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Morris Silver

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Karl Polanyi and Markets in the Ancient Near East: The Challenge of the Evidence

MORRIS SILVER

The essay challenges Karl Polanyi's position—that ancient Near Eastern economies knew state and temple administration but not price-making markets. It is found that the prerequisite functions of a market economy listed by Polanyi—the allocation of consumer goods, land, and labor through the supply-demand-price mechanism; risk-bearing organized as a market function; and loan markets—were all present in the ancient Near East. Although Polanyi criticized stage theories with their “predilection for continuity” he imposed his own version of continuity on history in lumping together many thousands of years under the rubric of “archaic society.” This perspective prevented him from recognizing that ancient Mesopotamia experienced lengthy and significant periods of unfettered market activity as well as periods of pervasive state regulation.

DOUGLASS North has suggested that an analysis of transactions cost provides a useful framework for comparing ancient and modern economies.¹ The proposal is attractive. Within such a research agenda the terms “ancient” and “modern” would acquire substantive content, instead of serving to disguise, as is so often the case, the trivial contrast between “long ago” and “now.” Relatively high costs of communications in antiquity would have operated, for example, to reduce the degree of control over one's trading partners, agents, and

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The author is Professor of Economics at the City College of the City University of New York, New York City, N.Y. 10031. He wishes to thank C. J. Eyre, Benjamin Foster, Edward Lipiński, Donald N. McCloskey, Douglass C. North, Piotr Steinkeller, Norman Yoffee, and especially Marvin A. Powell for their helpful suggestions and comments. This research was facilitated by a grant from a fund created by the will of the late Harry Schwager, a distinguished alumnus of the City College of New York, Class of 1911. Financial support was also received from the Faculty Senate of City College.

In translations the brackets enclose restorations of the text, and the parentheses enclose additions or variations in the English translation.

¹ Douglass C. North, “Markets and Other Allocation Systems in History: The Challenge of Karl Polanyi,” *Journal of European Economic History*, 6 (Winter 1977), 703–16.

employees while increasing monopolistic or monopsonistic exploitation. Similarly, as North argues, the technological level of ancient society probably raised the costs of defining and enforcing property rights. Reliance on storage, the important role played by temples, and emphasis on professional standards and familial ties might be understood as the major institutional or structural adaptations in ancient economic life to transactions costs. But, and here is the central question examined in this essay, is North correct in stating that transactions costs “would have been an insuperable barrier to price-making markets throughout most of history”?² In his premise we may detect the influence of the economic historian Karl Polanyi, who believed markets became important only in the eighteenth and nineteenth centuries of the present era. This essay challenges Polanyi’s position by confronting his factual assertions about ancient Near Eastern economies with the available evidence.³ The ground rules for the contest reflect Polanyi’s two-pronged strategy, combining direct denials of the existence of markets with subsidiary arguments casting further doubt on them.

I

Assertion 1: Indeed, as late as the opening of the seventh century, no sign of market development was forthcoming in Greece. For at least a thousand years before that time, the continental empires of Mesopotamia, Asia Minor, Syria, and Egypt and the seafarers of Ugarit and Crete carried on large-scale trade without . . . the market as the regulator of supply and demand. . . . The so-called “Cappadocian” trading colony . . . lacked price making markets.⁴

The primary focus of Assertion 1 is on foreign trade that according to Polanyi was conducted at “ports of trade” where prices were determined by treaty, not by supply and demand.⁵ It should be made clear at the outset that the specification of prices in advance—as opposed to determining them by spot transactions at the point of exchange—does not mean that forces of supply and demand are absent or irrelevant. The specification of prices in private, long-term contracts serves to limit uncertainty and opportunism or to fill gaps in markets. Governmental treaties, a form of contract, might also be employed, yet would still acknowledge the forces of supply and demand. There is ample evidence of commercial treaties and royal correspondence dealing with matters of

² North, “Markets and Other Allocation Systems,” p. 710.

³ Reliance has been placed on Karl Polanyi’s posthumously published manuscript entitled *The Livelihood of Man* (New York, 1981). The editor of this volume, Harry W. Pearson, has included material on Polanyi’s life and contributed a useful introduction citing Polanyi’s major publications and placing his thought in perspective. Extensive references to Polanyi and criticisms of both his theory and evidence are provided in a stimulating new book by Douglass C. North, *Structure and Change in Economic History* (New York, 1981).

⁴ Polanyi, *Livelihood of Man*, pp. xli, 146.

⁵ *Ibid.*, pp. 78–79, 94–95.

trade. During the second half of the second millennium, Ugarit (an important North Syrian port mentioned by Polanyi) signed a treaty with a neighboring state legalizing citizens' partnerships (*tappūtu*) for commercial expeditions to Egypt. To take another example mentioned by Polanyi, letters excavated in Cappadocia in central Anatolia (the modern name of Asiatic Turkey) reveal that in the early second millennium local rulers provided security along the caravan routes from Assyria, a region in northern Mesopotamia (broadly speaking, modern Iraq). The Assyrian merchants paid taxes on the goods they carried in return for security. In a letter dating from the eighteenth century a ruler complains to his Assyrian counterpart about the insulting amount of tin he had received for his horses, which hardly sounds like a trade with administered prices. More generally, the palace archives at Ugarit, Egypt, and elsewhere show that kings participated in international trade but not that they sought to set prices by treaty. The "ports of trade" may well have been intended by the pharaoh and other rulers to facilitate the collection from foreign traders of "gifts" that actually amounted to quite ordinary tolls, customs duties, and the like.⁶

The evidence on price formation at the Assyrian trading station in Cappadocia is fully consistent with the operation of market forces of the usual kind. The thousands of business documents from the station refer to changes in the demand or supply of the main import goods (tin and woolen textiles), the effects of seasonality and emergency, and record changes in prices. Price changes, including a more than 20 percent change in the price of tin over a short period, are inconsistent with Polanyi's position. The evidence for Ugarit further south is scanty, but even in documents from the palace archives presumably concerning imported and domestically produced goods sold or purchased by royal stores, price fluctuations are noticeable. A text dating from the reign of Hammurabi (1792–1750) consigns a large quantity of paint for sale in a neighboring kingdom "according to the market (price)," and a somewhat later one from the city of Nuzi in eastern Assyria specifies that a merchant will bring back the "price" of the merchandise he sells abroad.⁷

⁶ This possibility has been suggested by R. S. Merrilees, "Aegean Bronze Age Relations with Egypt," *American Journal of Archaeology*, 76 (July 1972), 286–88.

Sources on treaties and royal commercial correspondence: Hara Georgiou, "Relations Between Cyprus and the Near East in the Middle and Late Bronze Age," *Levant*, 11 (1979), 93, 96–98; Michael Heltzer, *Goods, Prices, and the Organization of Trade in Ugarit* (Wiesbaden, 1978), pp. 139–42; Mogens Trolle Larsen, "The Old Assyrian Colonies in Anatolia," *Journal of the American Oriental Society*, 94 (1974), 474–75; M. Liverani, "Irrational Elements in the Amarna Trade," in *Three Amarna Essays*, intro. and trans. Matthew L. Jaffe (Malibu, 1979), pp. 21–33; James D. Muhly, "The Bronze Age Setting," in *The Coming of the Age of Iron*, ed. Theodore A. Wertime and James D. Muhly (New Haven, 1980), p. 39; and Norman Yoffee, *Explaining Trade in Ancient Western Asia* (Malibu, 1981), p. 12.

⁷ Sources on price formation in international markets: Heltzer, *Goods, Prices and the Organization of Trade*, chap. 2; W. F. Leemans, *Foreign Trade in the Old Babylonian Period* (Leiden, 1960), pp. 85–88; K. R. Veenhof, *Aspects of Old Assyrian Trade and Its Terminology* (Leiden, 1972), pp. 399–400; and Carlo Zaccagnini, "The Merchant at Nuzi," *Iraq*, 39 (Autumn 1977), 187.

Assertion 2: The peril to solidarity involved in making selfish gain at the expense of the food of one's brother had . . . to be removed. . . . That was achieved through the declaration of equivalencies in the name of the representative of the godhead itself [that is, the ruler]. . . . At the gates a few main staples—necessaries that keep—are both received and handed out. . . . Simple quantitative equivalencies for grain, oil, wine, and wool allow the staples to be substituted for each other. . . . Although food is distributed, this is no food market, since there is no "meeting of supply and demand crowds."⁸

In fact, there is no evidence that Near Eastern governments as a general rule controlled the price of grain. There is evidence of a grain market (see the discussion of Assertion 3) and of the operation of market forces. Third-millennium documents of sale reveal sharp variations in barley prices. Piotr Steinkeller has called my attention to texts in which one shekel of silver purchased 10 or 20 or 120 quarts of barley. In the very late third millennium an official reports in a letter to his king that he has purchased for shipment to the capital city a substantial quantity of grain (over 72,000 bushels) but now the price of grain has doubled. The so-called balanced silver accounts (see the discussion of Assertion 11) dating from the twenty-first century show the range in the price of grain (presumably barley) equals 65 percent of the median price. A literary document from about the same time speaks in proverbial terms of "The merchant—how he has reduced prices! How he has reduced the oil and barley!" Kramer's interpretation is that the merchant "presumably reduced prices to attract customers, and then reduced the weight of the merchandise on the sly." The proverb certainly conveys the impression of market behavior. Texts from seventh-century Babylonia and twelfth-century Egypt show sharp changes in grain prices due to political disorder or the initiation or lifting of sieges. Thus, in the "tomb robbery papyri," an Egyptian woman cross-examined by the court scribe concerning gold found in her home explained: "We got it selling barley during the year of the hyenas, when people went hungry." An interesting example is found in 2 Kings 7:1, where the ninth-century prophet Elisha announces that a Syrian siege will be lifted and "Tomorrow about this time a measure of solet [fine wheat flour] shall be sold for one shekel and two measures of barley for a shekel in the gates of Samaria." In short, Elisha recognizes that an increase in the supply of grain will lower market prices. Some Assyrian contracts of the eighth and seventh centuries stipulate that the sale took place in a year of hardship as measured by the high price of grain, and one letter to an Assyrian king provides data on current grain prices in three provinces. Third-millennium sale documents for barley, oil, and dates "distinguish between the prices of the 'good year' (Sumerian *mu-hé-gal-la*) and the prices of the 'bad year' (*mu-nu-gal-la*)."⁹

⁸ Polanyi, *Livelihood of Man*, pp. 61, 134.

⁹ Sources on grain prices: Sami Said Ahmed, *Southern Mesopotamia in the Time of Ashurbanipal* (The Hague, 1968), p. 148; Jarelav Cerný, "Fluctuations in Grain Prices During the Twentieth

There is, in addition, evidence of seasonal variations in grain prices in Mesopotamia and possibly in Egypt. The seasonal pattern is, of course, the result of shifts in the supply curve of grain due to positive storage costs. The magnitude of seasonal variation in prices (see, for example, the data provided by Leemans) is at least roughly reflected in late third- and early second-millennium Mesopotamian loan contracts in which the interest rate on grain loans is usually $13 \frac{1}{3}$ percentage points higher than on loans of silver. Grain loans, it should be noted, were usually taken out before harvest (at sowing time or later), when prices were relatively high, and repaid immediately after the harvest when prices were relatively low. Similar forces are reflected in a late nineteenth-century loan contract in which an individual who borrowed one mina of silver to buy barley just before the harvest is obligated to repay not a fixed physical quantity of barley, but one mina's worth just after the harvest.¹⁰

Assertion 3: It was in the framework of the planned transfer and investment of staples stored on a gigantic scale that the accounting devices were developed that characterized the redistributive empires over long periods of time. . . . Goods passed on as payment [taxes or rent] to the center are passed out again as payments, and fall out of circulation.¹¹

In eliminating for all intents and purposes the role of market exchanges with food producers or middlemen, Polanyi had in mind mainly the ancient Near East, as indicated by his references to "the Sumerian city states and their enormously enlarged replica, the Pharaonic empire" and to the "storage-cum-redistribution methods practiced by early Sumeria and its Mesopotamian successors."¹² Staples, at least beyond the subsistence requirements of the direct producers, are allocated by

Egyptian Dynasty," *Archiv Orientalni*, 6 (1933), 176–77; Samuel Noah Kramer, *History Begins at Sumer* (Philadelphia, 1981), p. 266; Pierre Montet, *Everyday Life in Egypt in the Days of Ramesses the Great* (Philadelphia, 1981), pp. 74–75, 266–67; J. N. Postgate, "The Economic Structure of the Assyrian Empire," in *Power and Propaganda: A Symposium on Ancient Empires*, ed. Mogens Trolle Larsen (Copenhagen, 1979), p. 215; H. W. F. Saggs, *The Greatness That Was Babylon* (New York, 1962), p. 58; and Daniel C. Snell, *Ledgers and Prices: Early Mesopotamian Merchant Accounts* (New Haven, 1982), p. 183. One additional point: Section 41 of the Laws of Eshnunna dating probably to the eighteenth or nineteenth century states that beer entrusted to an innkeeper (*sabītum*) for sale shall be sold "at the current price" (Albrecht Goetze, "The Laws of Eshnunna," in *Ancient Near Eastern Texts Relating to the Old Testament*, ed. James B. Pritchard, 3d ed. (Princeton, 1969), pp. 161–63.

