned scholarly eminence prevents such a statement from being unforgivable; the only reference to that

sum in all the ancient sources is Diordorus' completely uncryptic statement that Soter found 8000 talents "in the treasury" when he took over rule from Cleomenes.^{52a/} That the 8000 talents was indeed a "fantastic sum", as Tarn calls it, is of course true; but what it proves is not Cleomenes' "guilt" but rather his genius as financier and administrator, particularly since there is no evidence to show any oppression of the Egyptian population. (Indeed, Soter's haste to kill Cleomenes and blacken his reputation may have been prompted by the affection in which he was held by the Egyptian populace).

Cleomenes' responsibility for the construction of Alexandria is impressive proof both of his own abilities and of the high regard which Alexander had for him. The pseudo-Callisthenes calls him Alexander's chief adviser at the city's founding, while Justin refers to him as the man "who had built Alexandria"; the Oeconomica II, in a passage apparently antedating the naming of the city, reports that "king Alexander commanded him to found the city, *καρπία* near the Pharos and to establish there the mart which was formerly held at Canopus..."^{53/} And Cleomenes' name is particularly connected with the founding of Alexandria in the "Romances", local traditions written some three or four centuries later.^{54/} The importance which Alexander attached to the founding of this city is suggested by the fact (or legend) that he himself marked out the ground-plan of the city; ^{55/} the role he planned for it is suggested by the report of the augurs consulted by Alexander in the legendary account of its foundation:

"O king, begin the building of the city, for it will be great and renowned and abounding in revenues, and

all the ends of the earth will bring articles of trade to it. Many countries will be fed by it, but it will not be dependent on any country for sustenance, and everything manufactured in it will be esteemed by the world, and they will carry it to remote lands." 56/

The cultural and political capital of the western half of the empire (if not of the entire empire) principal emporium of the Mediterranean -- these are the roles Alexander clearly planned for his city in Egypt. Who but a man of the greatest ability and integrity could be entrusted with so great a responsibility? That Cleomenes was such a man, that he was, indeed, one of Alexander's closest advisers and confidants, is confirmed by one last but impressive piece of evidence. For in his eloquent description of Alexander's last moments, Arrian -- the man who stigmatised Cleomenes -- tells that Cleomenes was one of the three men who acted as intermediaries with the gods in a last attempt to save the emperor's life, while another chosen four kept an all-night vigil at his death-bed. 57/ Seleucus, Attalus, Menidas, Peithon, Peucestas, Cleomenes --- these seven men, out of all the emperor's followers, were chosen by the legend to be with the emperor in his last moments. No more powerful proof of Cleomenes' stature can be offered.

Let us turn, therefore, to our main subject, the creation of a "world" corn market in the eastern Mediterranean. The story, while simple in its basic structure, must be pieced together from confusing and cryptic sources, its tentative and hypothetical character cannot be overemphasized. It might be useful, therefore, and helpful to the reader, to quote these sources at this point before proceeding to the analysis of the event. The first two

are from the Oeconomica II, 57a/ the third from the Demosthenes Private Oration LVI (against Dionysodorus); translations of the Loeb Classical Library are used in each case.

At a time when the price of grain in Egypt was ten drachmas a measure, Cleomenes sent for the growers 57b/ and asked them at what price they would contract to supply him with their produce. On their quoting him a price lower than what they were charging the merchants he offered them the full price they were accustomed to receive from others; and taking over the entire supply, sold it at a fixed rate of thirty-two drachmas for the measure. 58/

While Cleomenes of Alexandria was governor of Egypt, at a time when there was some scarcity in the land, but elsewhere a grievous famine, he forbade the export of grain. On the local governors representing that if there were no export of grain they would be unable to pay in their taxes, he allowed the export, but laid a heavy duty on the corn. By this means he obtained a large amount of duty from a small amount of export, and at the same time deprived the officials of their excuse. 59/

All these men... were underlings and confederates of Cleomenes, the former ruler of Egypt, who from the time he received the government did no small harm to your state or rather to the rest of the Greeks as well, by buying up grain for resale and fixing its price, and in this he had these men as his confederates. Some of them would dispatch the stuff from Egypt, others would sail in charge of the shipments, while still others would remain here at Athens and dispose of the consignments. Then those who remained here would send letters to those abroad advising them of the prevailing prices, so that if grain were dear in your market, they might bring it here, and if the price should fall, they might put in to some other port. This was the chief reason why the price of grain advanced; it was due to such letters and conspiracies. Well, then, when these men despatched their ship from Athens, they left the price of grain here pretty high... Afterwards, however, ... when the ships from Sicily had arrived, and the price of grain here was falling, and their ship had reached Egypt, the defendant straightaway sent a man to Rhodes to inform his partner of the state of things here, well knowing that his ship would be forced to touch at Rhodes. The outcome was that (he) discharged his cargo of grain at Rhodes and sold it there... 60/

The two anecdotes from the Oeconomica II should be read together as part of one story; 61/ they describe the creation of the corn

market from the Egyptian (or supply) side, while the Demosthenes passage describes the operation of the market as a whole. The precise dating of the Oeconomica incidents is open to question; Riezler dates them between 330 and 328 B.C., Groningen after 328, and Rostovzteff 332-1 B.C.; ^{62/} in any event, they occurred at some point during the great famine in the Greek world which we discussed in some detail above. The Demosthenes text (and we are not concerned here with the fact that the speech was written after Demosthenes' death) describes the operation at a slightly later date. The allusion to Cleomenes as a "former" satrap fixes the speech as after 323 B.C., the year of his death; the incident described in the speech took place either one or two years before the speech was made. ^{63/} The speech therefore is evidence that Cleomenes' organization survived his own death.

Egypt, according to the Oeconomica text, was affected by the general famine which was attacking the Greek world, but to a very much lesser extent; the ten drachmae price of corn mentioned in the one paragraph was unusually high, and must refer to the famine mentioned in the other paragraph. The difficulty in interpreting the incident is heightened by our uncertainty over the internal economic organization of Egypt in this period; we do not know whether the ten drachmae is an internal or external, retail or wholesale price. Certainly the bulk of the Egyptian population drew its food directly from the soil in this period, either from own holdings or from distributions in kind on large estates. While there is no evidence for the existence of any extensive trade in food or of any numerous body of native traders, ^{64/} markets did exist, ^{65/} and the city population may

have been provisioned from them; state power probably was too weak in this rather anarchic period to maintain any extensive redistributive structure. Traders were largely Greek, Syrian, or Phoenician; Rostovtzeff speaks of the growth of a native retailing class under Philadelphus as an innovation closely connected with the Ptolemaic reorganization of the economy.

The relative scarcity in Egypt, coming at a time of extreme famine in Greece, must have threatened the supply available for internal sale, since the Greek traders (probably buying largely from great landowners) may have preferred what, under those conditions, must have been very profitable exports to local sales. Cleomenes therefore placed a firm embargo on all corn exports and then proceeded to take over the entire supply, calling in the growers (perhaps the large owners, perhaps the monarchs) and offering them the full price when they were willing to take less. While the foreign middlemen were wiped out, the Egyptian farmers -- as even Tarn admits -- could not have been harmed, and probably were benefited. The texts say nothing on this point, but we can very reasonably assume that Cleomenes proceeded to reorganize internal distribution completely, under state control. Certainly the Ptolemies retained the state monopoly of the corn trade, and their magnificent centralized organization of supply of all staples, with giro-transfers and checks drawn in kind on state warehouses (but using private retailers as well) undoubtedly proceeded on lines anticipated by Cleomenes.

After reorganizing the internal supply, Cleomenes permitted

the resumption of exports through a governmental monopoly selling at a fixed price of thirty-two drachmae, certainly exceptionally high. This level suggests another inference, that Cleomenes reduced the internal price of corn substantially, subsidizing the operation by the export profits, much as the British have maintained a low internal price for coal in the post-war period through the higher profits earned on the 11/ton differential for export. (The scheme is also reminiscent of a governmental export monopoly in slaves in the native African kingdom of Dahomey, under the rule of King Adhkonson. cf. chapter below): This total governmental monopoly created a minor administrative problem: the provincial governors, or monarchs, complained that the absence of private trade in grain made it impossible for them to remit the taxes for which they were liable, since apparently an export duty had been of great importance. Cleomenes thereupon permitted the resumption of private trade on a limited scale, taxing the merchants who participated in his operation so as to bring their export price up to 32 drachmae. "By this means he obtained a large amount of duty from a small amount of export, and at the same time deprived the officials of their excuse," Dionysodorus, the plaintiff in the Demosthenes suit, and his accomplice, Parmeniscus, apparently were among those included in the operation.

How long the price remained fixed at thirty-two drachmae is a matter of conjecture; certainly it was substantially below this at the time of the Demosthenes speech. Indeed, the speech makes no allusion to such a price, although it accuses Cleomenes of having raised the price of corn throughout all of Greece. We

may reasonably assume, therefore, that the fixed price held only for a very brief period, until Cleomenes' export organization had been established.

The organization was as simple as it was effective; it constituted the creation of a price-making market under strict administrative surveillance. The participants were divided in four main categories: some remained in Egypt, in charge of the actual export of corn, some sailed with the cargos, a third group was stationed in Rhodes, which was used as the seat of the operation, while the fourth group was stationed in the various Greek ports to handle the consignments and to keep the Rhodian agents informed of price movements. Corn thus was all shipped from Egypt to Rhodes, which was kept continually informed of the most recent prices in all Greek cities buying from the syndicate; the grain was then transhipped from Rhodes to those cities where prices at last report were highest, or else was sold in at Rhodes. (Under these conditions, the price at Rhodes would tend to reflect the average of prices in the greek cities i.e. the Rhodian price would tend to be a world market price, with the various local prices tending to differ by the amount of transport charges. These are no more than tendencies, it should be noted. Thus, in the case at hand, a shipment intended for the Piraeus was diverted from there when the arrival of a convoy of Sicilian grain depressed prices.

The success of this superlatively conceived market organization may be measured by the strength and violence of the Athenian reaction to it, which has tremendously influenced the traditional revulsion against Cleomenes. (The great Boeckh, for example,

refers to him as "this notorious extortioner in the grain trade"). No charge could inflame an Athenian audience more than that of raising grain prices or diminishing supplies, and later generations have tended to share the feeling. But (apart from the brief 32 drachmae episode) the charge that Cleomenes forced grain prices to rise is naive and uncritical. The charge to that effect in Demosthenes speech cannot be taken at face value, for the speech itself proves the opposite.

"...if grain were dear in your market, they might bring it here, and if the price should fall, they might put in to some other port. This was the chief reason why the price of grain advanced..."