¹⁰ Sources on seasonal variations in grain prices and interest rates: Klaus Baer, "The Low Price of Land in Ancient Egypt," *Journal of the American Research Center in Egypt*, 1 (1962), 28; Waldo H. Dubberstein, "Comparative Prices in Later Babylonia (625–400 B.C.)," *American Journal of Semitic Languages*, 56 (Jan. 1939), 26–27; Jac. J. Janssen, *Commodity Prices from the Ramessid Period: An Economic Study of the Village of the Necropolis Workers at Thebes* (Leiden, 1975), pp. 117–19, 125–27; W. F. Leemans, "The Rate of Interest in Old Babylonian Times," *Revue Internationale des Droits de l'Antiquité*, 5 (1950), 28–29, and *Legal and Economic Records from the Kingdom of Larsa* (Leiden, 1954), pp. 32–33.

¹¹ Polanyi, *Livelihood of Man*, p. 115.

¹² *Ibid.*, pp. 59, 65, 134.

authority not by the market mechanism, and to this extent ancient Near Eastern economies are portrayed as large, hierarchically organized firms.¹³ Another scholar of similar orientation, S. C. Humphreys, was probably thinking of Rome when she wrote: "Most of the corn trade in the ancient world was based on the collection of corn as tax or tribute."¹⁴ These assertions run counter to the evidence.

Hopkins compared estimated total grain exports (first century C.E.) from Egypt and Africa to Rome with their total tribute grain, concluding that as much as two-thirds of each country's export was available for purchase by businessmen and government.¹⁵ For Mesopotamia earlier there is ample evidence of private ownership of land and of a land market (see the discussion of Assertion 6) and, as we have seen, of grain sales. It is difficult, however, to isolate the commercial roles of producers and middlemen. As Foster points out, it is usually impossible to tell whether the record of a grain shipment represents a commercial venture, payment of taxes, or some other purpose. Nevertheless, Foster does cite a tablet from the late third millennium conveying barley to a merchant. Texts dating from the third millennium also refer to the Sumerian *lú-se-sa-sa* (Akkadian *muqallû*) who roasted grain and sold it on the market. The most frequently listed goods on hand in the balanced silver accounts of the twenty-first century are wool and dates. Barley is also common. Veenhof cites a document from early in the second millennium found at the Assyrian commercial station in Anatolia (compare the discussion of Assertion 1) attesting to the purchase by traders of substantial quantities of barley and wheat resold at a profit. Grain loans were frequently made by individuals described as "merchants" in the first half of the second millennium, although the meaning of the word itself is in dispute. Recall the loan contract mentioned above, a loan to be repaid after the harvest in more valuable money. Leemans suggests that the business of the borrower was to purchase barley from farmers in the countryside, whereas the lender was possibly an urban dealer in grain. The retail sale of bread in the first half of the second millennium is attested to in a letter, for instance, "I have no hired man who would grind the barley (for me) so we have been eating bought bread." Other texts reveal granaries doing business with the

¹³ This position is derived from the redistributionist or temple-state hypothesis, which rests on the faulty assumption that most if not all agricultural land was owned by temples. For a recent critique, see Benjamin R. Foster, "A New Look at the Sumerian Temple State," *Journal of the Economic and Social History of the Orient*, 24 (Oct. 1981), 225–41. In a paper titled "The Gods as Inputs and Outputs of the Ancient Economy" prepared for presentation at the November 1983 meetings of the Southern Economic Association, I provide a treatment of this theme taking into account the entrepreneurial roles of temple and palace officials as well as the impact of tax exemptions granted to temples by the state.

¹⁴ S. C. Humphreys, *History, Economics, and Anthropology: The Work of Karl Polanyi* (London, 1978), p. 56.

¹⁵ Keith Hopkins, *Conquerors and Slaves: Sociological Studies in Roman History*, vol. 1 (Cambridge, 1978), p. 309.

general public stated to be privately owned or at least with no apparent connection with palace or temple. That private individuals stored grain in private granaries is confirmed by paragraphs 120 and 121 of Hammurabi's Code legislating default and storage charges. An eighteenth-century document records the price paid for a large quantity of barley by "Šamašnāšir the Tilmunite," probably a merchant who exported the grain to Tilmun (Bahrain). In the thirteenth century in Assyria at least one large firm owned large quantities of grain and made grain loans. Ugarit, as the trading center of northern Syria, possessed vessels capable of carrying 500 tons of grain. The Bible, again, provides evidence of grain merchants in eighth-century Israel: "Listen to this you who devour the needy . . . saying, 'If only the new moon were over, so that we could sell grain; the Sabbath, so that we could offer wheat for sale . . .'" (Amos 8:4–5). Private speculation in grain is indicated in Proverbs 11:26 ("of Solomon"): "He that withholds grain, the people shall curse him; but blessing shall be upon the head of him that sells it."¹⁶

Pharaonic Egypt is allegedly the epitome of a redistributive society. Janssen believes that "profound knowledge of modern market-directed economy proves to be of little value to the Egyptologist and may even be obnoxious," and admits that the evidence available is so scanty that "for the present, a study of the redistribution system in all its aspects seems the only possibility."¹⁷ It is known, however, that private ownership as well as sale and leasing of land are found throughout Egyptian history. Further, a farmer's letter dating from circa 2000 (see the discussion of Assertion 13) refers to the sale of emmer and to interest-bearing grain loans. Grain loans made by Egyptian merchants (*šwtj* is the basic word) to "peasants" are noted in Papyrus Lansing, which dates to the later second millennium. In the frequent mention of merchants connected with high officials, Janssen himself finds a hint of grain sales by large estates in the same period.¹⁸

¹⁶ Sources on Mesopotamian middlemen in the grain market: John B. Curtis and William W. Hallo, "Money and Merchants in Ur III," *Hebrew Union College Annual*, 30 (1959), 108; Hillel A. Fine, "Studies in Middle Assyrian Chronology and Religion, Part I," *Hebrew Union College Annual*, 24 (1952–1953), fn. 8, p. 230; Benjamin R. Foster, "Commercial Activity in Sargonic Mesopotamia," *Iraq*, 39 (Spring 1977), 36; Leemans, *Legal and Economic Records*, p. 33, and *Legal and Administrative Documents of the Time of Hammurabi and Samsuiluna* (Leiden, 1960) pp. 90–92; Henry Frederick Lutz, *Legal and Economic Documents from Ashjāly* (Berkeley, 1931), pp. 6, 19, 27, 47; A. Leo Oppenheim, "Trade in the Ancient Near East," in *Fifth International Congress of Economic History, Leningrad 1970*, ed. Hermann van der Wee et al. (The Hague, 1970), fn. 53, p. 145; A. Leo Oppenheim and Erica Reiner, *Ancient Mesopotamia*, rev. ed. (Chicago, 1977), fn. 13, p. 385; Jack W. Sasson, "Canaanite Maritime Involvement in the Second Millennium B.C.," *Journal of the American Oriental Society*, 68 (1966), 132; and K. R. Veenhof, "An Ancient Anatolian Moneylender," in *Festschrift Lubor Matouš*, ed. B. Hruska and G. Komoróczy, vol. 2 (Budapest, 1978), p. 283.

¹⁷ Jac. J. Janssen, "Prolegomena to the Study of Egypt's Economic History During the New Kingdom," *Studien Zur Altaegyptischen Kultur*, 3 (1975), 131, 185.

¹⁸ Sources on Egyptian middlemen in grain market: Aylward M. Blackman and T. Eric Peet, "Papyrus Lansing: A Translation with Notes," *Journal of Egyptian Archaeology*, 11 (1925), 289–

Assertion 4: In the archaic state, temple and palace are the chief providers of harvest credit.

It is well known that as the gods offered safe and honest dealing—an implicit surety or guarantee—the temples of the ancient Near East served as places of worship and as centers of intercity and international commerce. The same was often true in medieval Europe. Glotz's suggestion that "finance was born in the shade of sanctity" is oversimplified but still insightful.¹⁹ Nevertheless, Piotr Steinkeller informs me that practically all loan documents from the middle to the end of the third millennium concern loans made by private persons. Note also the references in the discussion of Assertion 3 to private grain loans in Pharaonic Egypt. The evidence regarding grain loans in Babylonia is greatest, however, in the first half of the second millennium; the documents show that both private persons and temples loaned out barley. But this rather oversimplifies the situation because, as Leemans explains, there were three variants of the temple loan: loans made by the deity (temple) alone; loans made by private persons and the deity; and loans by *nadiātu* (priestesses). In northern Babylonia the priestesses appear to have made the largest percentage of the barley loans. But the exact relationship between the women (daughters of wealthy families and kings) and the temples is obscure. Quite possibly they were in fact private lenders and dealers in real estate and slaves. Only in the case of loans "by the deity" do interest rates seem consistently lower than those charged by private lenders. During the first half of the second millennium the royal granary, used to provision soldiers and the like, loaned barley. The evidence for palace loans, however, appears to be confined to the period after the reign of Hammurabi, who is known to have instituted various economic reforms, including maximum interest rates on barley.²⁰

Assertion 5: With the emergence of price-making markets . . . credit take[s] on functions of a new character. . . . Modern banking, far from making markets unnecessary, as archaic banking did, is a means of expanding the market system beyond any simple exchange of goods in hand. . . . Neo-Babylonian merchant bankers dealt directly with farming. . . . Only in the late Middle Ages did wholesale trading over long

90; Klaus Baer, "An Eleventh Dynasty Farmer's Letters to His Family," *Journal of the American Oriental Society*, 83 (1963), 3, 9–12; and Jac. J. Janssen, *Two Ancient Egyptian Ship's Logs* (Leiden, 1961), p. 103, and "Prolegomena to the Study of Egypt's Economic History," p. 162.

¹⁹ Gustave Glotz, *Ancient Greece at Work* (New York, 1967), p. 304.

²⁰ Sources on temple and palace loans: Rivkah Harris, "Old Babylonian Temple Loans," *Journal of Cuneiform Studies*, 14 (1960), 130, "The Organization and Administration of the Cloister in Ancient Babylonia," *Journal of the Economic and Social History of the Orient*, 6 (July 1963), 121–22, "Some Aspects of the Centralization of the Realm Under Hammurabi and His Successors," *Journal of the American Oriental Society*, 88 (1968), 732, and *Ancient Sippar: A Demographic Study of an Old Babylonian City* (Istanbul, 1975), pp. 46–49; Leemans, "The Rate of Interest," pp. 12–13; J. Oelsner, "Neue Daten Zur Sozialen und Wirtschaftlichen Situation

distances provide a source of capital that sought employment in the more speculative channels. . . .²¹

This is doubtful. If Polanyi's point is to deny the existence of Babylonian firms providing nonagricultural business loans he is certainly wrong. It is true that the evidence for very early periods is thin and ambiguous. For example, Babylonian tablets dating from about the middle of the second half of the third millennium record barley loans to individuals of various professional categories including stock raiser, dealer in tar (a construction material), tradesman, courier, and business traveler. It is not known, however, whether the loans bore interest; nor is it known whether the lender(s?) (Amarezem) was acting as a palace employee or as a private businessman. We do, however, know the names and a good deal about the affairs of several important professional money lenders operating for many centuries in Babylonia from the late third through the first half of the second millennium. Indeed, the early part of the second millennium provides numerous lending contracts of an entirely commercial nature. Temple loans made jointly by a private person and the deity (temple) sometimes expressly state that the loan is for business purposes; in many other cases the purpose is unstated but the amount of silver involved is too large to be for consumption purposes. On the Cappadocian tablets of the early second millennium, Garelli informs us, the recorded purpose of loans to Assyrians corresponded to commercial objectives such as purchases of merchandise and business trips. Documents from Nuzi in eastern Assyria demonstrate that private lenders made interest-bearing loans for "business ventures" to merchants. Seventh-century contracts excavated in Assyria rarely specify the purpose of a loan, but in one case the purchase of donkeys is involved and in another the borrower appears to be a caravan leader trading in grain. Babylonian documents from about the same time not only record business loans (or investments) but often specify the kind of business to be engaged in, for example, a trading venture. Finally, tablets from northwest Syria deal with loans of silver "for capital" ("for trading purposes"?) during the eighteenth century.²²

Nippurs In Altbabylonischen Zeit," in *Wirtschaft und Gesellschaft im Alten Vorderasien*, ed. J. Harmatta and G. Komoróczy (Budapest, 1976), p. 262; and Elizabeth C. Stone, "The Social Role of the Naditu Women in Old Babylonian Nippur," *Journal of the Economic and Social History of the Orient*, 25 (Feb. 1982), 57-58. On the possible role of Israelite temples in business activity, see Morris Silver, *Prophets and Markets: The Political Economy of Ancient Israel* (Boston, 1983), pp. 65-67.

²¹ Polanyi, *Livelihood of Man*, pp. 141-42. The Neo-Babylonian period includes both the seventh and sixth centuries B.C.

²² Ahmed, *Southern Mesopotamia*, pp. 144-45; Josef Bauer, "Darlehensurkunden Aus Gursu," *Journal of the Economic and Social History of the Orient*, 18 (June 1975), 189-218; Paul Garelli, *Les Assyriens en Cappadoce* (Paris, 1963), p. 262; Harris, "Old Babylonian Temple Loans," pp. 130-31; Leemans, *The Old Babylonian Merchant* (Leiden, 1950), pp. 3, 11; David I. Owen, "The Loan Documents from Nuzu" (Ph.D. diss., Brandeis University, 1969), pp. 43-44; B. Parker,

During the nineteenth century Babylonian venturers provided funds to merchants participating in the Persian Gulf trade. Similarly, the merchant houses or firms involved in the Assyrian trade with Cappadocia were financed by means of long-term partnerships called *naruqqu* transactions (literally, "sack"). The one contract so far discovered shows that the capital involved amounted to the very substantial sum of roughly 33 pounds of gold. It would appear that the trader himself was entitled to one-third of the profit earned during the 12-year life of the agreement and the other contributors to the *naruqqum* were to receive the remainder of the profit. The investors were denied a share in the profit of the venture if they withdrew their funds prior to the expiration of the contract but were permitted to sell their share of the *naruqqum* to third parties. An Assyrian contract dating from the seventh century in which three men borrow 4 minas of silver also provides that: "If Qāllayu (an individual not named among the borrowers) withdraws from this *nadabāku* (same as, *natbāku*, literally "a place where corn (?) is heaped up") he shall bear the liability for the 4 minas of silver." A tablet from Ugarit in northwest Syria refers to an individual about to undertake a "voyage to Egypt for trading" backed by four guarantors. In the middle of the **second millennium** Ugaritian *ḥarranāti* ("caravans" or "commercial firms") established **in Hittite Anatolia a *bit ṭuppašši*** ("house of tabletship" or "accounting house") that, according to Sasson, **functioned much like modern banks**. In connection with **deposit banking**, Oppenheim calls attention to cuneiform sources (from the first half of the second millennium and the seventh to the sixth centuries) that refer to sealed bags of silver deposited with persons who used the silver in various transactions. A woman residing in eighteenth-century northwestern Syria writes to a man, evidently a banker, demanding the silver belonging to her sister: Whatever "was entrusted to you to be given, give (now)! It is (her) private capital." That in the earlier **second millennium** Mesopotamia knew negotiable loans of a two-party promissory-note type is suggested by numbers of surviving loan documents **specifying repayment not to the lender but to the "bearer of this tablet."** Olmstead points to purchases of real estate, animals, and slaves on credit with a separate receipt given each time a portion of the debt was repayed. In fact, **credit sales of oil, wool, and other goods were available early in the second millennium**. At Assur the wife of a leading Assyrian businessman in the thirteenth century paid for an order of bricks by means of a letter of credit involving wool. Besides credit, banking houses, and negotiability, the commercial loan market widened by resorting to suretyship or **third-party guarantee of repayment**.

"The Nimrud Tablets, 1952—Business Documents," *Iraq*, 16 (1954), 31; Saggs, *The Greatness*, p. 126; D. J. Wiseman, *The Alalakh Tablets* (London, 1953), p. 42; and Zaccagnini, "The Merchants," pp. 185–86.

Contracts of suretyship are well known in the seventh to the sixth centuries but are also found much earlier in the second millennium at Nuzi in Assyria and Anatolia. In fourteenth-century Assyria deed-tablets could be bought and sold on the market, with the buyer obtaining the right to "demand and take possession."²³

Assertion 6: The concept of the economy was born with the French Physiocrats simultaneously with the emergence of the institution of the market as a supply-demand-price mechanism. . . . This was, in the course of time, followed by the revolutionary innovation of markets with fluctuating prices for the factors of production, labor and land.²⁴

In fact, with the exception of the Ur III Dynasty (2112–2004), sales and leases of privately owned (nonpalace and nontemple) fields are common in all periods of Mesopotamian history from the middle of the third millennium to the sixth century but are especially abundant in the first half of the second millennium, some 3,500 years before the physiocrats. Moreover, early in the second half of the third millennium there is ample and clear evidence of the sale for silver of both large estates and comparatively small parcels by individual vendors. Among a large number of early second millennium texts that record the sale of small parcels of privately owned arable land in southern Mesopotamia the vendors appear to be groups (not individuals) in only 30 percent of the cases. Although the Soviet scholar Diakonoff would like to identify these "groups" as "family communes" he admits that the "kinship relations of the individual vendors between themselves is in such cases not always directly indicated. . . ." He adds with respect to the sale of date plantations and gardens that in both the north and south the

²³ Sources on investments, banking, credit, and negotiable instruments: Michael C. Astour, "Ugarit and the Great Powers," in *Ugarit in Retrospect*, ed. Gordon D. Young (Winona Lake, Minnesota, 1981), pp. 22, 25; Raymond P. Dougherty, "The Babylonian Principle of Suretyship as Administered by Temple Law," *American Journal of Semitic Languages*, 47 (Jan. 1930), 73–103; Howard Farber, "A Price and Wage Study for Northern Babylonia During the Old Babylonian Period," *Journal of the Economic and Social History of the Orient*, 21, Part 1 (1978), 10; Fine, "Middle Assyrian Chronology," p. 253; C. J. Gadd, "Assyria and Babylon, c. 1370–1300 B.C.," in *The Cambridge Ancient History*, 3d. ed. Vol. II, Part 2: *History of the Middle East and Aegean Region c. 1380–1000 B.C.*, ed. I. E. S. Edwards et al. (London, 1975), p. 38; Larsen, "The Old Assyrian Colonies," p. 470; "Partnerships in Old Assyrian Trade," *Iraq*, 39 (Spring 1977), 119–45; Willis D. Morgan, "The History and Economics of Suretyship," *Cornell Law Quarterly*, 90 (1927), pp. 153–58; A. T. Olmstead, *History of the Persian Empire* (Chicago, 1948), pp. 82–85; A. Leo Oppenheim, "The Seafaring Merchants of Ur," *Journal of the American Oriental Society*, 74 (1954), 6–17; "Review of R. Bogaert, *Les origines antiques de la banque de dépôt*," *Journal of the Economic and Social History of the Orient*, 12 (April 1969), fn. 2, p. 199; J. N. Postgate, *Fifty Neo-Assyrian Legal Documents* (Warminster, 1976), p. 46; A. H. Pruessner, "The Earliest Traces of Negotiable Instruments," *American Journal of Semitic Languages*, 44 (Jan. 1928), 88–107; Wolfgang Röllig, "Der Altmesopotamische Markt," *Die Welt des Orients*, 8 (1976), 293; Matitiahu Tsevat, "Alalakh," *Hebrew Union College Annual*, 29 (1958), 113; Sasson, "Canaanite Maritime Involvement," p. 135; Veenhof, "An Ancient Anatolian Moneylender," p. 292; and Zaccagnini, "The Merchants," pp. 181–82.

²⁴ Polanyi, *Livelihood of Man*, pp. 6–7.

percentage of group vendors is insignificant. The security of land transactions was enhanced by including in deeds of conveyance clauses in which the conveyor promised to “stand up (in court)” and “clean” (clear) the property from claims raised by third parties.²⁵

Perhaps a few words are in order here on the question of communal versus individual land ownership. Diakonoff’s “groups” may actually consist of witnesses, not vendors. The need for long lists of witnesses to validate land sales would diminish whenever the state itself played a more active role in registering land sales. For example, 40 documents from the royal archives of Ugarit effecting the transfer of property (mostly land, estates, and houses) bear the imprint of the dynastic seal instead of a list of witnesses.²⁶ The witness lists are also subject to misunderstanding. It is quite reasonable for neighbors of the vendor to serve as witnesses but kin are likely to be among the vendor’s neighbors. Thus the presence of the vendor’s kin in a sale contract does not necessarily imply “communal ownership” or an “extended family group.”²⁷ The Hungarian Assyriologist Komoróczy disagrees with Diakonoff’s views on the importance of communally owned land in the first half of the second millennium.

²⁵ Sources on Mesopotamian land market: Ahmed, *Southern Mesopotamia*, pp. 145–47; Jean Bottéro, “The First Semitic Empire,” in *The Near East: The Early Civilizations*, ed. Jean Bottéro et al. (New York, 1967), p. 114; Rachel Clay, *The Tenure of Land in Babylonia and Assyria* (London, 1938); I. M. Diakonoff, “Slaves, Helots, and Serfs in Early Antiquity,” *Acta Antiqua*, 22 (1974), 47–52; I. J. Gelb, “On the Alleged Temple and State Economies in Ancient Mesopotamia,” *Studi in Onore di Eduardo Volterra*, 6 (1971), 137–54, and “Household and Family in Early Mesopotamia,” in *State and Temple Economy in the Ancient Near East*, ed. Edward Lipiński, vol. 2 (Leiden, 1979), pp. 47–52; Harris, *Ancient Sippur*, pp. 213–14; Samuel Noah Kramer, *The Sumerians* (Chicago, 1963), p. 75; W. F. Leemans, “The Role of Land Lease in Mesopotamia in the Early Second Millennium,” *Journal of the Economic and Social History of the Orient*, 18 (June 1975), 137–38; Joan Oates, “Mesopotamian Social Organization,” in *The Evolution of Social Systems*, ed. J. Friedman and M. J. Rowlands (Pittsburgh, 1978), p. 477; Jacob J. Rabinowitz, “The Susa Tablets, The Bible, and the Aramaic Papyri,” *Vetus Testamentum*, 11 (1961), 59–61, 71–73; V. V. Struve, “The Problem of the Genesis, Development, and Disintegration of the Slave Societies of the Ancient Orient,” in *Mesopotamia: Social and Economic History*, ed. I. M. Diakonoff (Moscow, 1969), pp. 34, 41; and Reuven Yaron, “On Defension Clauses of Some Oriental Deeds of Sale and Lease from Mesopotamia and Egypt,” *Bibliotheca Orientalis*, 15 (Jan.–March 1958), 15–22. The oldest records of land transactions are undeciphered pictographs from the twenty-eighth century. In the Ur III period there are no clear cases of field sales but there are two contracts that may refer to private land sales. There are references to privately owned land, rental contracts, and sales of privately owned orchards (Gelb, “On the Alleged Temple and State Economies,” pp. 148–52, and “Household and Family,” pp. 69–70). In addition, the *še-ur₅-ra* texts show temples farming a “mortgaged field” and (apparently) lending out teams of plowmen and ox-drivers to independent field owners (Tom B. Jones and John W. Snyder, *Sumerian Economic Texts from the Third Ur Dynasty* [Minneapolis, 1961], pp. 253, 262, 269–70).

²⁶ C. L. Labuschagne, “The Našû-Nādanu Formula and its Biblical Equivalent,” in *Travels in the World of the Old Testament*, ed. M. S. H. G. Heerma Van Voss et al. (Assen, 1974), pp. 176–77.

²⁷ The procedure for identifying cases in which vendors are large groups seems suspect: “Under sellers, we include all individuals who received gifts in return for their sold property, that is, both primary sellers (who received both the price and gifts) and secondary sellers or primary witnesses (who received only gifts)” (Gelb, “Household and Family,” p. 69). Why should those who received “gifts” for undertaking to validate the sale against future legal challenges be classified as “sellers”?

The "land community" (in the original source *uru* or *ālum*, both meaning "city") . . . is, in my opinion nothing more than an organization of civil rights. It has no economic role, it has nothing to do with proprietorship, and the alienation of landed property takes place outside its authority; the lands are in private ownership.²⁸

There is in fact evidence from more recent historical periods that communal ownership-control over agricultural land is not, as is often supposed, an original or pristine form of organization but rather an adaptation to the imposition by the state of joint responsibility for taxation.²⁹

Important data testifying to a land market from the early second millennium is also available in Akkadian documents from Susa, a city in Persia on Mesopotamia's border. Numerous purchase deeds testify to the individual nature of land tenure. Children having inherited their father's wealth on his death might divide it among themselves by casting lots and selling their portions individually. In fourteenth-century Assyria joint heirs to a landed estate might sell claims on their inheritance prior to the announcement of the details: the buyer received the option to "choose and take" from among portions of the inheritance. Sales of privately owned agricultural land are also recorded in Syria in both the early and late second millennium at Alalakh and Ugarit. Note also the patriarch Abraham's purchase of land for silver in Genesis 23:12–18. Similarly, in Pharaonic Egypt, according to Baer:

It is well known that private individuals could own farm land at all periods of ancient Egyptian history. Documents attesting the conveyance of land are quite common. In most cases they record a donation of some sort, either to a temple or towards the endowment of a mortuary cult, but the acquisition of fields for private purposes is also mentioned from the earliest periods, though not so frequently.

Baer explains that the term *nmḥw-n'* means "privately owned" and adds that documents quoting prices for a field are extremely rare. When the available price data pertaining to different historical periods are compared, however, they display wide fluctuations.³⁰

More ample but still fragmentary price data are available for Mesopotamia in the first half of the second millennium. For one northern Babylonian city Harris provides land rents (classified by irrigation area

²⁸ G. Komoróczy, "Landed Property in Ancient Mesopotamia and the Theory of the So-called Asiatic Mode of Production," *Oikumene*, 2 (1978), 9.

²⁹ This question will be dealt with more fully in a planned paper. For the present, see Peter Toumanoff, "The Development of the Peasant Commune in Russia," this JOURNAL, 41 (March 1981), 183.