Says Demosthenes - But diversion of supplies from areas of abundance to areas of scarcity, where price reflects relative scarcity or abundance, can only have the effect of lowering the general average of prices throughout Greece. Certainly it would tend to reverse a downward movement in a surplus area, but it would at the same time lower the price in a scarcity area. For the first time on a consistent basis, the prices in the various Greek cities were closely related to one another: we can speak here of a true market price for the eastern Mediterranean, with supplies being moved in accordance with price ratios. May be the net effect on Athens proper was some increase in prices, since Athenian political influence had previously brought Athens a larger share of total supplies than her numerical size alone demanded, but certainly this was not true for Greece as a whole. Prices did rise, compared with preceding years, but the major cause was the loss of the Bosporean supply. To the degree that the Greek food problem in this period was due to faulty distribution rather than absolute

shortage, as Rostovtzeff avers, Cleomenes' scheme provided a solution; supplies now moved rationally in accord with actual need rather than erratically in accord with political influence or military power.

But this explains precisely why the Athenians reacted with such violence. The fact that in the long run prices would be lower and supplies more regular under such a market organization could not -- and did not -- blind them to the fact that in the long run they would, as Lord Keynes observed, all be dead - dead as a result of that long-run mechanism. For reliance on a market mechanism for their provisioning appeared incompatible with survival as a political entity. It was not simply a matter of dependence on an "autonomous" mechanism, which would have been bad enough. Just as the world market of the 19th century depended on British military, financial and political supremacy (and collapsed with the end of British power), so this market rested on Egyptian power and administrative genius. Suppliers moved in accordance with price ratios as a result of administrative decisions which took the prices into account, not as the "automatic" response of large numbers of profit-seeking entrepreneurs. Egypt dominated this market trade just as Athens had dominated the administrative trade of the preceding century. Indeed, the degree of rationality must have depended closely on the degree of administrative control, largely because of the communications problem. All the will in the world could not have moved supplies "rationally" without the price information on which to base the movements, and under these primitive conditions of transport and

communication, only an elaborate organization could supply that information. Otherwise, the price information on which sellers acted would frequently be completely out-of-date, in fact might be reversed before the seller acted. The Demosthenes speech is evidence that Cleomenes' organization survived his death by a few years, at least. The Ptolemies retained the monopoly of the grain trade begun by Cleomenes, and we find cordial diplomatic relations between Egypt and the Bosporan kingdoms during Philadelphus' reign,^{66/} so that we may safely assume that the market organization continued in some form in the next century.

The Athenians did more than react verbally, however, and the form of their reaction shows the nature of the problem. In the year 325/4 -- at the most, five years after Cleomenes' operation began -- we find Athens decreeing the establishment of a colony in the Adriatic (its precise location is still questioned) "in order that for all time the people may have a market and a source of corn-supply of their own".^{67/} Once again, Athens turned westward for her corn supply, in a last move of desperation. The decree makes clear the urgency of this move. A fleet was established to maintain permanent protection against the Etruscan pirates; the colony is thus to be supplemented by a naval base. To hasten the execution of the decree, three gold crowns worth 500, 300, and 200 drachmae, respectively, were to be awarded to the first three treirarchs whose ships were ready to sail. A fine of 10,000 drachmae sacred to Athena was proclaimed for any magistrate or citizen who failed to fulfil any duties imposed by the decree; while the Council could vote any needed additions to

the decree, it was forbidden to invalidate any of its clauses.

No more eloquent testimony to the complete antithesis between the two methods of provisioning can be imagined. Certainly the Athenian resistance was doomed to failure. But the blow came, unexpectedly, from a new quarter: the force which was to permanently doom any Athenian prospects of independence and power came out of the west to which Athens now was looking. Rome was on the move, and in a few short centuries was to shatter both the new market organization and the Greek attempts at administrated trade; Rome assured her own food supply by bringing all the sources of supply: Sicily, Lybia, Egypt, the Crimea, and Asia Minor, under military and political control. The Athenian dream was realized by the power which was to transmit the Hellenic civilization, in much reduced form, to the modern era.

1. "The Old Oligarchy", The Constitution of Athens, II, 11
2. *ibid*, II, 12
3. Herodotus V, 23
4. Thucydides IV, 108
5. *ibid*, IV, 132
6. H. Mitchell. The Economics of Ancient Greece, pp. 281-2
- 6a. M. N. Tod, Greek Historical Inscriptions, v. II, pp. 183-5
7. Thucydides IV, 108
8. Xenophon, Agesilaus, I, 18
9. Michell, *op cit*, pp. 233-4
10. Old Oligarchy. II, 7
11. Xenophon, Oeconomicus XX, 27-8
12. The fact that death prevented Jarde from adding his projected volume on grain distribution is one of the great tragedies of modern scholarship.
13. Les cereales dans l'antiquite grecque, p. 164
14. *ibid*, p. 166
15. K. Riezler, Uber finanzen und monopole in alten Grischenland, p.55
16. Les cereales..., p. 179
17. *ibid*, p. 182. Cf. also F. Heichelheim, _____
18. Jarde, *op cit*, p. 140. Cf. also Minns, Scythians and Greeks, p.575
19. Aristotle, Politics VII, 6 (1327 a)
20. Polyaeus, Strategems of War
21. Xenophon, Hellenica V, 1
22. Tod, *op cit*, II, pp. 185-6
23. Demosthenes, Private Oration LVI (against Dionysodorus), 48-50
24. H. Francotte, "Le pain gratuit et le pain a bon marche", in Melanges Nicoles, pp. 143-4

25. W. W. Tarn, Hellenistic Civilization, p. 99
26. Aristotle, Constitution of Athens, 51, 4
27. Lysias, Against the Corn Dealers
28. Aristotle, Constitution of Athens, 51, 3
29. Lysias, op cit, 8
30. *ibid*, 16
- 30a. Demosthenes, Private Oration _____ (against Polycles), 6
31. Demosthenes, Private Oration _____ (against Phormio), 39
- 31a. Botsford & Sihler, _____, p. 588
- 31b. Cambridge Ancient History, v. VI, p. 449
32. Demosthenes, Speech Against Leptines, 33
33. Tod, op cit, II, p. 274
34. *ibid*, p. 197
35. Francotte, loc cit, p. 142
36. *ibid*, p. 149. Cf. also Cambridge Ancient History, VI, p. 449
37. M. Rostovtzeff, "The Bosporen Kingdoms", in C.A.H., v. VIII, p.575
38. M. Rostovtzeff, Social and Economic History of the Hellenistic World
39. Jarde, op cit, p. 47
40. C.A.H., v. VIII, p. 575
41. B.A. van Groningen, "Sur le fondation d'Alexandrie", in Raccolta di Scritti in Onore di Giacomo Lambroso, pp. 200-218
42. Arrian, Anabasis, VII, 23, 6-8
43. J. Mahaffy, The Ptolemaic Dynasty, p. 23, note 1.
44. W.W. Tarn, Alexander the Great, v.2 pp. 303-4
45. Pausanias I, 6, 3; Diodorus XVIII, 14, 2: Cf. also Bevan, History of Egypt, v. 4, pp. 17, 22; Mahaffy, op cit, pp. 27-8; Tarn, Alexander the Great, pp. 303-4
46. Mahaffy, op cit, p. 27
47. Compare the incidents involving the Egyptian priests and temples (1352a, 23-8 and 1352b, 20-25) with Chabrias' advice to the Egyptian king Tachos (1350b, 33-6). Wilcken has pointed out the almost exact parallel between the measures of Chabrias and the

(Cont'd.) 47. taxes listed on the famous stele of Naukratis (Zeitschrift für Agyptische Sprache, v. 38, p. 133).

Compare also Cleomenes' ruse with the mercenaries with the ruse of his contemporary, Memnon, tyrant of Lampsacus (Oeconomica II, 1351b, 11-18)

48. Rostovtzeff, Hellenistic World, p. 262

49. U. Wilcken, Alexander the Great, p. 291

49a. Tarn vigorously denies the title of satrap to Cleomenes, arguing that "Alexander had never had a satrap of Egypt, and he certainly would not have appointed a Greek financier from Naukratis to such a very important post"; he concedes that Cleomenes was the de facto governor. (Alexander the Great, II, p. 303 and note 1). His argument rests on two main points: that Arrian says merely that Cleomenes was appointed by Alexander "to govern this satrapy", (Anabasis, III, 5) and that only Pausanias, unreliable for precise details, expressly calls him satrap. I, 6, 3. But Arrian is notoriously biased against Cleomenes; Tarn, moreover, has overlooked the most important sources on Cleomenes' actual activities; the pseudo-Aristotelian Oeconomica II, which specifically calls him "satrap of Egypt" (1352a16), and Demosthenes Private Oration LVI (against Dionysodorus), 7, which refers to him as "the former satrap of Egypt". Whether or not Cleomenes held the title is of course completely beside the point, since the fact of his rule and of his absolute power is unquestioned.

50. Curtius Rufus, IV, 8. Cf. also Arrian, Anabasis III, 5

51. Diodorus XVIII, 14, 1

52. Tarn, Alexander the Great, v. 1, p. 129

52a. Cambridge Ancient History, v. 6, p. 427

53. Pseudo-Callisthenes I, 30; Justin, XIII, 4; Oeconomica II, 1352a, 29ff - Cf. also Julius Valerius I, 25

54. Bevan, op cit, p. 17. Note also that the Oeconomica II, written probably in the third century, refers to him as "Alexandrian".

55. Arrian, Anabasis III, 1, 5

56. Ps. Callisthenes I, 33

57. Anabasis VII, 26, 2

57a. A brief comment on our extensive use of the Oeconomica II here and in chapter 38 below might be in order, in order to anticipate and forestall criticism. Certainly this volume has survived in a horribly mutilated form, with whole words, sentences or paragraphs missing; being a compilation of anecdotes, it may

Nothing could be more definite than the ~~administrated~~ ^{stated} admini-
 strated character of the corn trade of classical antiquity; we
~~have concentrated~~ have concentrated on this branch of
 trade both because of its crucial importance to Attica and
 because of that easily understandable fact that the great bulk
 of the evidence on Greek trade refers to this branch. Yet it
 is almost equally certain that ^(not corn alone, but) trade in general was ^{largely} admini-
 strated in the period at hand.