³⁰ Sources of land market outside Mesopotamia: Baer, "The Low Price of Land," pp. 25–26; Gadd, "Assyria and Babylon," p. 38; Walther Hinz, "Persia c. 1800–1550 B.C." in *The Cambridge Ancient History*, 3d. ed. Vol. II, Part 1: *History of the Middle East and the Aegean Region c. 1800–1380 B.C.*, ed. I. E. S. Edwards et al. (London, 1973), p. 285; Yohanan Muffs, *Studies in the Aramaic Legal Papyri from Elephantine* (Leiden, 1969), p. 20; and Wiseman, *The Alalakh Tablets*, pp. 49–50.

and reign) of considerable variation. The field prices assembled by Stone for a city in southern Babylonia likewise vary substantially over time. Texts from Nuzi in eastern Assyria dating to the middle of the second millennium show sharp variations in field prices even when account is taken of whether the field was irrigated or adjoined a watercourse. Mention, finally, should be made of a later second-millennium Akkadian letter fragment found at a Canaanite city whose hypothetical (but expert) restoration conveys the idea that items (houses and fields?) in short supply sold at high prices. Admittedly, the sources of the observed price variability would be difficult to isolate and quantify. On the other hand, it is fair to say that the evidence provides little comfort for those who, like Polanyi, would deny a role for supply and demand in determining land values.³¹

The Near Eastern world, of course, knew an active market for slave labor. In one north Babylonian city (Sippar) in the early second millennium sale prices of slaves classified by sex and reign display pronounced variations. A rental market for slaves and some familiarity with opportunity cost appear to be indicated by the Laws of Eshnunna, which date to the early second millennium: "If a man had nothing upon a man, yet distrained the man's slave woman, the owner of the slave woman shall swear by (a) god: 'You have nothing upon me'; he shall weigh out silver as much as the hire of the slave woman." Babylonian documents revealing a willingness to invest in slaves by apprenticing them to learn trades (including potter, dyer, and weaver) are available from the time of Hammurabi and of Cyrus in the sixth century.³²

Free agricultural wage laborers appear in Mesopotamian documents, in "considerable numbers" according to Struve beginning with the middle of the second half of the third millennium. He adds that one text places over 21,000 hired reapers on the royal estates. (Perhaps this number refers to the number of daily rations paid out over the period.) Another text from the same period includes a list of priced worker-days. Agricultural wage-workers are also noted in nineteenth-century texts and, indeed become common in the first half of the second millennium. Harris informs us that at a north Babylonian city during the latter period, harvesters who were usually hired by the month received a wage of $\frac{1}{3}$ to 2 shekels. The wages of hired workers other than harvesters vary markedly even when account is taken of whether the worker was

³¹ Sources on land prices: William W. Hallo, "A Letter Fragment from Tel Aphek," *Tel Aviv*, 8 (1981), 18–24; Harris, *Ancient Sippar*, p. 277; Elizabeth C. Stone, "Economic Crisis and Social Upheaval in Old Babylonian Nippur," in *Mountains and Lowlands*, ed. Louis D. Levine and T. Cuyler Young Jr. (Malibu, 1977), p. 272; Carlo Zaccagnini, "The Price of Fields at Nuzi," *Journal of the Economic and Social History of the Orient*, 22 (Jan. 1979), 5–6.

³² Sources on slavery: Harris, *Ancient Sippar*, pp. 342–44; Farber, "A Price and Wage Study," pp. 12–14; Isaac Mendelsohn, *Slavery in the Ancient Near East* (New York, 1949), pp. 106, 113–15; Struve, "The Problem of the Genesis," p. 54; and Reuven Yaron, *The Laws of Eshnunna* (Jerusalem, 1969), pp. 31, 183–85.

an adult or child, duration of employment (daily, monthly, or yearly), and whether the wage was paid in silver or in barley. The letter of an Egyptian farmer dating from about 2000 specifies the wage (barley ration) to be paid to a hired laborer (see the discussion of Assertion 13). A Babylonian text from the late third millennium, published by Goetze, specifies the daily wage for digging irrigation ditches, and another text, possibly representing a temple loan, refers to the "barley wages for the female mill workers for the period of one month." Texts from the earlier second millennium clearly refer to artisans (for example, bricklayers, grinders, brewers, and carpenters), boat towers, sailors, oxen drivers, irrigation canal diggers, and even individuals hired "to do business" who worked for wages. Collections of letters from the seventh and sixth centuries show that hired labor was commonly employed for regular canal work and, as Dubberstein points out, provide evidence of wage rates determined by supply and demand: "In fact, some of the letters show that at times it was even difficult to hire as much free labor as was needed. This is corroborated by the statement that the laborers were hired for five shekels a month, an unusually high scale of wages, even in comparison with the rising prices of the period." C. J. Eyre, in a forthcoming volume on labor in the ancient Near East edited by Marvin A. Powell, provides evidence for the second half of the second millennium on payments in kind to Egyptian craftsmen. A tablet dated on paleographic grounds from the late eighth to the sixth century records the payment of wages in silver.³³ The evidence summarized here is sporadic and fragmentary but it scarcely supports the view that land and labor markets were innovations of nineteenth-century Western Europe.

Polanyi suggested that "a supply-demand-price system implies fluctuating prices that control supply, if not production itself."³⁴ But he did not in so many words deny the existence of a supply response in Near Eastern antiquity. This position, however, has been explicitly put forward by S. C. Humphreys:

³³ Sources on wage labor: Jaroslav Cerný, "The Abnormal-Hieratic Tablet Leiden I 431," in *Studies Presented to F. Ll. Griffith*, intro. Robert Mond (London, 1932), pp. 46–56; Diakonoff, "Slaves, Helots, and Serfs," p. 50; Dubberstein, "Comparative Prices," p. 39; Howard Farber, "An Examination of Long Term Fluctuations in Prices and Wages for North Babylon During the Old Babylonian Period," (M. A. thesis, Northern Illinois University, 1974), pp. 58–59, and "A Price and Wage Study," pp. 30–34, 50–51; I. J. Gelb, "The Ancient Mesopotamian Ration System," *Journal of Near Eastern Studies*, 24 (July 1965), 242–43; Albrecht Goetze, "Two Ur Dynasty Tablets Dealing with Labor," *Journal of Cuneiform Studies*, 16 (1962), 13–16; Albert K. Grayson, *Assyrian Royal Inscriptions*, vol. 1 (Wiesbaden, 1972), fn. 64, pp. 20–21; Harris, *Ancient Sippar*, pp. 245–46; Jones and Snyder, *Sumerian Economic Texts*, p. 255; Leemans, *The Legal and Administrative Documents*, pp. 90–92, 103, 108; Snell, *Ledgers and Prices*, p. 12; Piotr Steinkeller, "The Renting of Fields in Early Mesopotamia and the Development of the Concept of 'Interest' in Sumerian," *Journal of the Economic and Social History of the Orient*, 24 (May 1981), 124; Struve, "The Problem of the Genesis," pp. 41, 50.

³⁴ Polanyi, *Livelihood of Man*, p. 135.

Assertion 7: The major distinction between the modern economy (capitalist or socialist) and that of earlier or less developed societies is that exchange prices in the latter, whether fixed or bargained, have little connection with production decisions.³⁵

and by Diakonoff:

Assertion 7a: Commodity circulation did exist [in the ancient Near East], but commodity production as such did not—i.e. there was no system having as its object the creation of profit by the production of commodities specifically for the market. Hence, no accumulation of capital took place.³⁶

The evidence points in the opposite direction. Discussing the early second-millennium Assyrian trade with Cappadocia, Lewy notes that: “If informed that the demand for these commodities [garments and tin] was particularly heavy the merchants in Assur [on the Tigris in Assyria] who had them for sale helped their customers by assembling goods, donkeys and drivers in advance so that the next caravan could leave immediately.” Based on available documentation, Larsen estimates that Assur shipped by donkey about 80 tons of tin over some 50 years. At a copper/tin ratio of 9:1 this tin would have been combined with 720 tons of copper to produce 800 tons of bronze. Again, one text from a southern Babylonian city (circa 1800) refers to 18 tons of copper received at Tilmun (Bahrain). Can we imagine that tin and copper in such quantities would have been mined in the absence of a market orientation?³⁷

It has long been established that Babylonian textiles were exported throughout the ancient Near East. A number of cities possessed large workshops employing hundreds of women in spinning and weaving. For example, a late third-millennium text from Eshnunna, a city north of Babylon in the Diyala region, lists 585 female and 105 male employees in a weaving “household.” Interestingly, the excavations at this site uncovered a sizable building dating from this period with elaborate water installations, perhaps a “women’s house” in which large numbers of women lived and produced textiles. (One of the excavators, P. Delougaz, considers it more likely that the building housed a tannery; leather-making consumes large quantities of water, from soaking to tanning.) Noting that “both the material and the techniques to produce textiles were known all over the Ancient Near East,” Oppenheim

³⁵ Humphreys, *History, Economics, and Anthropology*, p. 49.

³⁶ I. M. Diakonoff, “The Commune in the Ancient Near East as Treated in the Works of Soviet Researchers,” in *Introduction to Soviet Ethnography*, ed. Stephen P. Dunn and Ethel Dunn, vol. 2 (Berkeley, 1974), p. 523.

³⁷ Sources on large-scale trade: Mogens Trolle Larsen, *The Old Assyrian City-State and Its Colonies* (Copenhagen, 1976), p. 89; Julius Lewy, “Some Aspects of Commercial Life in Assyria and Asia Minor in the Nineteenth Pre-Christian Century,” *Journal of the American Oriental Society*, 78 (1958), 91; Oppenheim, “The Seafaring Merchants,” p. 10; Michael Roaf, “Weights on the Dilmun Standard,” *Iraq*, 44 (Autumn 1982), 137–41.

concludes that "the popularity of the Babylonian production has to be accounted for by certain specific qualities which we have no means of establishing, in spite of the elaborate Sumerian and Akkadian terminology describing such cloth and specific items of clothing." By an alternative line of explanation for the "popularity," Babylonia had a cost advantage in the production of textiles. Specialization in textiles can be understood in terms of comparative advantage—that is, Babylonia had relatively low marginal costs of producing textiles in terms of the various goods it (ultimately) imported.³⁸

The effort of covering the landscape of southern Mesopotamia with large groves of female date palms artificially pollinated makes little sense except as a response to market opportunities. (Sumerian texts dating from the early second millennium include a large variety of terms for different kinds of palms and their parts.) The date palm does not bear fruit until the third or fourth year after transplanting and requires skilled care in planting, pollination, and fruit treatment. Several paragraphs of the Hammurabi Code (60–65) and business documents deal with owners giving out their grain fields to "gardeners" to convert into date orchards or owners having their date groves pollinated. Fragmentary data presented by Pruessner indicate that in the eighteenth century the selling price of an orchard (expressed per unit of land) was double that of a grain field. Similarly, the laborious construction of agricultural terraces for vineyards in the hills behind Ugarit and around Jerusalem can be understood only in terms of the lucrative markets provided by the neighboring urban centers. Heltzer provides data showing that in the second half of the second millennium land prices in terms of silver at Ugarit were much higher than elsewhere in the Near East. Excavations at one city in southern Mesopotamia uncovered not only a text testifying to the export of fish to another city in the region but drains, large tanks, complete and stacked fish skeletons, and other evidence suggestive of a veritable fish industry, all dating from about the middle of the third millennium. Market opportunities must also lie behind the industrial installations excavated at Israelite towns such as Debir and Gibeon. Debir (southwest of Hebron on the main road linking Egypt with the Judean hills) possessed large numbers of loom weights as well as dyeing vats (or possible olive presses) each weighing about a ton. At Gibeon (northwest of Jerusalem) no less than 63 underground wine vats

³⁸ Sources on textile industry: H. E. W. Crawford, "Mesopotamia's Invisible Exports in the Third Millennium," *World Archaeology*, 5 (Oct. 1973), 236; Pinhas Delougaz, "Remarks Concerning Dating and Function of the Northern Palace," in *Private Houses and Graves in the Diyala Region*, ed. P. Delougaz et al. (Chicago, 1967), pp. 196–98; I. J. Gelb, "The Arua Institution," *Revue d'assyriologie et d'archéologie orientale*, 66, no. 1 (1972), 3–4; Leemans, *Foreign Trade*, pp. 98–99, and "Old Babylonian Letters and Economic History," *Journal of the Economic and Social History of the Orient*, 11 (June 1968), p. 179; Oppenheim, "Trade in the Ancient Near East," pp. 131–32; and K. R. Veenhof, "Some Social Effects of Old Assyrian Trade," *Iraq*, 39 (Spring 1977), 114–15.

and cellars were discovered, some seven feet deep, capable of storing 25,000 gallons of wine. Note also the discovery of a late Babylonian “factory” producing oil jars and of an oil-producing installation at Ugarit as well as hints of industrial installations found in seventh- to the fifth-century Babylonian references to the “city of the metal workers,” “city of tanners,” and so on, and in Biblical references to the “valley of the craftsmen” (1 Chronicles 4:14; Nehemiah 11:35). Finally, although the great tombs built for the pharaohs were obviously consumer goods, their vast expenditures beginning in the second millennium or earlier to cut a “canal of the two seas” between the Nile and the Red Sea were motivated primarily by the desire to facilitate trade with the land of Punt and the Red Sea area generally.³⁹

Why, moreover, would anyone (or any presumably self-contained “house”) have been willing to produce human capital—that is, sacrifice current consumption to make the investment required to learn one of the above skilled crafts or one of the many others recorded in the Near Eastern documents unless he perceived a remunerative market for the services? (Tablets from southwest Greece dating to the second half of the second millennium mention a very large number of crafts and regularly refer to people training for an occupation.) Egyptian craftsmen were given “favors” as incentive payments.⁴⁰

Historically, introducing new agricultural products for new markets has often resulted in the consolidation of landholdings.⁴¹ The land consolidator is typically an individual who has acquired some familiarity with the needs and circumstances of relatively distant markets and has access to the capital to implement his insights. In the ancient world this would mean most of all merchants and officials of the temple or palace. Such a pattern becomes evident in southern Mesopotamia beginning in the middle of the third millennium. For example, the rulers (and, no doubt, the temples) of one city-state, Lagash, are known to have *purchased* both large estates and small fields during an era of flourishing long-distance trade involving Persia and the Persian Gulf. Documentary

³⁹ Sources on investment in capital goods: Crawford, “Mesopotamia’s Invisible Exports,” pp. 234–35; Gershon Edelstein and Shimon Gibson, “Ancient Jerusalem’s Rural Food Basket,” *Biblical Archaeology Review*, 8 (July/Aug. 1982), 46–54; Foster, “Commercial Activity,” fn. 93, p. 38; Menashe Har-El, “The Valley of the Craftsmen,” *Palestine Exploration Quarterly*, 109 (July-Dec. 1977), 77; Heltzer, *Goods, Prices, and the Organization of Trade*, p. 118; Kramer, *The Sumerians*, p. 109; Chester C. McCown, *The Ladder of Progress in Palestine* (New York, 1943); Montet, *Everyday Life*, pp. 182, 184, 189; Oppenheim, “Trade in the Ancient Near East,” fn. 46, p. 144, and *Ancient Mesopotamia*, pp. 84, 312; W. M. Flinders Petrie, *Social Life in Ancient Egypt* (New York, 1923), pp. 160, 185–87; James B. Pritchard, *Gibeon Where the Sun Stood Still* (Princeton, 1962); A. H. Pruessner, “Date Culture in Ancient Babylonia,” *American Journal of Semitic Languages*, 36 (April 1920), 213–33; Lawrence E. Stager, “The Archaeology of the East Slope of Jerusalem and the Terraces of the Kidron,” *Journal of Near Eastern Studies*, 41 (April 1982), 118.

⁴⁰ Sources on crafts; C. J. Eyre in a paper to appear in a volume edited by Marvin A. Powell; Alan E. Samuel, *The Mycenaeans in History* (Englewood Cliffs, 1966), p. 84.

⁴¹ Silver, *Prophets and Markets*, chap. 6 and appendix B.

and archaeological evidence reveals that grain, flour, and woolen textiles were exported in return for lumber, stones, and metals. Something of the nature of this trade is reflected in the earlier epic poem "Enmerkar and the Lord of Aratta," which describes how the ruler of one southern Mesopotamian city piled up grain in "Aratta" (perhaps in southwestern Iran) in return for semiprecious stones. (Analysis of plant remains demonstrates that wheat, as a better quality cereal suitable for export, was cultivated during the era.) Land consolidation may have involved the extension of the existing natural watering to high lands requiring artificial irrigation. Machines for raising water were known at least as early as the beginning of the second millennium. The possibility is disputed, but it is known that the technical terms for irrigation facilities and their management first appear in this period. Adams suggests that the newly emerging technical vocabulary denotes "a transition from localized, ad hoc, generally small-scale irrigation concentrated along the backslopes of particular natural levees to extensive, increasingly artificial, intercommunity systems." In any event the process of land consolidation reduced a significant fraction of the class of commoners to the status of clients. More exactly, in the case of temples the formerly independent farmers assumed the status of *shublugals*, which meant that in return for labor they received allotments of "nourishment" land as well as or instead of wages in kind ("rations"). The explanation of the emergence of a large body of dependent workers as an adjustment in economic organization to the opening up of new trade opportunities is consistent with the data. It appears to provide a solution to a problem that has long concerned ancient economic historians; as Oppenheim and Reiner point out: "To speak here of conquered and subjugated population strata offers a much too obvious answer, which moreover has no base in the known history of the region."

A similar evolution is observed in northern Mesopotamia beginning with the rule of Sargon, about the second half of the twenty-fourth century. Trade relations were opened with distant markets, including Cappadocia, the Mediterranean Sea, Assyria, and the Persian Gulf. Wool and woolen garments became the main exports of northern Babylonia. Struve reports that in this period the king purchased large landed estates. The records also show that small land parcels were bought up; hired workers appeared in significant numbers. The explanation is no doubt related to the substitution of sheep-raising for subsistence barley cultivation. Egypt provides a final example. In the first half of the third millennium, one Metjen, an official of the late Third-early Fourth Dynasty, purchased land from numerous *nswtjw*. The latter vendors (literally "those of the king"), Baer believes, were small freeholders and the area they sold amounted to about 1/1,000 of Egypt's arable area at the time. The Fourth Dynasty was an age of great

affluence and pyramid building. During this period Egypt possessed a fair-sized commercial colony at Byblos, a port just north of Beirut, and it is known that the first king of the Dynasty sent expeditions of as many as 40 ships to Lebanon for timber. (Apparently the wood found in Egyptian tombs dating from before the Third Dynasty is of local Egyptian origin.) The import of Syrian oil was also important. On the other hand, the scarcity of Egyptian artifacts in Lebanon is at least consistent with "invisible exports" such as agricultural products, which would, of course, fit in nicely with land consolidation in Egypt.⁴²

It is possible to find a hint of the law of demand operating in second-millennium Babylonian texts from around and after the time of Hammurabi that point to increased use of gold for emblems, statues, thrones, and the like during a period when its price in terms of silver had declined precipitously.⁴³

II

We turn next to Polanyi's indirect or structural arguments against the presence of markets in Near Eastern antiquity.

Assertion 8: Not Babylon but rather Athens may have . . . to be credited with the possession of the first important city market. . . . [Second-millennium] Babylon . . .

⁴² Sources on new markets and land consolidation for Southern Mesopotamia in the middle of the third millennium: Robert McC. Adams, *Heartland of Cities* (Chicago, 1981), p. 144; Elizabeth C. L. During Caspers, "Sumer, Coastal Arabia, and the Indus Valley in Protoliterate and Early Dynastic Eras," *Journal of the Economic and Social History of the Orient*, 22 (May 1979), 122-23; Crawford, "Invisible Exports," p. 233; I. M. Diakonoff, "The Rise of the Despotic State in Ancient Mesopotamia," in *Ancient Mesopotamia*, ed. Diakonoff, p. 178; C. J. Gadd, "The Cities of Babylonia," in *The Cambridge Ancient History*, 3d. ed. Vol. 1, Part 2: *Early History of the Middle East*, ed. I. E. S. Edwards et al. (London, 1971), pp. 49-50; Géza Komoróczy, "Work and Strike of Gods, New Light on the Divine Society in the Sumero-Akkadian Mythology," *Oikumene*, 1 (1976), 28-30; Jorgen Laessoe, "The Irrigation System at Ulu, 8th Century B.C.," *Journal of Cuneiform Studies*, 5 (1951), 32; M. E. L. Mallowan, *Early Mesopotamia and Iran* (New York, 1965), pp. 19-20; Oppenheim, *Ancient Mesopotamia*, p. 96; Iu. I. Semenov, "The Problem of the Socioeconomic Order of the Ancient Near East," in *Introduction to Soviet Ethnography*, vol. 2, pp. 581-84; and Struve, "The Problem of the Genesis," p. 35.

Sources on new markets and land consolidation for Northern Mesopotamia in the second half of the third millennium: Gelb, "On the Alleged Temple and State Economies," p. 145; Leemans, *Foreign Trade*, pp. 54-55; M. E. L. Mallowan, "The Mechanics of Ancient Trade in Western Asia," *Journal of Persian Studies*, 3 (1965), 2; Oelsner, "Neue Daten," pp. 263-64; Struve, "The Problem of the Genesis," p. 41.

Sources of new markets and land consolidation for Egypt in the third millennium: Baer, "An Eleventh Dynasty Farmer's Letters," p. 13; Amnon Ben-Tor, "The Relations Between Egypt and the Land of Canaan During the Third Millennium B.C." *Journal of Jewish Studies*, 33 (Spring-Autumn 1982), 11-13; D. M. Dixon, "A Note on Cereals in Ancient Egypt," in *The Domestication and Exploitation of Plants and Animals*, ed. Peter J. Ucko and G. W. Dimbleby (Chicago, 1969), pp. 138-39; Henri Frankfort, *The Birth of Civilization in the Near East* (Bloomington, 1959), p. 85; A. Lucas and J. R. Harris, *Ancient Egyptian Materials and Industries* (London, 1962), pp. 429-48; Jean Vercoutter, "Egypt Under the Old Kingdom," in *The Near East*, pp. 287-88; G. A. Wainwright, *The Sky-Religion in Egypt* (London, 1938), p. 12; and John A. Wilson, *The Culture of Ancient Egypt* (Chicago, 1951), pp. 88, 101.

⁴³ Farber, "A Price and Wage Study," pp. 4-7.

possessed no markets. . . . [Note also] the coexistence of the Mediterranean emporium of Tyre with its Palestinian hinterland, whose towns, as a rule contained no market places. . . . And it was not backward Attica, but in Asia Minor that we first meet, as late as the seventh century B.C. . . . the retailing of food in the local market of Salamis.⁴⁴

Polanyi explains his preoccupation with the absence of market places as follows: “Obviously, the market as a *place* preceded any competitive mechanism of the supply-demand type.”⁴⁵ It should be noted first that although markets require mechanisms enabling traders to communicate they do not require face-to-face gatherings of all traders. Nevertheless, as might well be expected, there is sufficient evidence of such places in the ancient Near East.

The Leningrad Larsa Project has concluded that in the early second millennium city dwellers in Babylonia purchased food for silver (see also the discussion of Assertion 9). A letter refers to “bought bread” (see the discussion of Assertion 3). Of course, we lack reliable evidence on the relative importance of such purchases. A royal inscription from early second-millennium Assyria refers to the prices of barley, wool, and oil in Assur. At roughly the same time, the ruler erected in the city of Susa in Persia a stele stating the appropriate prices for various merchandise. In the Bible, Nehemiah 13:16 tells of the “men of Tyre . . . who brought in fish, and all manner of ware, and sold on the sabbath unto the children of Judah, and in Jerusalem.” Oppenheim provides evidence from as early as the third millennium of food peddlers who sold imports such as salt and wine, and domestic beer, roasted grain, pots, and alkali (used for soap). Veenhof points to the “market-like function of the *kārum*” and to a Babylonian reference to “the alley with purchase goods.” The larger of the early second-millennium Assyrian commercial stations in Cappadocia were called *kārum*, a word whose original meaning appears to have been “embankment” or “quay.” One text from southern Babylonia records the ownership of land in the *kārum* and another concerns a house at the “fish *kārum*”; various documents refer to the sale of grain, wool, and slaves at the *kārum*. Note also the Egyptian work *mryt*, meaning “quay” or “marketplace.” The term for “streets” (Akkadian *sūqu*), often found in the documents, also connotes a marketplace. Texts from the second half of the third millennium speak of goods being “on the street”; tablets from the first half of the second millennium refer to the *suq šimātīm* or “commercial street.” The Bible notes streets in commercial contexts in 1 Kings 20:34, Jeremiah 37:21, and probably Ezekiel 26:11–12. Similarly, fifteenth-century Nuzi in eastern Assyria had a “street of the fowlers.” “Gates” (actually the areas around them) also served as marketplaces, as indicated in the Biblical reference in 2 Kings 7:1 to the ninth century, as well as in first-millennium Babylonian and Assyrian

⁴⁴ Polanyi, *Livelihood of Man*, pp. xl, 78–79, 146.