~~The composition of trade apart from that in corn, as well as
 its character and organization, is forcefully indicated in a
 passage from the Old Oligarch which we have quoted before.~~

The Athenians are the only nation among the Greeks and
 barbarians that can secure wealth; for if ~~anyone~~ any state
 is rich in timber for shipbuilding, where shall they dis-
 pose of it, unless they gain the favor of the rulers of
 the sea? Or if any state abounds in iron, or brass, or
 flax, where shall they dispose of it, unless they obtain
 the consent of the lords of the sea? It is, however,
 from these very materials that our ships are constructed;
 for from one nation comes timber, from another iron,
 from another brass, from another hemp, from another wax. 1/

Naval stores, in other words, essential for the fleet upon which
 Athenian power in turn depended, are objects of tightly controlled
 admini-^{trated} trade. As with corn, Athens maintains a tight
 monopoly of the trade in timber, iron, brass, hemp, ^{wax}/etc; no
 state may buy these except with Athenian permission. And this
 Athenian policy is but a match for identical regulations in
 those areas outside α Athenian naval control. For, adds the
 Old Oligarch,

such as are our rivals will not allow people to carry
 these things to any other parts than where they them-
 selves command the sea. 2/

Athenian dependence on imports of timber was particularly

like

great, since Attica, ~~as well as~~ most of Greece proper, was largely deforested by the classical period. Macedonia and Thrace (and partly Thessaly) was the major source of supply, along with northern Asia Minor. The importance of the Thracian-Macedonian as early as the late sixth century supply is suggested in the famous story of the Persian protest against Darius' gift of a Thracian city ~~to~~ ~~of~~ the Ionian tyrant, Histiaeus. The Persian general, Megabazus, reproaches the emperor as follows:

What mad thing is this that thou hast done, sire, to let a Greek, a wise man and a shrewd, to get hold of a town in Thrace, a place, x too, where there is abundance of timber fit for shipbuilding, and oars in plenty, and mines of silver... 3/

Control of the timber supply figured prominently in the Peloponnesian War. ~~The Athenians~~ The Spartan capture of Amphipolis, at the mouth of the Strymon river, "caused great alarm" at Athens, in large part because of its importance as a source of timber for shipbuilding. 4/

When the Spartans failed to conduct their campaign in accordance with the desires of the Odrysian emperor, Perdiccas, who had temporarily allied himself with Sparta, Perdiccas concluded a treaty with Athens 5/ in which he agreed (among other things) not to permit the export of wood for oars anywhere except to Athens. 6/ Similarly, the ~~at~~ Greek cities of Chalcidice signed

~~the Athenians~~ ~~and~~ ~~the~~ ~~cities~~ ~~of~~ ~~Chalcidice~~ ~~signed~~ a treaty with Amyntas of Macedonia in 389, establishing conditions for the export of pitch and timber, and there are several instances of individuals (perhaps acting in a official or semi-official capacity) being formally granted the privilege of cutting and exporting wood without paying any duty. All of these regulations are ~~clearly~~ reminiscent of ~~the~~ the organization of the corn trade.

As stated dated about 350 record joint decrees of Athens and of the Boeotian cities of Carthage, Eretria, and Sicily, granting Athens a monopoly of Boeotian ruddle (red ochre) vital as a pigment and dye according to the decree ruddle could be exported only in Athenian ships, and the transport charge (paid by the producers) being fixed at 1 obol per talent.

We can hardly assume that the other staples mentioned by the Old Oligarch (~~iron, brass, flax, hemp~~) were obtained in any other way.

One other staple item of trade of great importance remains, *namely*, however, slaves. These were supplied ~~completely~~ ^{entirely} from external sources, the most important being prisoners of war. In the fifth century, the defeated party in a civil war or an interstate war was frequently enslaved and sold abroad; from ~~the~~ the last decade of the fifth century until the battle of Mantinea in 223, however, the general rule was to sell only the non-Greek and non-free segment of the population, the main source of slaves thus being captured barbarians.

The disposal of prisoners of war raises tactical problems of the greatest magnitude (as does the problem of booty disposal in general): there are both physical problems, involved in storing and moving the booty, and financial, involved in the monetarization of the booty. The slave trade, at least in its first stage, thus could hardly have been other than administrative. At the same time, its administration provided a major impetus to the growth of ~~markets~~ ^{ports} of trade and markets. In the fifth century, the enslaved captives were transported to a nearby port, where they were sold. ^{7/} In the early fourth century, the Spartan mercenary general, ^{King} Agesilaus, seems to have ^{developed the} begun a new technique ~~that~~ ^{an auctioning} of creating a market on the spot -- thus shifting the logistic burden to the slave merchants. ^{8/}

This method is closely linked to a shift in the methods of army provisioning; instead of foraging through the countryside, or depending on markets provided by the cities in the area, the army ~~increasingly~~ is accompanied by hosts of suttlers who sell

directly to the ~~armies~~ *general*, or with his permission,

~~Historians~~ *and all called prices, to his*

Soedius.

Certainly there was trade in articles other than staple products; contemporary historians -- and the Athenians themselves -- love to dwell on the wonderfully wide range of goods available in Athens. One such list, compiled through literary references, includes Chalcidian swords and cups, Corinthian bronzes, Milesian woolens, Argive weapons, garlic and pork from Megara, game and fowls from Boeotia, cheese from Syracuse, raisins and figs from Rhodes, acorns and almonds from Paphlagonia, mustard from Cyprus, cardamon from Miletus, onions from Samothrace, marjoram from Tenedos, wine from Attica, Chios, Onides, and Thasos, trumpets from Etruria, chariots from Sicily, luxurious chairs from Thessaly, bedsteads from Miletus, carpets and pillows from Carthage, incense from Syria, hunting dogs from Epirus ... ^{9/} -- and all or most of these must have been available in Athens, to judge by the boasts of Xenophon, Isocrates and others. Imposing, this list certainly is; but apart from food, *stuff,* ~~all of~~ these articles are luxury goods, some are objets d'art. While their availability added color and excitement to the life of the wealthy and contributed to the cosmopolitan atmosphere of Athens, we can hardly assume an extensive trade, volume-wise, in mustard or chariots or pillows. Here, too, the Old Oligarch *he suggests with a sneer* ~~is~~ very suggestive; trade in luxuries is one of the minor advantages of the thalassocracy. *(In his mind, these goods clearly contribute to the weakening of the moral fiber of Athens).*

If we may allude, in addition to some smaller advantages, the Athenians, through their intercourse with other nations, in consequence of maritime ~~supremacy~~ ascendancy, have discovered various sorts of luxuries; since whatever is attractive in Sicily, or Italy, or Cyprus, or Egypt, or Lydia, or Pontus, or the Peloponnesus, or anywhere else, may be collected into one spot through enjoying the command of the sea. 10/

Trade in luxuries, in short, is an interesting but minor by-product of the administrated trade in staple goods. Such a relationship existed during the first two centuries of the Roman empire; cargo ships organized through the imperial annona were permitted to utilise extra cargo space for private trade.

II

~~Thazmonezmarkatxehaxzetaxxaxfz0zackzizxax~~

Our history of the grain trade, as given in chapter 36 above, carried us down to the last quarter of the fourth century: for almost two centuries, the corn trade was ~~entirely~~ non-market, ~~entirely~~ administrated trade. Yet there is no ~~question~~ doubt of the existence of an international corn market in the eastern Mediterranean in the last quarter of the fourth century (and enduring in substantial form until the systematization of the imperial annona under Augustus). Already in 324 B.C., corn supplies moved throughout the eastern Mediterranean in response to the movements of relative prices, and price tended towards uniformity in the entire area. ~~Such~~ Paradoxical this development certainly was; but in no sense does it vitiate our argument. ~~Far from being the result of the evolu-~~
~~tion of the classical organization of trade, it was its complete~~
~~antithesis. This high-point in market development in classical~~
~~antiquity was the product, not of Athens or of the Greek states,~~
~~but of the super-planners of Ptolemaic Egypt, who applied Greek~~
~~marketing methods to the traditional redistributive techniques of~~

Far from being the result of the evolution of the classical organization of trade, it was its complete antithesis. This high-point in market development in classical antiquity was the product, ^{in fact,} not of Athens or of the Greek states, but of the super-planners of Ptolemaic Egypt, who applied Greek marketing methods to the traditional redistributive techniques of

in accordance with imperial directives, was quite novel for the time, hence must be clearly explained: "they don't throw the corn away anywhere at haphazard, but they carry it to the place where they hear that corn is most valued and the people prize it most highly". The passage was written, we may presume, shortly before the construction of the second Athenian Confederacy and before the resumption of close relations between Athens and the Bosporan kingdoms; Athenian control of the corn trade, in short, was at a low ebb at the moment.

But whatever the circumstances, nothing could have been more irrational than attempts in this period to base corn movements on relative price movements. Our knowledge of prices for this period (indeed, for all of antiquity, and for modern times until quite recently) is tragically scanty; the data is so limited that it is impossible to construct any sort of indices, indeed to make any but the crudest comparisons of price movements. Perhaps paradoxically, however, it is precisely this inadequacy of the data for most purposes which provides an impressive argument against the existence of any sort of market organization outside the confines of the polis. Certainly we should expect a market organization of trade to produce some degree of uniformity ~~an~~ of prices and regularity in their movements. Yet what makes the price data so difficult to use for most purposes is the complete lack of any pattern whatsoever. According to Jarde, the chief authority,^{12/} "la regle est la continuelle variation des prix." -- continual variation for any one area as between the different months of any one year and between the years themselves, and similarly

between different areas, ^{13/} These variations, moreover, are completely random, showing no conceivable pattern between areas for any one period of time or between different periods of time for one or more areas. The movements of grain prices, in fact, can be correlated only with political events -- but here there is a close connection, prices fluctuating in accordance with the opening and closing of the trade routes.

("Les cours oscillent selon que les routes maritimes s'ouvrent ou se ferment..."). ^{14/} Riezler, in fact, insists that there

is no justification for speaking of a "world price" or of a "world market" for the Mediterranean, but only of "world commerce." ^{15/}

The degree of variation is suggested by the following table of ~~xxxxxxxx~~ ^{Athenian} wheat prices constructed by Jarde: ^{16/}

393 B.C.	3 drachmae per medim
"beginning of the century"	6 " 2x" "
340-330	9
around 330	5
330/329	5
329/8	6
329/8	10

The incisiveness of this evidence is compounded by two added facts: the persistence over two centuries ^(with some qualification) of a wheat-barley price ratio of two to one, regardless of the variations in their prices; ^{17/} and the persistence and strength of the view throughout

the Greek world that the fair and proper price for wheat was five ~~medimnaz~~ drachmae per medim, anything over six drachmae being regarded as a public calamity. ^{18/} Although barley and wheat were

generally consumed by completely different groups and partly produced by different regions, ^{The persistence (with minor exceptions) of a 2:1 ratio in their prices is striking} in almost every case in which we possess simultaneous prices for both wheat and barley, they show

the ~~2:1 ratio~~. We remain ignorant of the precise mechanism

involved, although the ratios suggestive of the barley-silver equivalence of Sumeria and Babylonia. The negative inference is clear, however; a ~~market~~ price-making market could hardly produce such uniformities over time when the conditions of both production and consumption were so very different.

Nor should we regard the preference for five-drachma wheat as mere sentimentality or prejudice. Rather, it appears a normative principle of great effectiveness: we find a definite tendency even in the Hellenistic period to return to this price.