⁴⁵ *Ibid.*, p. 124.

text references to the “gate of buying.” A second-millennium text records that the copper of several individuals lies at Assur in the *bābtum*, a term derived from *bābu*, or “gate”; another from the late third millennium refers to (royally owned?) wool being “placed at the gate.” Edward Lipiński has called my attention to the term *bāb abulli*, an expression that designates the gate as the place where business is transacted. Another term, *maḥīru*, often has an abstract meaning (for example, “market value”) but Röllig explains that it also describes a concrete location for the “receiving” (*maḥāru*) of goods. In a text from seventh-century Assyria, captured Arab camels are sold at market gates (*ina bāb maḥīri*). Again, a text from Nuzi tells us that “this tablet (was) written at the market of Nuzi.” An “omen” text predicts that “the people will bring their possessions to the market,” and another early Babylonian text explicitly links such sales with famine. A letter states: “Later I instructed you to buy two bags at the market and to take them (home). . . .” Loans were also repaid “at the market.” In each instance the texts use the term *maḥīru*. Earlier second-millennium texts reveal that cities such as Sippar in northern Babylonia possessed a “place” (*ribītu*) in which were located shops and taverns. The term used for a shop is *bīt maḥīrim*. Indeed, a text from Sippar mentions rows of contiguous shops of goldsmiths or money changers (see the discussion of Assertion 9 on money). Also of interest is that the Hittite word for market is etymologically linked with that for city (*ḥappira*).⁴⁶

Buildings thought to have incorporated shops have been excavated not only at ports such as Ugarit but at inland sites such as first-millennium Hazor in northern Israel, mid-second-millennium Jericho, and in northern Babylonia at third-millennium Eshnunna. The four ovens capable of baking leavened bread found in one structure in Eshnunna suggest a bakery. Several Jericho shops contained rows of jars full of grain, and one structure possibly housed a grain-milling establishment. The excavators at Assur in Assyria found near the “gate of the coppersmiths” houses with “individual rooms with wide openings on the street, seeming to be storehouses or shops.” Rooms entirely open at the front suggesting a “showroom” were also excavated at early second-millennium Ur, a city in southern Babylonia. Excavations in a Hittite town of the second millennium have uncovered the remains of a

⁴⁶ Textual evidence on marketplaces: Dietz Otto Edzard, “The Old Babylonian Period,” in *The Ancient Near East*, p. 196; M. Elat, “The Monarchy and the Development of Trade in Ancient Israel,” in *State and Temple Economy*, vol. 2, fn. 66, p. 543; Foster, “Commercial Activity,” fn. 63, p. 36, 40; Grayson, *Assyrian Royal Inscriptions*, p. 20; Harris, *Ancient Sippar*, pp. 17, 20; Thorkild Jacobsen, “On the Textile Industry at Ur Under Ibbi-Sin,” in *Towards the Image of Tammuz and Other Essays on Mesopotamian History and Culture by Thorkild Jacobsen*, ed. William L. Moran (Cambridge, Massachusetts, 1970), p. 217, fn. 7, p. 422; Leemans, *Foreign Trade*, pp. 101–2; Oppenheim, *Ancient Mesopotamia*, p. 129, fn. 13a, p. 351; Röllig, “Der Altmesopotamische Markt,” pp. 288–94; Saggs, *The Greatness*, p. 287; and Veenhof, *Aspects of Old Assyrian Trade*, pp. 354–56.

grain shop or food store including a "bar" of mud-brick. Catering facilities have been found in Troy.⁴⁷

Assertion 9: Even in highly stratified archaic societies such as Sumeria, Babylonia, Assyria, the Hittites or Egypt, storage economies prevailed; and, in spite of a large-scale use of money as a standard, its use for indirect exchange was negligible. This may, incidentally, explain the complete absence of coins in the great civilizations of Babylonia and Egypt. . . . [In] Asia Minor . . . we first meet, as late as the seventh century B.C. the use of coined money. . . .⁴⁸

The advantage of an exchange money relative to a barter system is that it reduces both the average number of transactions a trader must participate in and the number of prices he must have knowledge of. The disadvantage is that it requires society to undertake a significant investment of scarce resources to create a new capital good, namely a general agreement or convention to use some specific commodity for this function. It will not pay the society to make the investment until economic development has increased the number of goods traded and the division of labor beyond some point. At this point, however, the introduction of exchange money, lowering transactions costs and thereby facilitating further increases in the variety of goods and economic specialization, will contribute to economic development. Polanyi qualifies his argument to the point of incoherence, but his thrust is unmistakable: exchange money appears as an adjunct of market exchange, so the absence of the exchange money implies the absence or at least the unimportance of market exchange.⁴⁹

Actually the ancient Near East knew quite well money in the generic sense of a common medium of exchange. Babylonian texts from the later third millennium already show us street vendors and, according to Foster, the use of silver to pay rentals and purchase dates, oil, barley, animals, slaves, and real estate. In addition we are told that: "Silver was widely used in personal loans and was often found in possession of private citizens and officials. A businessman might have silver on deposit at various places." Documents from late in the third millennium make reference to "silver of deliveries" (for paying for deliveries) as well as silver for buying "cassia," salt, and tin. Lambert, who studied

⁴⁷ Archaeological evidence for marketplaces: Norman de G. Davies and R. O. Faulkner, "A Syrian Trading Venture to Egypt," *Journal of Egyptian Archaeology*, 33 (1947), 40–46; C. J. Eyre in forthcoming Powell (ed.) volume; Harold P. Hill, "Tell Asmar: The Private Home Area," in *Private Houses*, pp. 148, 170, 179; Svetlana I. Hodjash and Oleg D. Berlev, "A Market-Scene in the Mastaba of D3d3-m-nh," *Altorientalische Forschungen*, 7 (1980), 31–49; Kathleen M. Kenyon, *Archaeology in the Holy Land* (New York, 1960), p. 187; J. G. Macqueen, *The Hittites and Their Contemporaries in Asia Minor* (Boulder, 1975), p. 69; Röllig, "Der Altmesopotamische Markt," p. 287; Leonard Wooley and P. R. S. Moorey, *Ur of the Chaldees*, rev. ed. (Ithaca, 1982), p. 202; and Yigael Yadin, *Hazor: The Rediscovery of a Great Citadel of the Bible* (New York, 1975), pp. 151–54.

⁴⁸ Polanyi, *Livelihood of Man*, pp. 119–20, 146.

⁴⁹ *Ibid.*, pp. lii, 141.

bills of exchange, loan documents, and tax collection receipts dating from this period, found that silver was used as payment by many levels of society including ordinary people, not just merchants. Silver also served as a medium of exchange during the first half of the second millennium. Indeed, in the law codes dating to the era (Hammurabi Code, Eshnunna Code) the tort law sometimes calls for restitution in kind but usually requires payment in silver. Monetary restitution is also found in the supposedly “tribal” Covenant Code in Exodus 21:33–34: “And if a man shall dig a pit . . . and an ox or an ass fall therein, the owner of the pit shall make it good; he shall give silver to the owner of them. . . . And if one man’s ox hurts another’s, so that it dies; then they shall sell the live ox, and divide the price of it. . . .” During the New Kingdom in the second half of the second millennium Egypt knew the sale of land, slaves, oxen, cloth, barley, meat, cakes, wine, and honey for gold, silver, and interest-bearing loans of gold.⁵⁰

There is mounting evidence that in Mesopotamia coils of metal—mainly silver but also gold, bronze, lead, tin, and copper—served monetary purposes beginning in the late third millennium. Coils were manufactured in standard sizes corresponding to multiples of the shekel, which could be used for exchange by placing entire coils or pieces on a balance and weighing them. Visual evidence is provided by a scene from an Egyptian tomb of the second half of the second millennium where an individual is weighing out coils of metal. In Genesis 42:25 and 44:1 we find that Jacob’s sons traveling to Egypt to purchase grain carried “money sacks.” The money sack (*ṣe’ōr kesep*) is also found in Proverbs 7:19–20 wherein a woman seeks to entice her lover by telling him: “For my husband is not at home, he is gone on a long journey; he has taken the bag of money with him.” The hymn to the god Shamash, recorded on Assyrian tablets dating from the seventh century, refers to the merchant as “he who bears the bag” (*nāš kīsi*). According to Leemans, the *kisum* in which the merchant carried his money “assumed the meaning of capital, money for trading purposes.” Egyptian market scenes dating to the middle of the third millennium show traders with small linen sacks tied behind their shoulders. The linen sacks appear considerably smaller than the sacks for carrying wares to the market, thus possibly were for money. The Cappadocian tablets of the early second-millennium Assyrian trade reveal that the greater part of small payments were settled in tin, the *annak qātim*,

⁵⁰ Sources on money: Curtis and Hallo, “Money and Merchants,” p. 165; Foster, “Commercial Activity,” fn. 47, fn. 48, pp. 35–36; William W. Hallo, “Lexical Notes on the Neo-Sumerian Metal Industry,” *Bibliotheca Orientalis*, 20 (May–July 1963), 138–39; Janssen, *Two Ancient Egyptian Ship’s Logs*, p. 103; Maurice Lambert, “L’Usage de l’Argent-Métal à Lagash au Temps de la III^e Dynastie d’Ur,” *Revue d’assyriologie et d’archéologie orientale*, 57 (1963), 80; Leemans, *Foreign Trade*, pp. 130–31; Jacob Milgrom, “The Legal Terms *Šlm* and *Br’šw* in the Bible,” *Journal of Near Eastern Studies*, 35 (Oct. 1976), pp. 271–73; and Montet, *Everyday Life*, pp. 75, 167, 266–67.

literally “tin of hand.” The texts also refer to several kinds of money (for example, “fine”), which, as Garelli points out, probably identifies differences in metal quality. References to the quality of gold are also found in Egyptian texts dating from the later second millennium. All of this evidence, of course, testifies to a considerable sophistication of metal-working techniques.⁵¹

The evidence regarding the origins of coinage and its presumed absence in the ancient Near East is not nearly so plain as is commonly believed. Although in the minority, some Egyptologists believe that in the late second millennium Egypt knew a silver coin. The foundation of their belief is the expression of prices in terms of the “piece”—that is, a weight, the word for which is always written ideographically. One can only wonder about the significance of an Egyptian document from about the middle of the third millennium in which the price of a house is quoted in terms of this uncertain unit. The early second-millennium commercial documents from Cappadocia make reference to payment of metals “of my seal,” or “of your seal,” or of the seal of a third party. Note in this connection Genesis 23:16 in which Abraham “weighed” to Ephron for his field the sum of 400 shekels of silver, “current money of the merchant.” It is quite possible that such expressions refer to metal whose quality is guaranteed by the stamp of a merchant. Ugaritic epics dating from the second half of the second millennium compare the flow of tears to 1/4 shekels or pieces-of-four and 1/5 shekels or pieces-of-five. A stronger hint of coinage is provided in the annals of Assyria’s Sennacherib (704–681): “I caused a mold of clay to be set up and bronze to be poured into it as in making half a shekel.” The king is explaining how he cast great lions and bulls, that is, as Smith points out, the process employed is one already known. And what of Ahmed’s suggestion that the seventh-century Babylonian official titled *ba’tānu kaspi* (inspector of the silver) was “presumably responsible for the inspection of currency and weights used in daily business”?⁵²

Assyrian loan contracts of the eighth to the seventh centuries record the advance of “silver of (the goddess) Ishtar.” After carefully examining the contracts, Lipiński argues cogently against interpreting the

⁵¹ Sources on coils and money bags: John Dayton, “Money in the Near East Before Coinage,” *Berytus Archaeological Studies*, 22 (1974), p. 41; Garelli, *Les Assyriens*, pp. 26–27, 265; Hodjash and Berlev, “A Market-Scene,” p. 45; Leemans, “The Rate of Interest,” p. 31; Edward Lipiński, “Les Temples Néo-Assyriens et Les Origines du Monnayage,” in *State and Temple Economy*, vol. 2, fn. 13, p. 567; and Marvin A. Powell, “A Contribution to the History of Money in Mesopotamia Prior to the Invention of Coinage,” in *Festschrift*, vol. 2, pp. 211–43.

⁵² Textual references to coinage: Ahmed, *Southern Mesopotamia*, p. 142; Miriam S. Balmuth, “Remarks on the Appearance of the Earliest Coins,” in *Studies Presented to George M. A. Hanfmann*, ed. David G. Mitten et al. (Cambridge, Massachusetts, 1971), p. 3; J. Cerný, “Prices and Wages in Egypt in the Ramesside Period,” *Journal of World History*, 1 (1954), 910; Janssen, *Commodity Prices*, p. 105; Lipiński, “Les Temples Néo-Assyriens,” p. 568; Montet, *Everyday Life*, p. 166; and Sidney Smith, “A Pre-Greek Coinage in the Near East,” *Numismatic Chronicle*, 2 (1922), 178, 182.

expression as temple capital. Expressions of this kind, he explains, refer to metal quality; their inclusion in contracts makes no sense unless the metal is impressed with a stamp of guarantee. This no doubt would have taken the form of the god's image or symbol. Lipiński also points out that two contracts refer to "loaves" of silver possessing the "high degree of fineness of Ishtar," which may very well signify metals of a specified weight. His working hypothesis is that these temple-issued "loaves" or "coins" were accepted in trade without the necessity of expending resources in tests of metal quality and weight. In Egypt there are references in the sixth century to silver from the treasury of various gods that again might refer to silver impressed with a stamp by the temple. References to "silver of Ishtar" or "silver of (the god) Shamash" are found in cities of both northern and southern Babylonia early in the second millennium. Alalakh in northwest Syria knew "silver of Ishtar" in the eighteenth century, and "loaves" (*kakkaru*, Hebrew *kikkar*) of copper appear in the fifteenth. Are we again dealing with temple-guaranteed coins?⁵³

More concretely, several bread-shaped silver ingots inscribed with the name of an eighth-century king preceded by the Aramaic letter "lamed" were found in the palace of a north Syrian state. The question is how to interpret the possessive "lamed." One possibility is that it means "belonging to" in the sense of personal possession. Balmuth, however, suggests that it means "on behalf of" or "in the name of" (its meaning on later coins) and that the inscription represents a royal guarantee. The excavations at Assur in Assyria uncovered lead ingots bearing a (now invisible) stamp and lead discs of various sizes stamped with a symbol on one side. Smith concedes that the discs might be ornaments rather than coins, but maintains that the ingots are undoubtedly specimens of the "sealed lead" encountered in the Cappadocian documents. An additional bit of archaeological evidence from a seventh-century site in Iran is a fragment of a silver bar with traces of cuneiform writing.⁵⁴

The evidence is far from overwhelming, but certainly raises the possibility that the ancient Near East knew at least partially guaranteed money—pieces of metal stamped by merchant or temple or ruler—that would lower transactions costs and testify to the widening and intensifi-

⁵³ Sources on temple-issued coins: Lipiński, "Les Temples Néo-Assyriens," fn. 21, p. 569, pp. 571–75, 578; Jean-Phillippe Lévy, *The Economic Life of the Ancient World* (Chicago, 1967), pp. 17–18; A. T. Olmstead, *The History of Assyria* (Chicago, 1923), pp. 321, 537, and "Materials for an Economic History of the Ancient Near East," *Journal of Economic and Business History*, 2 (Feb. 1930), 226; and Wiseman, *The Alalakh Tablets*, pp. 14, 60.