Such stability and uniformity should not surprise us, however; the real problem, rather, might ~~be~~ more accurately be the attempt to understand such ~~variations and~~ fluctuations as ^{did} occurred. For the ^{pe} institutions would normally produce equivalences of some sort; ~~the~~ ^{fluctuations} variations may be referred to defects or inadequacies in the institutions. We ~~have~~ ~~examined~~ ~~the~~ ~~determinants~~ ~~of~~ ~~both~~ ~~production~~ ~~and~~ ~~consumption~~ ~~of~~ ~~corn~~ ~~supplies~~ ~~and~~ ~~corn~~ ~~consumption~~. But we have not yet taken a close look at the nature of the actual sites on which the transactions were made -- and we must remember that despite the administrated character of the trade, the personnel were almost entirely private traders operating on their own account. The emperors must buy his corn at a specific place, and sell it at a specific place; these sites were neither left to chance nor to the taste of the merchants. The corn trade -- trade in general, in fact -- moved through ports-of-trade. Our understanding of Greek trade is not complete, therefore, without some consideration

(Such is the haze surrounding the nature and determinants of prices and price movements, such is the paucity of information, that conclusions must be stated with the utmost reserve and caution. But this same scarcity of facts places the greater burden on interpretation: the facts are so few as by themselves to be meaningless).

In attempting to understand the price data for grain in Athens, it is not clear whether he refers to the price in Athens proper i.e. on the agora, or to the emporium price in the port-of-trade, or emporium, in the Piraeus. The distinction is not simply one between wholesale and retail trade, for we frequently find the retail price less than the wholesale! This should not really be surprising to a period accustomed to dual-pricing systems for internal and international trade. The institutional separation, not simply of internal and external trade and traders, but of their sites and prices as well, is central to this whole problem.

Grain moving into Athens as a result of Athenian control of the grain trade did not, in fact, enter the city indiscriminately or directly. Goods acquired from overseas were brought to the emporium located in the harbour of Athens in the Piraeus: its separation from the rest of Athens in every sense was symbolized by the boundary stones which surrounded it and separated it from the Piraeus proper, which legally and institutionally (although not administratively) was

one with Athens herself. The physical location of the emporium was, in fact, a real problem for the Greeks. Aristotle believed that its institutional separation should be reinforced ~~by a~~ geographical ^{17/} ~~one~~ (although not too great); he implicitly rebukes Athens for locating hers within the city-limits proper.

Nowadays we often see in countries and cities dockyards and harbors very conveniently placed outside the city, but not too far off; and they are kept in dependence by walls and similar fortifications. Cities thus situated manifestly reap the benefit of intercourse with their ports; and any harm which is likely to accrue may easily be guarded against by the laws, which will pronounce and determine who may hold communication with one another, and who may not." 19/

Locating it where she did, on the east side of the harbor of Cantharus, must only have slightly complicated matters for Athens, however. A greater complication stemmed from the fact that the Athenian emporium served the entire Aegean and not merely Athens -- a development which Aristotle severely frowned at,

for a city ought to be a market, not indeed for others, but for herself.

Such an emporium is necessary, since a city must import what is not found within its borders and export its own surpluses; this is a legitimate purpose. But

those who make themselves a market for the world only do so for the sake of revenue, and if a state ought not to desire profit of this kind, it ought not to have such an emporium.

(These profits, it must be remembered, are ^{largely} ~~mostly~~ the revenues derived from excises on imports and exports, harbor dues, etc: "fiscalism" in its purest form. Cf. ch above). The main problem, it is clear, is the legal-administrative problem of regulating the emporium.

Within the emporium itself, transactions were centered on a long pier, ^{known as the Deigma} extending into the harbor in about the center of the emporium. The emporoi displayed their wares in the form of samples on the Deigma; the Greek term for "sample" was itself

a derivation of Deigma. It was here that the money-changers, the trapezites, sat at their tables and by changing and testing money and accepting deposits for payment, greatly facilitated transactions. (Polyaenus describes an enemy attack on Athens in which the attackers leap ashore on the Deigma, seize the money on the bankers' tables, and sail away.^{20/} Xenophon describes a comparable scene in which the attackers leap ashore, seize merchants and shipowners^{21/} and carry them off.

Besides the Deigma, where the transactions are made (and we must remember that ~~are~~^{there} are firstly sales of goods to be carried into Attica proper, and secondly ~~sales~~ sales to other foreigners to be carried abroad once again), the emporium contains its own agora, in the northern tdp. We have found no literary references to this agora, but its unquestioned existence clearly implies that those whose business took them to the emporium could be provisioned there, without the need of entering the city proper. That this was actually so seems evident from the usual presence of such a food-market within the African ports-of-trade of the sixteenth to eighteenth century. (Sf. chapter below). Without question there must have been lodging-houses etc. in the emporium to accommodate over-night travellers (although many of these may have remained on board their ships); thus Xenophon, who seems to be proposing the conversion of the entire Piraeus into an emporium in his Ways and Means, argues the advantage of constructing hotels and places of amusement in order to attract more metics and foreigners. Those who were temporarily in the emporium thus had no occasion to enter Athens; those who ~~there~~ were there permanently were metics, hence subject to Athenian law.

One major reservation existed which seriously modified the degree and extent of Athenian control of the emporium: the ~~Athenian~~ ~~position~~ predominance of the import interest of Athens, as well as of most other Greek cities. Athens wanted cheap corn, of course, and so would attempt to keep prices low; but above all, she ~~was~~ need^{ed} corn, ~~whatsoever~~. There could be no conflict between these two interests during the Periclean age. "For if any state is rich in timber for shipbuilding, where shall they dispose of it, unless they gain the favor of the rulers of the sea?" Interestingly enough, scanty and spotty as our price data is, we have none whatsoever for the fifth century. While no proof is possible, we may permissibly infer that proclaimed equivalencies were maintained in the emporium during this period; since corn could be sold nowhere but at Piraeus or Byzantium, excessive prices could not have been a problem.

But the problem must have taken a different turn after the fall of the Athenian empire. In the fourth century, Athenian control of the Bosporan corn supply rested not on military supremacy, but on financial advantages given to those selling to Athens as a result of Athenian diplomacy. (It is true that it was Athenian naval power which won her these concessions from the Black Sea monarchs; but, as the frequent seizures of grain ships demonstrates, this power was far from absolute). Thus, the remission of customs dues ~~was~~ to merchants sailing for Athens was entirely relative, particularly since (at least at certain intervals) Leucon gave comparable but lesser remissions to other states, as for example to Mytilene about 350 B.C. ^{22/} Should Athens attempt to keep prices substantially below those in

Since the merchants would simply avoid Athens. The merchant knew how to use this threat to raise the price of foreign currency to recover a sea loan. Many of those who engaged in overseas trade are stationed here and watching you to

(over copy)

other cities, she would court the possibility of losing her corn supply altogether. At the same time, high prices would amount to public catastrophe, ~~not~~ because of the central place of corn in the diet. The delicacy of the Athenian position could hardly be greater. (This should not be regarded as an exceptional situation, however; the medieval cities were in substantially the same position with respect to foreign trade, as were many of the North ~~American~~ American colonies in the seventeenth century).

A variety of techniques were used in order to overcome this problem, all involving the sharp distinction between the emporium and the agora prices. Perhaps the most successful and interesting obtains from the early Hellenistic period and ~~was~~ ~~never~~ to our knowledge was not used in that form at Athens; its logic, however, reveals much of the Athenian ~~own~~ situation. In the case at hand, the city of Lagina ~~was~~ ~~invested~~ ~~with~~ ~~the~~ ~~entire~~ ~~corn~~ ~~needs~~ ~~of~~ ~~the~~ ~~city~~ ~~from~~ ~~private~~ ~~merchants~~ ~~and~~ ~~resold~~ ~~the~~ ~~corn~~ ~~to~~ ~~its~~ ~~citizens~~ ~~at~~ ~~a~~ ~~standard~~ ~~price~~ ~~of~~ ~~the~~ "just" price of five drachmae; a revolving fund was established for that purpose by a special assessment of the wealthy which was invested so as to produce an annual income. Thus, the citizens always had cheap grain, while the merchants, on whom Lagina depended completely, had no complaint. ~~These~~ (Francoëte reports the existence of identical arrangements in five other Greek cities in Asia Minor). Tarn describes what seems to be similar arrangements in another group of cities. (The resemblance between these plans and the "Brannan Plan" for American agriculture is so striking as to call for comment. Secretary Brannan's proposal would permit a perfectly free market for agricultural products, indemnifying the

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Cont.

(From previous page)

↑ see how you decide this question: For if you hold that contracts are to be binding, and show no leniency towards those who transgress them, lenders will be more ready to risk their money, and the business of your port will be increased.

An adverse decision, the plaintiffs warn, will be interpreted as a denial of the sanctity of contracts; hence some will be willing to risk his money in trade or in sea loans.

"Do not permit this"; they warn,

↓ for it is not to the interests of the mass of your people any more than of those engaged in trade, who are a body of men most useful to your public or large as well to the individuals: ~~some~~ who have dealings with them. For this reason you should be carefully their interests.

~~22~~

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farmer by direct payment should the price fall below a certain "just" level. While the objectives are somewhat different both the logic and the techniques of the two plans are almost identical).

Athens, however, was not so willing to give up all control of the external price; her technique, therefore, was only partly to insulate the agora price from external fluctuations, partly to control the external price and thereby link the agora price to it. Two-thirds of the corn arriving in the emporium had to be immediately brought into the city; this was a specific charge on the ten "Superintendent of the Emporium", whose general obligation was to ~~επιτελεῖν~~ "superintend the Mart".^{26/} At the same time, middlemen were rigorously excluded by a law forbidding anyone to buy more than fifty medimns of corn at one time^{27/}; cornering the market, or comparable practices, were thereby avoided. The agora-price was closely tied to the price in the emporium: the Corn Commissioners (sitophylaces)

see to it that the unprepared corn in the market is offered for sale at reasonable prices, and secondly ... that the millers sell barley meal at a price proportionate to that of barley, and that the bakers sell their loaves at a price proportionate to that of wheat...^{28/}

At the time of Aristotle's writing there were twenty sitophylaces for the city and fifteen for the Piraeus; at an earlier date there had been five for each. "Reasonable prices" for unprepared corn means no more than one obol per medim higher than the emporium price.^{29/} So strict is the supervision that on occasion sitophylaces were put to death for failure to enforce the laws.^{30/}

The effectiveness of the sitophylakes' control is indicated even more strongly in an indirect way in ^{Lysias' famous} ~~the same~~ speech ~~of~~ ^{diabolical} ~~Lysias~~. Lysias cannot relate details enough of the ~~inhuman~~ extortions of the corn retailers: the high point of his denunciation is his charge that the retailers made a profit of one drachma per medim of corn, proof of unlimited greed and profiteering to any Athenian audience. But on the basis of the "normal" price of five drachmae per medim, this amounts to a mere twenty percent gross margin! Since this was a period of high prices, the one-drachma profit amounted to an even smaller proportion. The fact that Lysias' imagination cannot exceed this (in modern terms) very small mark-up ~~ix~~ demonstrates conclusively the effectiveness of ~~the~~ price control in the agora.