⁵⁴ Sources for archaeological evidence on coinage: Balmuth, "Remarks on the Appearance of the Earliest Coins," p. 3; A. D. Bivar, "A Hoard of Ingot-Currency of the Medians Near Malayir," *Iran*, 9 (1971), 102; Smith, "A Pre-Greek Coinage," pp. 180–82. A Babylonian word from the seventh to the sixth centuries, *nuhutu*, may even hint at the presence of a royally stamped token coinage. Compare the remarks of Powell, "A Contribution," pp. 223–24 with those of Lipiński, "Les Temples Néo-Assyriens," pp. 567–68.

cation of market exchanges. The possibility even of a royally stamped token coinage cannot be excluded.

Assertion 10: Trade over the longest distances generally preceded that over shorter distances, just as the farthest colonies were usually founded first. . . . [Note] the preponderance of foreign over domestic trade in Hammurabi's Babylonia. . . .⁵⁵

The allegation here is that whereas the more important foreign trade is of an "administered" nature (see the discussion of Assertion 1), domestic trade with its presumably greater potential for regularized exchange of staples is still in its infancy. In a strange way, Assertion 10 can be interpreted as an unconscious tribute to what Polanyi unflatteringly called "economistic thinking." If transport costs are put aside, differences in comparative advantage and, consequently, in the gains from trade would tend to increase with the distance between the trading partners.

In fact, the available evidence does not demonstrate the preponderance of foreign over domestic trade or the unimportance of domestic trade. Mesopotamian commercial texts from the later third millennium provide clear evidence of trade in locally available products. Indeed, Snell (who studied texts of silver balanced accounts from three merchants, composed in one city in the same month of the same year) found that in terms of silver value 89.6 percent of the goods acquired by the merchants were of local Mesopotamian origin (fish, grain, leather, wool) and only 13.3 percent were of foreign origin (fruits, spices, metals). Many Babylonian letters of the earlier second millennium refer to domestic trade, mostly by boat. The ports of call were numerous as were the goods transported: foodstuffs, wool, timber, bricks, metals, and so on. At the local docks ships were available for hire along with men and oxen for towing them. Assyria's capital in the early first millennium served shipping on the Tigris with a massive quay some 30 feet in depth composed of dressed limestone blocks of at least a cubic yard. Egyptian papyri of the later second millennium attest to the internal transport by freighter of a variety of goods including oil, wine, olives, fish, cucumbers, salt, garments, and papyrus. Papyrus Lansing, which extols the life of the scribe, tells of how "The merchants fare down stream and are as busy as copper, carrying wares (from) one town to another, and supplying him that hath not. But the tax-gatherers exact (?) gold, the most precious of all minerals(?)." ⁵⁶

Assertion 11: [The] livelihood [of the typical Mesopotamian trader known as the *tamkārūm*] was not dependent on the commercial transaction in hand; it was secured by

⁵⁵ Polanyi, *Livelihood of Man*, pp. liii, 78.

⁵⁶ Sources on internal trade: Blackman and Peet, "Papyrus Lansing," p. 288; Foster, "Commercial Activity," p. 37; Janssen, *Two Ancient Egyptian Ship's Logs*, pp. 71, 82-83, 98; Leemans, *The Old Babylonian Merchant*, p. 3, and *Legal and Administrative Documents*, pp. 90-92; Saggis, *The Greatness*, pp. 181, 276; and Snell, *Ledgers and Prices*, p. 49.

status revenue, mostly through landed property or at least through the claim to maintenance according to his rank from the royal or temple store. . . . The so-called "Cappadocian" trading colony . . . practiced a riskless type of business under fixed prices, the trader's profit being made on commission fees. . . . This is a far cry from the modern merchant who makes a living from the differences between buying and selling prices; shoulders the risk of prices on the one hand, bad debts on the other. . . .⁵⁷

The implication is clear enough. It is difficult to conceive of business without risk-bearing businessmen. "At some time before our era," Polanyi explains, "the figure of the *tamkārūm* was replaced by a figure resembling that of the merchant."⁵⁸ It is quite true that merchants sometimes appear on ration lists together with other members of the royal household, but the evidence does not demonstrate that trade was monopolized by the ruler. Heltzer argues that Ugarit knew two groups of merchants: *tamkārū ša šēpi*, who were dependents of the king; and *tamkārū ša mandatti*, who clearly possessed their own property and for whom there is no direct evidence that they traded with royal goods rather than their own. A Ugaritic list provides direct evidence of the private ownership of both heavy ships (*br*) and light ships (*tk*). We also have texts in which private individuals including merchants (*mkrm*) pay large sums of gold for trading concessions and the right to collect harbor taxes. At roughly the same time *tamkārū* appeared on royal ration lists at Nuzi in eastern Assyria, but individuals also employed them for their own business enterprises. Moreover, one text cited by Zaccagnini testifies to the existence of self-employed merchants in the slave trade: a merchant who wished to sell a slave for 60 shekels of silver refused to heed the buyer's objection that a royal proclamation had fixed the maximum price at 30 shekels. Other texts show merchants of Nuzi borrowing from private lenders for business ventures.

Further, according to Foster, the *dam-gār* (apparently the Sumerian counterpart of the Akkadian *tamkārūm*) does not appear on royal ration lists during the middle of the second half of the third millennium. Quite probably, the *dam-gār* was a private businessman who served various clients including the state. The business records of a couple from the period should be noted in this connection. The husband was involved in animal husbandry while his wife made interest-bearing loans, sold wool, and took part in other transactions. The records appear to reflect transactions between a private firm and a large institution, possibly the state. Powell adds that although the "balanced accounts" of the late third millennium were prepared by (or for) a central accounting agency, little in the accounts suggests that the merchants were employees of the state. He notes that the balance did not belong to the king, as it could be privately loaned out. Veenhof's impression is that the merchants trading

⁵⁷ Polanyi, *Livelihood of Man*, pp. xlii, 87, 138–39.

⁵⁸ *Ibid.*, p. 139.

with Cappadocia were basically private entrepreneurs, not government employees. This point is illustrated by a letter sent by a great merchant, complaining that he is losing a great deal of profit because of delays in obtaining a loan needed to finance a business venture. Merchants sent their goods to Anatolia without guarantee of a certain price in advance.⁵⁹

At roughly the same time, on the other hand, the Persian Gulf trade with Tilmun (probably the island Bahrain) was in the hands of merchants who styled themselves *alik Tilmun* (according to Mallowan, best translated as the “go-getters of Tilmun”). The *alik Tilmun*, like those who consigned goods to Cappadocia, were certainly risk-takers. Apparently they were financed by private investors entitled to buy the copper brought back at a contractually specified price but not responsible for any losses of the venture. In one text we observe the sale of a share of a maritime venture (see also the discussion of the *naruqqum* under Assertion 3). The hymn to the god Shamash (probably dating to the seventh century) warns:

As for him who invests money on a (short) term (in a trading mission?) and is lawless, what does he gain? He is disappointed about profit and loses his capital. As for him who invests money on a long term (in a distant trading mission?) and multiplies a shekel to t[wo], is it not pleasing to Shamash, and he pro[longs] (his) life.

It is not necessary here to trace the evolution of the role of the *tamkārūm* or to detail changes in the usage of the term. It is enough that during the earlier second millennium there is little evidence of a connection between *tamkārūm* and state.⁶⁰

With respect to the claim that trading in Pharaonic Egypt was a state monopoly, Janssen remarks that: “At present there is no material to prove that this is what happened, although there is no document proving the contrary. . . .” His conclusion is, perhaps, too modest. Janssen’s review of the evidence for the second half of the second millennium, especially the “tomb robbery papyri,” leads him to conclude that “some of the traders . . . were private individuals working for their own profit.” Indeed, he also remarks on the absence of texts linking

⁵⁹ Sources on merchants: Michael C. Astour, “Ma’hadu, The Harbor of Ugarit,” *Journal of the Economic and Social History of the Orient*, 13 (April 1970), 116–22; Benjamin R. Foster, “Commercial Activity,” pp. 33–34, 37, and *Umma in the Sargonic Period* (Hamden, 1982), p. 78; Garelli, *Les Assyriens*, p. 233; Heltzer, *Goods*, pp. 128–30; Larsen, “The Old Assyrian Colonies,” p. 469; Marvin A. Powell, “Sumerian Merchants and the Problem of Profit,” *Iraq*, 39 (1977), 24–27; A. F. Rainey, “Business Agents at Ugarit,” *Israel Exploration Journal*, 13 (1964), 314; Snell, *Ledgers and Prices*, pp. 48, 56–57; 99–103, 114; Veenhof, *Aspects of Old Assyrian Trade*, p. 356; and Zaccagnini, “The Merchants,” pp. 173, 175.

⁶⁰ Additional sources on merchants and risk: Mohammed A. Dandamajev, “Die Rolle des *tamkārūm*,” in *Beiträge Zur Sozialen Struktur Des Alten Vorderasien*, ed. Horst Klengel (Berlin, 1971), pp. 69–78; Leemans, *The Old Babylonian Merchant*, p. 113; Mallowan, “The Mechanics of Trade,” p. 6; Ichiro Nakata, “Mesopotamian Merchants and Their Ethics,” *Journal of the Ancient Near Eastern Society*, 32 (1971), 101; Oppenheim, “The Seafaring Merchants,” pp. 8–11; and D. Winton Thomas, *Documents From Old Testament Times* (London, 1958), pp. 108–9.

merchants to the government. The lines from Papyrus Lansing quoted in the discussion of Assertion 10 show us merchants subject to the tax-collector, which certainly does not suggest that they are government employees. That a private individual might own a cargo-boat is proven by the Edict of Haremhab (second half of the fourteenth century), and Papyrus Anastasi IV demonstrates that even a seagoing vessel was not beyond the means of a rich man. Moreover, two other papyri concerned with merchants testify that commercial firms (*pr nb*) operated in Egypt as elsewhere in the Near East. Papyrus Lansing states that: "The ship's crews of every house (that is, commercial house) they take up their freights. They depart (?) to Syria. Each man's god (?) is with him. Not one of them dares say: 'We shall see Egypt again'." The account of Wenamon strongly suggests Syrian firms in late eleventh-century Egypt involved in international trade. Wenamon, who traveled to Lebanon to secure lumber for the bark of the god Amon, was there informed by the king of Byblos: "As for . . . Sidon . . . surely there are . . . fifty freighters there which are in commerce with Warkatara, for it is to his house (firm) that they haul." Warkatara was probably a merchant operating from Tanis in the northeast portion of the Nile Delta.⁶¹

Assertion 12: Antiquity knows of no figure of a trader other than those who belonged either to the upper or to the lower class. The first is connected with rulership and government, the other depends for his livelihood on manual labor. . . . The commercial middle class of the nineteenth century is a late product of Western development.⁶²

We have seen that the ancient Near East knew plentiful merchants who were not merely agents of the state. That merchant firms came in a variety of sizes and wealth is also evident from the documents. In the Assyrian trade with Cappadocia the largest firms or houses belonged to the *kārum*. Note also that some Babylonian trading firms used agents of varying independence. In Ugarit one merchant refers to the "merchants under my authority" and another to "my merchants." The relative importance of "middle class" merchants (a vague term) cannot be neatly determined from the evidence. It is nevertheless of some interest that a text from Ugarit seems to provide evidence of a commercial middle class. In a lengthy list of taxpayers the highest social group is that of *mrynm*. This group included great landowners and large merchants who provided chariots at their own expense and served as the

⁶¹ Sources on Egyptian merchants: Blackman and Peet, "Papyrus Lansing," p. 288; Janssen, "Prolegomena," p. 163, and *Two Ancient Egyptian Ship's Logs*, pp. 99, 101–4; Kurt Pflüger, "The Edict of King Haremhab," *Journal of Near Eastern Studies*, 5 (Oct. 1946), 261; E. F. Wente, Jr., "The Report of Wenamon," in *The Literature of Ancient Egypt*, ed. William Kelly Simpson (New Haven, 1972), pp. 147–48 (compare Hans Goedicke, *The Report of Wenamon* [Baltimore, 1975], pp. 66–72).