Lysias' speech suggests the weakness of the Athenian position, however, as well as the inadequacy of her price-control methods. The prohibition on purchases of more than fifty medimns of corn at any one time clearly was designed to prevent cornering the market ~~and~~ as well as ~~prevent~~ preventing the likelihood of competitive bidding in the emporium forcing up the wholesale price of corn. This probably was the result in normal times; but the prohibition apparently proved to be a double-edged sword when corn was scarce in the emporium. In the case at issue, the retailers' inability to maintain any store of corn for future sales forced them into the emporium every day; since the supply ^{at any one time} was inadequate, the result appears to have been that they outbid one another for the available quantity, thus forcing the corn price higher and higher. At this point, the sitophylakes suspended the prohibition on large purchases (perhaps because a large convoy had arrived), permitting the retailers to buy up

larger quantities. (This fact is offered in defense of the retailers; Lysias does not refute it, but rather attacks its legality. Lysias was hired by a group of grain importers to prosecute the retailers, apparently to shift the onus of blame for profiteering from their own shoulders to those of the retailers.)

Our picture, so far, is of competitive price determination in the emporium: Lysias presents a picture of short supply pushing up prices, ~~xxxxxx~~ The picture is supported by other sources; Demosthenes, for example, describes a situation in which seizures of grain ships by Byzantium, Calchedon, and Cyzicus had caused a grain shortage in the emporium, with associated high prices ^{30¢}. But such a description should not be pushed too far. For at a certain point we find the correlation between supply and price completely broken: instead of price rising steadily as supply drops, we find the reverse --- past that point, the price falls! For it is at this point that the mechanism of state control comes fully into operation. Athens could link its agora to the emporium as long as the emporium price fluctuated within certain limits; to abandon itself completely to the vagaries of external prices would be suicidal.

The delicacy of the Athenian situation must have been heightened in such a crisis, however: how then deal with foreigners who now were more vital than ever! The method must remain partially obscure to the modern rationalistic mind: for the solution was not force (because it was not available) nor even an appeal to the self-interest of the merchant (couched, perhaps, in references to his long-run interests in ~~xxxxxxx~~ creating

customer good-will, as opposed to short-run profits). The appeal, rather, was to his pride, his ego, his desire for status and prestige. The magistrates persuaded, or tried to persuade, the merchants to sell their corn at the conventional price of five drachmae per medimn regardless of how high the prevailing price was in the emporium; in return, the grateful city would pass a decree in the merchant's honor, perhaps grant him some other honor, or post the decree in the emporium of Byzantium. Thus, two alien litigants suing to recover a sea-loan remind the jury that ~~am~~ a few years earlier they had sold ten thousand medimns of corn at five drachmae per medimn ~~ixix~~ when the prevailing price was sixteen drachmae. ³¹⁷ Not only the merchants were prevailed upon to sell at the "just price"; it has been suggested that some of the great gifts of grain to Athens from foreign ^{states} ~~xxxxxxxx~~ were actually sales by these states at the five-drachma price. Leucon, the ruler of the Bosporan kingdom, gave many such gifts, presumably at a time of grain shortage; one, in 356, was so large that (in some mysterious way which ~~ix~~ we do not understand) the Athenian treasury made a profit of fifteen talents ^{32/} -- the state taking over the retail sale of such grain. ~~xxxxxxxx~~ ^{Leucon was} ~~xxxxxxxx~~ greatly honored for these gifts, including a grant of honorary citizenship. Perhaps the largest gift received by Athens was the 100,000 medimns given by Cyrene between 330 and 326 B.C.; Tod believes that this grain was sold at the normal price rather than being an outright gift. (He also suggests that the stele which records the donations of Cyrene uses the Aeginetan standard of weight; the donation thus amounted to roughly 150,000 Attic medimns). ^{33/} This view is perhaps reinforced by

A merchant from Salamis, Heraclides was honored by a decree for selling 3000 medimns at 5 drachmas in 330/329. Still others sold quantities of 10,000, 15,000, and 40,000 medimns respectively, at high prices during this famine. 315

^{belief that}
 Tod's ~~interpretation~~ of the famous Athenian decree in honor of Leucon's sons ~~xxx~~ suggests the same possibility. Leucon had been succeeded at his death by two sons, Spartocus and Paerisades, who promptly informed Athens of their intention to continue their fathers' favorable policies. They also raised the question of a debt owed to Bosphorus by Athens; in Tod's opinion, this is a state debt, not one owned by private individuals. ^{34/} Such a public debt may very well have been for ~~public~~ state purchase of corn from Leucon.

We do not know precisely what sorts of inducements or pressures were brought to bear on the merchants to sell at the conventional price; ~~xxx difficulty is~~ but we have the same difficulty in understanding clearly the way in which the citizens reacted ~~in~~ through the liturgy. This technique of influencing corn prices is, in principle, an extension of the liturgy system to the alien and metic. Besides selling at the lower price, the merchants were induced to contribute money to the city to finance corn purchases; the corn, we may assume, was resold to the citizens at the five-drachma price. Thus, the same two ~~merchants~~ clients of Demosthenes who sold grain at five drachmae when the emporium price was sixteen, on another occasion contributed a talent to the city for grain purchases; *Heracleides, The merchant from Salamis, contributed 3000 drachmae in 328/7.*

Athens was by no means exceptional in this regard; Francotte ascribes similar techniques to the cities of Ephesus, Ilion, Parion, Astypalee, Oripe, and ^{35/} Eriene. And, in a general way, Jarde points out that all the ~~in~~ Athenian techniques of controlling prices and supply are met with in all the Greek cities.

These techniques proved increasingly inadequate, however,

The great notes
 Decree there,
 was chairman
 of the board and
 himself contrib-
 uted one talent
 to its funds. The
 grain was
 resold to the
 city at the
 5 drachmas
 per metret.
 361

as the fourth century progressed, probably because of the
~~γεναιτέρω~~ continuing disruption of trade routes atten-
 dant upon the growth of Macedonian power. Thus, ~~εἰς~~ a new
 figure appears on the scene for the first time in ~~330~~³²⁸: the
 siton^{es}, a tamkar-like figure (or rather, a board of three
 officials) appointed to purchase grain on governmental account,
 and to ~~resell it to the population.~~³⁶¹ (The impact of the famous
 famine of 330 to 326 will be discussed in detail below).
 Besides the governmental purchases, particular honors would be
 accorded citizens who contributed money or grain for either
 free distribution or sale at low prices.

The net result of these policies, therefore, was to tie the
 agora-price to the emporium price as long as the latter remained
 within reasonable limits, but to sever the connection completely
 whenever the emporium price rose to a threatening level. Francotte,
 in fact, could hardly be more emphatic in insisting on the sharp
 institutional distinction between the ~~εμπορικόν~~ internal and external
 grain markets; he is inclined to believe, in fact, that the
 agora price was almost always fixed by the sitophylakes. (Jarde
 was also struggling to establish some sort of comparable distinction)
 These policies involved a large element of continuity from the
 redistributive past of Athens.

III

The ~~great~~ famine of 330-326 ~~marked~~ involved more than the emergence of some new Athenian techniques for maintaining low internal prices; rather, it marks the ~~great~~ turning-point in the history of the corn trade, for it was in connection with this famine that the eastern Mediterranean corn market was first organized. ~~Of all the historians,~~ *Rostovtzeff, More than any other historians,* ~~who~~ ~~have treated the growth of the corn trade,~~ Rostovtzeff ~~alone~~ seems to have realized the central importance of this event; he ~~calls it~~ ^{calls it} the beginning of a "new period" in the history of the corn trade. ^{37/} ~~Even~~ ^{put} Even Professor Rostovtzeff underestimates its importance, ~~however~~; having assumed the existence of a corn-market in the preceding two centuries, he can only analyze this event in terms of a sort of triumph for laissez-faire principles: "after Alexander, it (the corn trade) became free, once and for all."

The outbreak of the famine by itself offered dramatic evidence of the inadequacy of the existing organization of the grain trade; the growth of Macedon under Alexander had disrupted any pretences Athens might still have had at controlling the sources and ~~trade routes~~. ^{occurs} ~~It is~~ ^{—although} clear that ~~the famine~~ ~~affected~~ almost the entire Greek world, it was not due to any crop failure within Greece; Professor Westermann has pointed out that the inscriptions always refer to "wheat scarcity" ^(sitodeia) and "lack of wheat" (spanositia) rather than to ~~grain~~ ^{a general grain shortage} shortage, and that wheat was imported almost in its entirety. Rostovtzeff, in fact, ~~insists~~ ^{suggests} that there was no shortage in the grain-producing countries, either; the problem was entirely an organizational one.

mouth of the Nile, the main artery of the fabulously wealthy grain-producer, Egypt, could not have been accidental: why start fresh when such emporia as Athens, Rhodes, and Corinth were already in existence? Centralization of the corn trade must have been one of the objects, therefore; and we find, ^{so} in fact, ~~that the men actually responsible~~ ^{same man Cleomenes of Naukratis - responsible for both} for the creation of a corn market centered ~~at Alexandria (and partly at Rhodes)~~ ^{and} was the very same individual responsible for the construction of Alexandria! (It would be a mistake to assume a solely commercial purpose to the construction of Alexandria, however; Groningen has argued persuasively that had trade been the sole objective, Alexander would more likely have developed Naukratis as his chief entrepot. Both the choice of the site and the scale of the city, he insists, suggests the primacy of strategic considerations. ^{41/}

The combined villification and neglect of Cleomenes on the part of ^{most} scholars ~~is one of the most puzzling chapters in classical historiography,~~ is one of the most puzzling chapters in classical historiography, for he was surely one of the greatest and most influential men of the ~~the~~ Alexandrian period. At the same time, it does explain why the decisiveness and importance of ~~his~~ ^{the} organization of an eastern Mediterranean corn market ~~was~~ in this period has generally been missed, since ~~the~~ Cleomenes dominated both the event and the the few surviving contemporary reports of it. The historians of the past two centuries have, with a few notable exceptions, concentrated ~~so~~ completely on Cleomenes' alleged venality and extortion that they have ignored his achievements; even those who, like Rostovsteff, ~~and~~ acknowledge his greatness, feel constrained to make apologies for him. ~~His reputation for evil~~ This reputation for evil

in Alexandria, the other on the island of Pharos, "where the tower is situated;" ~~xxx~~ the famous Pharos lighthouse was not built before the reign of Ptolemy II i.e. at least forty years after the ~~ix~~ supposed incident. ^{43/} W.W. Tarn, ~~xxxxix~~ who is an extreme critic of Cleomenes, rejects the letter's authenticity on stylistic grounds as well; he suggests that Arrian was "taken in" by the forgery but nevertheless was uncomfortable about it, since he feels impelled to interject a rather peculiar running commentary on the letter. ^{44/}

The origin of the forgery is fairly obvious, moreover: it was Ptolemy Soter himself who was responsible for the blackening of Cleomenes' name, ~~after making~~ in order to justify his assassination. ~~After Alexander's death~~ In the struggle for power after Alexander's death, Egypt was one of the main prizes. While the rule of Egypt was given to Ptolemy, Perdikkas insisted that Cleomenes remain as his assistant, in order to keep a check on Ptolemy's power; Perdikkas was still trying to keep the empire intact. Ptolemy very quickly broke with Perdikkas and allied himself with Antipater; he thereupon killed Cleomenes because of his close relationship to Perdikkas. ^{45/} Tarn, Bevan, and Mahaffy are agreed that Ptolemy proceeded to villify Cleomenes' reputation, particularly since Cleomenes' claim to rule was at least as legitimate as Ptolemy's.