⁶² Polanyi, *Livelihood of Man*, p. 86.

elite corps of the armed forces. But Astour points out that “merchants of lesser importance fulfilled their duty toward the defense of the kingdom by serving with their own weapons in the ranks of the *mzrglm*.” Furthermore, as noted earlier, the Assyrian trade of the early second millennium knew not only large merchants belonging to the commercial establishment, but smaller entrepreneurs who functioned as transporters and junior agents. Veenhof cites several instances in which these “middle class” businessmen succeeded in transforming themselves into members of the *kārum*. Finally, a papyrus suggests that Egypt knew retailers of meat, cakes, and wine.⁶³

Assertion 13: Economic solipsism, as it might well be called, was indeed an outstanding feature of the market mentality. Economic action, it was deemed, was “natural” to men and was, therefore, self-explanatory. Men would barter unless they were prohibited to do so, and markets would thus come into being unless something was done [by government] to prevent it.⁶⁴

Polanyi’s main thrust anticipates scholars such as Moses Finley who maintain that unlike modern economic man, ancient man was motivated primarily by considerations of status and communal solidarity.⁶⁵ The postulate of wealth-maximizing used by modern economists is said to be utterly inappropriate to the “irrational” (that is, nonutilitarian) ancients. It is not easy to find historical evidence that casts light directly on motives, whether of status or profit. But the letters from an Egyptian farmer named Ḥeḫanakht to his family in about 2000 B.C. are revealing. (The translation is Baer’s.)⁶⁶

LETTER I

Be energetic in cultivating! Take care! My seed must be preserved; all my property must be preserved. . . . You should send Heti’s son Nakht and Sinebnut down to Perhaa to cultivate [for us] *x arouras* of rented land. They shall take its rent from the *mn*-cloth woven there where you are. But if they have sold the emmer which is in Perhaa, they shall pay it (the rent) out of it (the payment for the grain) also, so that you will not have to concern yourself with the *mn*-cloth of which I said, “Weave it, and they shall take it to be sold in Nebesit, and they shall rent land for its price.” . . . Now as for everything which Ḥeti’s son Nakht will do for (me) in Perhaa, I have allotted him a ration (for) not more than one month, amounting to a *h3r* of northern barley, and I have allotted a second (ration) amounting to 5 *hk3t* of northern barley to his dependents at the first of the month. If you overstep this (limit), I will treat it as a misappropriation on your part. . . .

⁶³ Sources on middle-class traders: Michael C. Astour, “The Merchant Class of Ugarit,” in *Gesellschaftsklassen im Alten Zweistromland und in den Angrenzenden Gebieten*, ed. Dietz Otto Edzard, (Munich, 1972), pp. 12, 26; Leemans, *The Old Babylonian Merchant*, chap. 3; Rainey, “Business Contracts,” p. 319; and Veenhof, “An Ancient Anatolian Moneylender,” pp. 117–18.

⁶⁴ Polanyi, *Livelihood of Man*, pp. 14–15.

⁶⁵ For a trenchant criticism of Finley’s views from the vantage point of Pompeii’s market-oriented wool industry, see Walter O. Moeller, *The Wool Trade of Ancient Pompeii* (Leiden, 1976), pp. 56, 72, 105–10.

⁶⁶ Baer, “An Eleventh Dynasty’s Letters,” pp. 2–9.

LETTER II

You shall only give this food to my people as long as they are working. Take care! Hoe all my fields, sieve (the seed grain?) with the sieve and hack with your noses in the work. If they are energetic, you will be thanked, so that I will not have to scold you. . . . Be energetic! You are eating my food. . . . Now I have caused 24 *deben* of copper for the rent of land to be brought to you by Sihathor. Now have 20 (?) *arouras* of land cultivated for us in Perhaa beside Hau the Younger by (paying) the rent with copper, clothes, northern barley or any[thing], but only after you have sold the oil and everything else there. . . .

Obviously Ḥeḫanakht did not possess the antimarket mentality of fourth-century Greek philosophers. He possessed indeed the “marketing mind,” said by Polanyi to be “peculiar to conditions of life under that type of economy the nineteenth century created throughout all industrial societies.”⁶⁷

Assertion 14: In Nuzi society [in eastern Assyria] of the fifteenth century B.C. one of the chief transactions, designated as *ditennutu*, may be described as the free exchange of the use of land, persons, cattle, money, or other goods. . . . Clearly the uses comprised in *ditennutu* would, in modern terms, be described as usufruct, tenancy, renting, labor service, interest, or profit. But these distinctions are here ignored. The one vital condition of validity is the absence of gain made at another’s expense.⁶⁸

Polanyi wishes here to emphasize the importance in ancient societies of communal solidarity as opposed to economic motivations but, inadvertently, he has accomplished the opposite result. The *tidennūtu* contracts Polanyi describes were in all likelihood ingenious subterfuges designed to circumvent legal obstacles against “exploitative transactions.” More specifically, there is reason to believe that they represented an attempt to disguise illegal or illegally high interest charges as land or labor services.⁶⁹ Another legal subterfuge for which Nuzi is even more famous is the *mārūtu* contract. It would appear that at this time land (or some categories of land) could legally be transferred only to the nearest relative of the landowner. In order to circumvent the restriction the landlord, in return for a “gift” (*qīštu*) equal to the estimated market value of the land, legally adopted the buyer.⁷⁰ When ancient Near

⁶⁷ Polanyi, *Livelihood of Man*, p. 5. Another relevant example is provided by a letter from a big Ugarit merchant to his associate informing him of lucrative trade possibilities in Hittite Anatolia (see, Astour, “Ugarit and the Great Powers,” p. 22).

⁶⁸ Polanyi, *Livelihood of Man*, pp. 70–71.

⁶⁹ See Silver, *Prophets and Markets*, chap. 18. There are no data on Nuzi laws but there is evidence of formal courts of law that dealt with economic matters (see, for example, Carlo Zaccagnini, “The Yield of the Fields at Nuzi,” *Oriens Antiquus*, 14 [1975], 202–5). See also the discussion of proclamations issued by the Nuzi state in Part III of this paper.

⁷⁰ Sources on *mārūtu* contract: Dorothy Cross, *Movable Property in the Nuzi Documents* (New Haven, 1937), p. 5; Jonathan Paradise, “A Daughter and Her Father’s Property at Nuzi,” *Journal of Cuneiform Studies*, 32 (Oct. 1980), 189–207; Zaccagnini, “The Price of Fields,” pp. 2–3. In some cases debt settlements rather than outright sales lie behind the adoption transactions (see Maynard P. Maidman, “A Socio-Economic Analysis of a Nuzi Family Archive [Ph.D. diss., University of Pennsylvania, 1976], p. 96).

Eastern governments sought to stamp out economic exploitation, ancient men sought to find legal expedients by which they might continue to exploit or be exploited. The legal fictions became as convoluted as those today.

III

While Polanyi quite properly criticized ahistorical “stage theories” with their “predilection for continuity,” his own view of economic development is similarly flawed. Ancient economic institutions according to Polanyi “evolved everywhere from the embedded economies of the tribal stage, and this development was never unrelated to the transcendent requirements of social solidarity.” Social solidarity was accomplished through the declaration of “equivalencies” by the state—that is, by pervasive controls over prices, wages, rent, and interest. With the partial exception of “small city states such as Athens and (partly) Israel, of the peasant type” this pattern of government control over exchange persisted for millennia.⁷¹ The market economy emerged in the eighteenth to the nineteenth centuries as a “new phenomenon, never witnessed before.” The proper task of the economic historian is to seek the source of this “inherent discontinuity of development”; the problem is to explain “the origin of fluctuating prices, not of fixed prices.”⁷² But in fact the oldest of recorded civilizations experienced lengthy periods of unfettered market activity, interspersed with periods of pervasive economic regulation by the state. Our own times are little different.

As is the case with other facets of ancient societies the evidence concerning *changes* in economic policy and organization is fragmentary and unsatisfying. The widely discussed but philologically obscure reforms in 2351–2342 of King Urukagina in his southern Babylonian city-state established a new economic order in which the gods (that is, the temples) were “instated” as masters over fields that, apparently, had belonged to the city ruler from earlier times.⁷³ Another interesting example is provided by an inscription at Assur dating from very early in the period of the flourishing Assyrian trade with Cappadocia (about 1940 to 1800): the reigning king states that he “established” the *andurārum* of silver, gold, copper, tin, grain, wool, and other goods. Lewy argues cogently that *andurārum* here refers to “free movement”

⁷¹ Polanyi, *Livelihood of Man*, pp. lii, 61–62, 68. On page 73 Polanyi speaks of “small peasant societies, e.g., Hesiodic Greece or parts of Israel in the time of Amos,” which he contrasts with the “irrigation empires of Babylonia and Assyria.” He is saying no more than that some of the evidence contradicts his theory. In fact the evidence for the so-called irrigation empires, as we have seen, also contradicts his theory.

⁷² Polanyi, *Livelihood of Man*, pp. liii, 6.

⁷³ Foster, “A New Look,” pp. 231, 235–39.

or “free trade.” Earlier the father of this king “established the *andurārum* of the Akkadians,” which probably means that he implemented policies to attract traders from the south to the market in Assur.⁷⁴ Some suggestive evidence is also available for mid-second-millennium Nuzi in eastern Assyria. Nuzi, as noted in the discussion of Assertion 14, is famous for its *mārūtu* contract that disguises a land sale as an adoption by the landowner of the purchaser. One of the very earliest Nuzi tablets shows us a *witnessed land sale*.⁷⁵ One tablet is, of course, a slender thread, but it does raise the possibility that the *mārūtu* or sale-adoption contract arose in response to an intervening royal edict banning land sales. In connection with this hypothesis, note that government intervention in the economic sphere is reflected in many Nuzi contracts including sale-adoptions by a *šūdūtu* clause: “This tablet was written in Nuzi after the proclamation.”⁷⁶ As noted in the discussion of Assertion 11, one such decree fixed the maximum price of slaves. The data on major changes in economic organization is most plentiful in the Old Babylonian period (1900–1600), whose most famous representative is the great Hammurabi (1792–1750). According to Oppenheim and Reiner, “After the fall of Ur III [2112–2004] when legal and economic texts come to light, private property and trade appear to have reached a stage of high development.” Unlike the representatives of the Ur III Dynasty, Babylonian kings no longer sought to improve society by regulating staple prices, wages, fees, and interest rates. But it would seem that there was a sharp change in economic policy during the affluent reigns of Rim-Sin in Larsa in the south (in about 1762) and of Hammurabi in Babylon in the north. The nature of the economic reforms they instituted is not entirely clear but probably entailed, in the modern sense, government intervention in the sale and rent of houses and land, minimum wages, maximum prices on barley, wine, bricks, and other goods, and maximum interest rates.⁷⁷

It cannot be doubted that Near Eastern antiquity knew true markets. Their exact importance relative to subsistence production is difficult to know. The evidence for occupational specialization and trade, however,

⁷⁴ Larsen, *The Old Assyrian City-State*, pp. 70, 75; Julius Lewy, “The Biblical Institution of *D'rôr* in the Light of Akkadian Documents,” *Eretz Israel*, 5 (1958), 23.

⁷⁵ Noel Kenneth Weeks, “The Real Estate Interests of a Nuzi Family,” (Ph.D. diss., Brandeis University, 1971), pp. 281, 301–2.

⁷⁶ Barry L. Eichler, *Indenture at Nuzi: The Personal Tidennūtu Contract and Its Mesopotamian Analogues* (New Haven, 1973), pp. 32–33; Zaccagnini, “The Yield of the Fields,” pp. 197, 200.

⁷⁷ Fritz M. Heichelheim, *An Ancient Economic History*, vol. 1, (Leiden, 1958), p. 185; Leemans, *The Old Babylonian Merchant*, pp. 113, 117, 122; Oppenheim, *Ancient Mesopotamia*, p. 102; K. I. Tyumenev, “The State Economy of Ancient Sumer,” in *Ancient Mesopotamia*, pp. 86–87; and Norman Yoffee, *The Economic Role of the Crown in the Old Babylonian Period* (Malibu, 1977), pp. 145–47. A business letter dating to the reign of Hammurabi’s son makes reference to “the wage of a hired laborer . . . written on the stele,” possibly Hammurabi’s (see Ronald F. G. Sweet, “On Prices, Money, and Money Uses in the Old Babylonian Period,” [Ph.D. diss., University of Chicago, 1958], pp. 103–11).

is plentiful, and we know that the ancient Near East was able to support great urban centers without difficulty. If, as Polanyi states, “a full market system encompasses its society,” then no such system has ever existed.⁷⁸ But the prerequisite functions demanded by Polanyi—the allocation of consumer goods, land, and labor through the supply-demand-price mechanism; risk bearing organized as a market function; and credit markets—can be seen plainly in the record from the earliest times. Indeed the Old Babylonian period has been characterized as one in which “there was a price on everything from the skin of a gored ox to the privilege of a temple office.”⁷⁹ For good economic reasons many economic transactions undoubtedly took place within large organizations such as temple or palace, mediated by authority no less than in large private enterprises. The evidence, however, does not in the least suggest that market-mediated transactions did not take place or were unimportant relative to hierarchy. As in the modern economy we find, in the words of D. H. Robertson, “islands of conscious power in an ocean of unconscious cooperation.” It is incorrect to magnify the economic flows of temple or palace to Amazonian proportions while shrinking the market to a mere brook. Polanyi concedes that in Greece “the part played by market elements . . . was of importance to the economy as a whole.”⁸⁰ No less can be claimed for the ancient Near East, from the beginning of its records to the end.

⁷⁸ Polanyi, *Livelihood of Man*, p. 124.

⁷⁹ Curtis and Hallo, “Money and Merchants,” p. 105.

⁸⁰ Polanyi, *Livelihood of Man*, p. 146.