For the rest -- the minor incidents of the Oeconomica II -- we need not concern ourselves in detail; ~~since~~ we tend to agree with the dictum of Mahaffy (one of the few consistent defenders of Cleomenes) that ~~xxx~~ none of the stories "show [an] oppression of the poor, but rather of the financiers and priests. From what we know of them and their doings we shall be slow to condemn Cleomenes upon their complaints." ^{46/} We might merely add that the incidents have very close parallels in the Oeconomica II itself; ^{47/} Cleomenes'

Tarn also rejects it on the grounds that Alexander never would have forgiven a man as evil as Cleomenes; but that assumes the guilt which the letter was supposed to prove!

actions, therefore, even if immoral by modern standards, appear typical of his own time. Cleomenes' attack on the priests and local rulers, moreover, apart from its morality, was one of the prerequisites of the superbly effective and efficient scientific planning of the Ptolemies which would not have been possible under the degree of autonomy enjoyed by the priests and nomarchs (local governors) at the time of the conquest.

It seems very likely, in fact, that ^(with his murderer and successor) Cleomenes deserves ^{r)} a large part of the credit for the development of the ^{economic} ~~Ptolemaic~~ system which is usually attributed to the second Ptolemy, Philadelphus. Professor Rostovtzeff, for example, decries the tendency to "underestimate the achievements" of both Cleomenes and Soter, although he feels Philadelphus inherited his main problems from them. ^{48/} Ulrich Wilcken quite definitely sees "certain connections" between the ^{49/} "economic tendencies" of the Ptolemies and of Cleomenes. While the thesis cannot be proven with certainty (because almost all the documentary evidence dates from Philadelphus), there can be little doubt that this is sp. Cleomenes was the satrap of Egypt until Alexander's death ⁽⁴⁹⁹⁾ and in addition was in charge of the finances of Lybia, Cyrenaica, and Mar-

⁴⁹⁹ Tarn vigorously denies the title of satrap to Cleomenes, arguing that "Alexander had never had a satrap of Egypt, and he certainly would not have appointed a Greek financier from Naukratis to such a very important post"; he concedes that Cleomenes was the de facto governor. (Alexander the Great, II, p. 303 and note 1). His argument rests on two main points: that Arrian says merely that Cleomenes was appointed by Alexander "to govern this satrapy", and that only Pausanias, unreliable for precise details, expressly calls him satrap. But Arrian is notoriously biased against Cleomenes; Tarn, moreover, has overlooked the most important sources on Cleomenes' actual activities; the pseudo-Aristotelian oeconica II, which specifically calls him "satrap of Egypt" (1352a 16), ~~αρχισατραπης~~ and Demosthenes Private Oration LVI (against

(Anabasis, III, 5)

(I, 6, 3)

in which he was held by the Egyptian populace).
 by the affection ~~or regard which the Egyptians had for him~~.

Cleomenes' responsibility for the construction of Alexandria is impressive proof both of his own abilities and of the high regard which Alexander had for him. The pseudo-Callisthenes calls him Alexander's chief adviser at the city's founding, while Justin refers to him as the man "who had built Alexandria"; the Oeconomica II, in a passage apparently antedating the naming of the city, reports that "king Alexander commanded him to found the city near the Pharos and to establish there the mart which was formerly held at Canopus..."^{53/} And Cleomenes' name is particularly connected with the founding of Alexandria in the "Romances",^{54/} local traditions written some three or four centuries later. The importance which Alexander ~~planned~~ attached to the founding of this city is suggested by the (or legend) fact that he himself marked out the ground-plan of the city;^{55/} the role he planned for it is suggested by the report of the augurs consulted by Alexander in the legendary account of ~~the~~ its foundation:

"O king, begin the building of the city, for it will be great and renowned and abounding in revenues, and all the ends of the earth will bring articles of trade to it. Many countries will be fed by it, but it will not be dependent on any country for sustenance, and everything manufactured in it will be esteemed by the world, and they will carry it to remote lands."^{56/}
cultural and political

The capital of the western half of the empire (if not of the entire empire), ~~and the~~ principal emporium of the Mediterranean -- these are the roles Alexander clearly planned for his city in Egypt. Who but a man of the greatest ability and integrity could be entrusted with so great a responsibility! That Cleomenes was such a man, that he was, indeed, one of Alexander's closest advisers and confidants, is confirmed by one last but impressive piece of evidence. For

in his eloquent description of Alexander's last moments, Arrian -- the man who stigmatised Cleomenes -- tells that Cleomenes was one of the three men who acted as intermediaries with the gods in a last attempt to save the emperor's life, while another chosen four kept an all-night vigil at his death-bed.^{57/} Seleucus, Attalus, Menidas, Peithon, Peucestas, Cleomenes --- these seven men, out of all the emperor's followers, were chosen by the legend to be with the emperor in his last moments. No more powerful proof of Cleomenes' stature can be offered.

Let us turn, therefore, to our main subject, the creation of a "world" corn market in the eastern Mediterranean.

The story, while simple in its basic structure, must be pieced together from confusing and ~~limited~~^{cryptic} sources; It might be useful, therefore, and helpful to the reader, to quote these sources at this point before proceeding to the analysis of the event. The first two are from the ^{*}Oeconomica II, the third from the Demosthenes Private Oration LVI (against Dionysodorus); translations of the Loeb Classical Library are used in each case.

its tentative and hypothetical character cannot be ~~over~~ overemphasized.

57a

* A brief comment on our extensive use of the Oeconomica II here and in chapter 38 below might be in order, in order to anticipate and forestall criticism. Certainly this volume has survived in a horribly mutilated form, with whole words, sentences or paragraphs missing; being a compilation of anecdotes, it may even be impossible to assign any definite date to its authorship. ~~Despite the fact that~~ Some passages are so mutilated as to be unintelligible, others are almost hopelessly cryptic, hence its use is exceedingly difficult; this difficulty at the same time makes interpretation ~~as~~ necessary, ~~as it is~~ since the passages by themselves reveal little. Despite these qualifications, however, the importance of the Oeconomica II as a major source for Greek economic and political organization cannot be questioned. Rostovtzeff, for example, insists that it "presents a good cross-section of the economic and financial situation" of the Mediterranean world which "merits the attention and study that modern students of Greek economics are devoting to it" (Hellenistic World, p. 74), and Boeckh,

The ~~xxx~~ two anecdotes from the Oeconomica II should be read together as part of one story; ^{61/} they describe the creation of the corn market from the Egyptian ^(or supply) side, while the Demosthenes passage describes the operation of the market as a whole. The precise dating of the ^{Oeconomica} incidents is open to question; Riezler dates them between 330 and 328 B.C., Groningen after 328, and Rostovzteff 332-1 B.C. ^{62/}; in any event, they occurred at some point during the great famine in the Greek world ~~xx~~ which we discussed in some detail above. The Demosthenes text (and we are not concerned here with the fact that the speech was written after Demosthenes' death) describes the operation at a ~~some~~ ^{slightly} later date. The allusion to Cleomenes as a "former" satrap fixes the speech as after 323 B.C. ^(The year of his death;) the incident described ^{in the speech} took place ^{63/} either one or two years before the speech was made. The speech therefore is evidence that Cleomenes' organization survived his own death. ^{63x}

Egypt, according to the ^{text}, was affected by the general famine which was attacking the Greek world, but to a very much lesser extent; the ten drachmae price of corn ^(mentioned in the one paragraph) was unusually high, and must refer to the famine mentioned in the other paragraph. The difficulty in interpreting the incident is heightened by our uncertainty over the internal economic organization of Egypt in this period; we do not know whether the ten drachmae is a ~~market~~ internal or external, retail or wholesale price. Certainly the bulk of the Egyptian population drew its food directly from the soil in this period, either from own holdings or from distributions in kind on large estates. While there is no evidence for the existence of any extensive trade in food or of any numerous body of native traders, ^{64/} markets did exist, ^{65/} and the city population may have been provisioned from them; state power probably was too weak in this rather anarchic period to maintain any extensive redistributive structure. Traders were largely Greek, Syrian, or Phoenician; Rostovtzeff speaks of the growth of a native retailing class under Philadelphus as an innovation closely connected with the Ptolemaic reorganization of the economy.

The relative scarcity in Egypt, coming at a time of extreme famine in Greece, ^{must} ~~may~~ have threatened the supply available for internal sale, since the Greek traders (probably buying largely from great landowners) may have preferred what, under those conditions, ^(to local sales) must have been very profitable exports. Cleomenes therefore placed a firm embargo on all corn exports and then proceeded to take over the entire supply, calling in the growers (perhaps the large owners, perhaps the nomarchs) and offering them the full price when they were willing to take less. While the foreign middlemen were wiped out, the Egyptian farmers -- as even Tarn admits -- could not have been harmed, and probably ^{were} benefited. The texts say nothing on this point, but we cannot

very reasonably assume that Cleomenes proceeded to reorganize internal distribution completely, under state control. Certainly the Ptolemies retained the state monopoly of the corn trade, and their magnificent centralized organization of supply of all staples, with giro-transfers and checks drawn in kind on state warehouses (but using private retailers as well) ~~xxx~~ undoubtedly proceeded on lines anticipated by Cleomenes.

After reorganizing the internal supply, Cleomenes permitted the resumption of exports through a governmental monopoly

~~xxxxxxxxxxxx~~

~~Exports were then resumed through a governmental export monopoly~~ selling at a fixed price of thirty-two drachmae, certainly exceptionally high. This level suggests another inference, that Cleomenes reduced the internal price of corn substantially, subsidizing the operation by the export profits, much as the British have maintained a low internal price for coal in the post-war period through the higher profits earned on the ~~xxxxxxxxxx~~ £1/ton differential for export. ↓ This total governmental monopoly created a minor administrative problem: the provincial governors, or nomarchs, complained that the absence of private trade in grain made it impossible for them to remit the taxes for which they were liable, since apparently an export duty had been of great importance. Cleomenes thereupon permitted the resumption of private trade on a limited scale, taxing ~~it~~ the merchants who participated in his operation so as to bring their export price up to 32 drachmae. "By this means he obtained a large amount of duty from a small amount of export, and at the same time deprived the officials of their excuse," Dionysodorus, ~~xxxxxxxxxxxxxxxx~~ the plaintiff in

(The scheme is also reminiscent of a governmental export monopoly in place in the native African kingdom of Dahomey, under the rule of King Ad. Hooussou. cf. chapter - below.)

Parmeniscus,

the Demosthenes suit, and his accomplice, ¹ apparently were among those included in the operation.

How long the price remained fixed at thirty-two drachmae is a matter of conjecture; certainly it was substantially below this at the time of the Demosthenes speech. Indeed, the speech makes no allusion to such a price, although it accuses Cleomenes of having raised the price of corn throughout all of Greece. We may reasonably assume, therefore, that the fixed price held only for a very brief period, until Cleomenes' export organization had been established.

The organization was as simple as it was effective; it constituted the creation of a price-making market under strict administrative surveillance. The participants were divided in ^{four} ~~three~~ main categories: some remained in Egypt, in charge of the actual export of corn, some sailed with the cargos, a third group was stationed in Rhodes, which was used as the seat of the operation, while the fourth group was stationed in the various Greek ports to handle the consignments and to keep the Rhodian agents informed of price movements. Corn thus was all shipped ~~to~~ from Egypt to

Rhodes, which was kept continually informed of the most recent prices in all Greek cities buying from the syndicate; the grain ~~was~~ was then transhipped from Rhodes to those cities where prices at last report were highest, ~~in the case of~~ ^{was} ~~hardly~~ or else sold in the ~~newly established emporion~~ at

Rhodes. ~~The Greek cities seem to have had the option of dispatching their own ships to Rhodes or~~

Thus, in the case at hand, a shipment intended for the Piraeus was diverted from there when the arrival of a convoy of Sicilian grain ~~from Sicily~~ depressed prices.

Under these conditions, the price at Rhodes would tend to reflect the average of prices in the Greek cities i.e. the Rhodian price would tend to be a world market price, with the various local prices tending to differ by the amount of transport charges. There are no more than tendencies, it should be noted.

supply. To the degree that the Greek food problem in this period was due to faulty distribution rather than absolute shortage, as Rostovtzeff avers, Cleomenes ~~solved the it~~, ^{scheme provided a solution,} ~~the since~~ supplies now moved, ^{rationality} in ~~XXXXXX~~ accord with actual need rather than ^{erratically in accord with,} political influence or military power.

But this explains precisely why the Athenians reacted with such violence. The fact that in the long run prices would be lower and supplies more regular under such a market organization could not -- and did not -- blind them to the fact that ~~XXXXX~~ ^(and political entity) in the long run they would, as Lord Keynes observed, all be dead. ^{— dead as a result of that long-run} ~~For they recognized that it was mechanism. itself~~ ~~this long run which would actually kill them as an~~ ~~independent political entity.~~ ^{For} reliance on a market mechanism

for their provisioning appeared incompatible with ^{survival} ~~political~~ independence. ^{as a political entity.} ~~It was not simply a matter of dependence on an "autonomous" mechanism, which~~ ~~had been one of the purposes of the organization, since certainly~~ ~~would have been bad enough. Just as the world~~ ~~Alexander dreamed of unifying all the Greeks in his world~~ ~~empire.~~ And certainly the Athenian fear was well founded.

Perfect as this market organization was in its external appearance, we can hardly regard it as self-regulating in the mystical nineteenth century sense. Rather, it worked efficiently largely or only because of the central planning of Cleomenes and his successors. ^{in accordance with} Supplies moved ~~according to~~

price ratios as a result of administrative decisions which took the prices into account, not as the "automatic" response of large numbers of profit-seeking entrepreneurs. ^{the degree of} rationality must have depended closely on the degree of administrative control, largely because of the communications problem. All the will in the world could not ^{have} moved supplies "rationally" without the price information on which to base

market of the 19th century depended on British military financial, & political supremacy (and called for with the end of British power), so this market rested on Egyptian power and administrative genius.

Egypt dominated this market ~~trade~~ just as Athens had dominated the administrative trade of the preceding century. Indeed,

the movements, and under these primitive conditions of transport and communication, only an elaborate organization could supply that information. Otherwise, the price information on which sellers act ^{if} would frequently be completely out-of-date, in fact ~~can~~ ^{might} be reversed before the seller acted. The Demosthenes speech is evidence that Cleomenes' organization survived his death by at few years, at least. The Ptolemies retained the monopoly of the grain trade begun by Cleomenes, and we find cordial diplomatic relations between Egypt and the Bosporan kingdoms during Philadelphus' reign, ^{66/} so that we may safely assume that the market organization continued in some form in the next century.

The Athenians did more than react verbally, however, and the form of their reaction shows the nature of the problem. In the year 325/4 -- at the most, five years after Cleomenes' operation began -- we find Athens decreeing the establishment of a colony in the Adriatic (its precise location is still questioned) "in order that for all time the people may have a market and a source of corn-supply of their own" ^{67/}. Once again, Athens turns ^{ed} westward for her corn supply, in ~~our~~ ^a last move of desperation. The decree makes ~~it~~ clear the ~~importance~~ ^{was} urgency of this move. A fleet ~~is~~ ^{was} established to maintain permanent protection against the Etruscan pirates; the colony is thus to be supplemented by a naval base. To hasten the execution of the decree, ~~three~~ ^{three} gold crowns worth, ~~xxxxx~~ ^{were bestowed} 500, 300, and 200 drachmae, respectively, to the first three ~~treirarchs~~ ^{were} whose ships ~~are~~ ready to sail. A fine of 10,000 drachmae sacred to Athena ~~is~~ ^{was} proclaimed for any magistrate or citizen who fails ^{ed} to fulfill any duties imposed by the decree; while the Council ~~can~~ ^{could} vote any needed additions to

the decree, it ^{was} ~~is~~ forbidden to invalidate any of its clauses.

No more eloquent testimony to the complete antithesis between the two methods of provisioning can be imagined. Certainly the Athenian resistance was doomed to failure. But the blow came, unexpectedly, from a new quarter: the force which was to permanently doom any Athenian prospects of independence and power came out of the west to which Athens now was looking. Rome was on the move, and in a few short centuries was to utterly shatter ~~the~~ both the new market organization and the Greek attempts at administrated trade; Rome assured her own food supply by bringing all the sources of supply: Sicily, Lybia, Egypt, the Crimea, and Asia Minor, under military and political control. The Athenian dream was realized by the power which was to transmit the Hellenic civilization, in much reduced form, to the modern era.

FOOTNOTES, Chapter 37

1. "The Old Oligarch", The Constitution of Athens, II, 11
2. *ibid*, III, 12
3. Herodotus V, 23
4. Thucydides IV, 108
5. *ibid*, IV, 132
6. H. Michell, The Economics of Ancient Greece, pp. 231-2
- 7(a) M.N. Tod, Greek Historical Inscriptions, v.II, pp.183-5
7. Thucydides VI, 62
8. Xenophon, Agesilaus, I, 18
9. Michell, *op cit*, pp. 233-4
10. Old Oligarch. II, 7
11. Xenophon, Oeconomicus XX, 27-8
12. The fact that death prevented Jarde from adding his projected volume on grain distribution is one of the great tragedies of modern scholarship.
13. Les cereales dans l'antiquite grecque, p. 164
14. *ibid*, p. 166
15. K. Riezler, Uber finanzen und monopole in alten Griechenland, p. 55
16. ~~απξξξξξ~~ Les cereales..., p. 179
17. *ibid*, p. 182. Cf. also F. Heichelheim, _____
18. Jarde, *op cit*, p. 140. Cf. also Minns, Scythians and Greeks, p.575
19. Aristotle, Politics VII, 6 (1327 a)
20. Polyaeus, Strategems of War
21. Xenophon, Hellenica V, 1
22. Tod, *op cit*, II, pp. 185-6
23. Demosthenes, Private Oration LVI (against Dionysodorus), ¶ 48-50
24. H. Francotte, "Le pain gratuit et le pain a bon marche", in Melanges Nicoles, pp. 143-4
25. W.W. Tarn, H ellenistic Civilization, p. 99
26. Aristotle, Constitution of Athens, 51, 4
27. Lysias, Against the Corn Dealers
28. Aristotle, Constitution of Athens, 51, 3
29. Lysias, *op cit*, 8
30. *ibid*, 16
- 30 (a). Demosthenes, Private Oration _____ (against Polycles), 6
31. Demosthenes, Private Oration _____ (against Phormio, 39
- 31 (a). Botsford & Sihler, _____, p. 588
- 31 (b) Cambridge Ancient History, v. VI, p. 449
32. Demosthenes, Speech Against Leptines, 33
33. Tod, *op cit*, II, p. 274
34. *ibid*, p. 197
35. Francotte, *loc cit*, p. 142
36. *ibid*, p. 149. Cf. also Cambridge Ancient History, VI, p. 449
37. M. Rostovtzeff, "The Bosporan Kingdoms", in C.A.H., v. VIII, p. 575
38. M. Rostovtzeff, Social and Economic History of the Hellenistic World (hereafter simply Hellenistic World), pp. 168-9
39. Jarde, *op cit*, p. 47
40. C.A.H., v. VIII, p. 575
41. B.A. van Groningen, "Sur le fondation d'Alexandrie", in Raccolta di Scritti in Onore di Giacomo Lumbroso, pp. 200-218
42. Arrian, Anabasis, VII, 23, 6-8
43. J. Mahaffy, The Ptolemaic Dynasty, p. 23, note 1
44. W.W. Tarn, Alexander the Great, v.2, pp. 303-4
45. Pausanias I, 6, 3; Diodorus XVIII, 14, 2; Cf. also Bevan, History of Egypt, v. 4, pp. 17, 22; Mahaffy, *op cit*, pp. 27-8; Tarn, Alexander the Great, ~~αξ~~ pp. 303-4

FOOTNOTES, Chapter 37 (continued)

46. Mahaffy, op cit, p. 27
47. Compare the incidents involving the Egyptian priests and temples (1352a, 23-8 and 1352b, 20-25) with Chabrias' advice to the Egyptian king Tachos (1350b, 33-6). Wilcken has pointed out that almost exact parallel between the measures of Chabrias and the taxes listed on the famous stele of Naukratis (Zeitschrift fur Agyptische Sprache, v. 38, p, 133).
- Compare also Cleomenes' ruse with the mercenaries with the ruse of his contemporary, Memnon, tyrant of Lampsacus (Oeconomica II, 1351b, 11-18)
48. Rostoytzeff, Hellenistic World, p. 262
49. U. Wilcken, Alexander the Great, p. 291
- 499 → 50. Curtius Rufus, IV, 8. Cf. also Arrian, Anabasis III, 5
51. Diodorus XVIII, 14, 1
52. Tarn, Alexander the Great, v. 1, p. 129
- 52 (a) Cambridge Ancient History, v. 6, p. 427
53. Pseudo-Callisthenes I, 30; Justin, XIII, 4; Oeconomica II, 1352a, 29ff Cf. also Julius Valerius I, 25
54. Bevan, op cit, p. 17. Note also that the Oeconomica II, written probably in the third century, refers to himas "the Alexandrian".
55. Arrian, Anabasis III, 1, 5
56. Ps. Callisthenes I, 33
57. Anabasis VII, 26, 2
- 57a
57b → 58. Oeconomica II, 1352b, 15-20
59. ibid, 1352a, 16-23
60. Demosthenes, Private Oration LVI (against Dionysodorus) 7-10
61. There is ample authority for our so doing; cf. Gernet, op cit, p. 338, n.2, and B.A. van Groningen, "De Cleomene Naucratis", Mnemosyne, 1925. (Groningen later reversed his position in his commentary on the Oeconomica II; we prefer his earlier judgement).
62. Riezler, op cit, p. 31
B.A. van Groningen, ed. Le second livre de l'Economique, p. 190
Rostoytzeff, Hellenistic World, p. 172
63. Demosthenes, Private Oration LVI, 4,5. Cf. also Loeb edition of Demosthenes' Private Orations, v. 3, p. 193
- 64 → 65. Herodotus II, 35
64. Cf. A. Erman, Life in Ancient Egypt, p. 494; W. Flinders-Petrie, Social Life in Ancient Egypt, p. 20; Hartmann, L'agriculture

dans l'ancienne Egypte, pp. 143-6; Dykmans, Histoire economique et sociale de l'ancienne Egypt, v.2, p. 248

66. M. Rostovzheff, "Greek sightseers in Egypt", Journal of Egyptian Archaeology, XIV
67. SIG 305, translated by Hasebroek, Trade and Politics in Ancient Greece, p. 107. Details are from Tod, op cit, v.2 # 200, pp. 284-9. Cf. also C.A.H. v.6, p.449; G. Glotz, Histoire Grecque, v.4, p.211; Gernet, op cit, p, 363

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37

CHAPTER 34. CLEOMENES OF NAUKRATIS AND THE FORMATION
OF THE MEDITERRANEAN GRAIN MARKET

(I) The immediate background

(A) Alexander's conquest of Egypt

(B) Cleomenes of Naukratis: identity and roles

- (1) In charge of the revenues of Egypt: Arrian, Curtius Rufus
- (2) Satrap of Egypt: Pausanias, Arrian; Tarn, Ehrenberg
- (3) Construction of Alexandria: Justin, Ps. Callisthenes, Oec. II

(C) The great famine of 331-324 B.C.

(1) The fact of the famine: Demosthenes, Stele dei Cereali, etc.
Rostovtzeff

- (a) Import crisis, not crop failure ('wheat scarcity')
- (b) Problem of dating
- (c) Extent of the famine: Greece, Egypt

(2) Immediate causes

- (a) Loss of Bosphoran supply
- (b) Breakdown of Athenian control of grain trade

(3) Relief measures

- (a) The sitoniae
- (b) Donations of grain

(II) Establishing the market

(A) Procedure within Egypt

(1) Export embargo on corn

(2) Government export monopoly

- (a) Elimination of middlemen
- (b) Price fixing

(3) Lifting the export embargo

- (a) Thirty-two drachmas price
- (b) Participation by private individuals

(B) Organisation of the market

(1) Centered at Rhodes: grain trans-shipped there

- (a) Agents in Egypt
- (b) Supercargoes
- (c) Agents in Greek ports

(2) Organization of communications

- (a) Rhodian agents kept informed of price movements in the Greek ports
- (b) Grain transhipped from Rhodes in accordance with price movements
- (c) Cf. the general importance of communications in market development: Mantoux, Sombert

(III) A price-making market, but under strict administrative control

(A) Effects on the Greek cities

- (1) Rationalization of supply: a great advance
- (2) Stabilization of price
- (3) Functional dependence on Cleomenes' organization: the movement of goods in accordance with price ratios resulted from administrative decisions, not spontaneous action of private merchants

(B) Effects on Egypt

- (1) Elimination of the Greek middleman
- (2) Egyptian farmers benefited
- (3) Egyptian consumers benefited
- (4) Treasury profits: ref. 8000 talents (Diodorus)
- (5) Analogous organizations
 - (a) Dehqan export monopoly in slaves
 - (b) Contemporary British dual pricing for coal and steel

(IV) The probable reasons for establishing the market

- (A) Alexandria as the emporium of the eastern Mediterranean
- (B) Alexander's attempt to integrate the polis and the chora
- (C) Ptolemaic rationalization of Egyptian rule
 - Use and extension of market elements to make the redistributive system more effective
 - Cf. Johnson and West and others on top level of Ptolemaic rule
- (D) Revenue: 8000 talents profit

(V) The Athenian reaction

- (A) Recognition of the threat to Athenian security: Violent hatred of Cleomenes
- (B) The response: an attempt to develop new sources of grain in the west, out of the range of Alexander's power
 - (1) Colony of Hadria, 325/4 B.C.: "in order that for all time the people may have a market and a source of corn supply of their own..." (SIG 305)
 - (2) Special naval force to convoy the western grain

APPENDIX: A Reappraisal of Cleomenes' Place in Hellenic History

(A) The need for a reappraisal

- (1) His achievements hardly known or recognized
Exceptions: Rostovtzeff, Wilcken
- (2) His evil reputation
 - (a) Unjustified
 - (b) Irrelevant, since the achievements are important

(B) A critique of the case against Cleomenes

- (1) Alexander's alleged letter of rebuke (Arrian, Anabasis)
 - (a) Letter now regarded as a forgery: Tarn, Mahaffy
 - (b) Origin of forgery: political attack on Cleomenes by Ptolemy Soter. (Diodorus, Pausanias)
 - (c) Relationship between Alexander and Cleomenes indicated by fact that Cleomenes was one of seven men present at Alexander's deathbed, and one of three men who interceded with the gods in his behalf. (Arrian)
- (2) The grain-export monopoly
 - (a) No personal profit: gains accrued to the treasury
 - (b) Cf. (III) above for effects on Greece and Egypt
- (3) Minor Oeconomica II incidents
 - (a) Relations with priests and temples: cf. Wilcken's comparison with Stele of Naukratis
 - (b) Bribe offered by Canopus: cf. Groningen, Mahaffy
 - (c) Tricking his mercenaries

(C) Cleomenes' achievements

- (1) Establishment of the Mediterranean grain market
- (2) Brilliant administration of Egypt
 - (a) Financial genius: ref. 8000 talents
 - (b) Probable anticipation of the main elements of Ptolemaic rule: cf. Rostovtzeff, Wilcken, Ehrenberg
- (3) Construction of Alexandria
 - (a) His role in it: Oeconomica II, Justin, etc.
 - (b) Importance of Alexandria
- (4) Confirmation of this view: presence at Alexander's deathbed

CHAPTER 35. CAPITALISM AND CAPITALIST ACTIVITY IN ANTIQUITY

(I) The nature of the problem

- (A) The scholarly controversy: the extent of capitalism in antiquity
 - (1) Rostovtzeff, Mommsen, Meyer, Bloch
 - (2) Weber, Hasebroek, Rodbertus, Richer
 - (3) Tenney Frank, Oertel
 - (4) Marx, Salviole, Poehlmann

(B) The justification for dealing with it here

- (1) Importance of the problem dictates the attempt.
An important test of the value of a new method is the degree to which it clarifies this problem
- (2) Limited objectives of this chapter
 - (a) To apply the methods and terms of institutional analysis in a general way
 - (b) To explore the solution which emerges from such application
 - (c) Not based on intensive research

(II) Capitalism and capitalistic activities

- (A) Definition of capitalism: refers to a society in which exchange is the dominant form of integration (the market theorem)
 - (1) Supporting structure: price-making markets, of the supply-demand-price mechanism type
 - (2) The market is the key capitalist institution: "Capitalism in its total aspect means the running of society as an adjunct to the market relationship..." (Denant)

The characteristic capitalist institutions are themselves dependent upon, or related to, the market. (Cf. Sombart: "The links between its constituent elements (are) the connections and relations established in the market." E.S.S., v.3)

- (3) The distinctive character of capitalism is given by the inclusion of labor, land, and money within the market orbit: such a step is both logically and historically decisive for the appearance and functioning of capitalism.
 - (a) Labor: "Rational capitalistic calculation is possible only on the basis of free labor. . . It is in contradiction to the essence of capitalism, and the development of capitalism is impossible, if such a propertyless stratum is absent, a class compelled to sell its labor service to live; and it is likewise impossible if only unfree labor is at hand." (Weber, G.E.H., p.277)
Cf. The Great Transformation, Chs. 6, 7; Marx, Capital, v.I, Cf. 26.

- (b) Land: cf. The Great Transformation, Ch. 15
- (c) Money: cf. The Great Transformation, Ch. 16

(4) The fusion of the internal and external is prerequisite to the historical development of capitalism.

Weber gives this equal importance with the creation of a labor market. (G.E.H., p.313)

(B) Capitalistic activity: peaceful transactions with it in the pursuit of monetary gain made on the employment of economic resources

(1) Such opportunities are normally given only in the presence of market elements.

Transactions thus may be defined as capitalistic according to the extent to which market elements provide the opportunity to employ economic resources in the pursuit of monetary gains.

(2) Capitalistic activity is thus a far more general phenomenon than capitalism.

(III) The primacy of redistribution in classical antiquity: It is not possible to speak of capitalism or of a capitalistic system. While some important activities were capitalistically organized, the dominant integrative role was exerted by the state, war, and administration.

(A) Labor

(B) Slavery: varying conditions in Greece, Ptolemaic Egypt, and Rome

(2) Free labor: wage labor, but not a labor market

(a) The tribal right to livelihood contradicts a basic requirement of a labor market.

(b) The ergastoria is not a 'rational' organization of labor.

(B) Land, food, and essential commodities

(1) Classical Greece: cf. Chapter 33.

(2) Hellenism

(a) Polis was supplied by the corn market, but remained outside it.

(b) The chora was supplied by royal and noble oikoi.

(3) Rome: integrative character of the annona

(a) Annona was established by the Gracchi, thus destroying the world corn market at the very moment that capitalistic activity was greatly advanced in the spheres of contracting and tax-farming.

(b) Empire: "The imperial annona was the chief moving force in the interprovincial trade..." (Hosvitzeff)

(C) money

- (1) Coinage: Everywhere organized by state or municipality
- (2) Banking: (as distinguished from finance)
 - (a) Rigid supervision and control
 - (b) State and municipal banking

(D) Internal-external polarity was a general characteristic

(IV) Capitalistic activities

(A) Economic interests used to organize state, war, and administration

- (1) Tax-farming and contracting: the Rostovtzeff thesis
 - (a) Greece
 - (b) Ptolemaic Egypt
 - (c) Roman Republic: the extension of capitalistic activities
 - (d) Roman Empire: the bureaucratization of public service

(2) Domainal tenancy in Roman Republic

(B) Economic interests per se:

- (1) Plantation agriculture
- (2) Finance

Speculation a pre-capitalistic or early capitalistic phenomenon

(C) The capitalistic groups

- (1) Equestrian
- (2) Metic
- (3) Tenkar