FISCAL REVENUE OF ORIENTAL THEOCRACIES

For my brother,
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D. Morgan Pierce

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ELEMENTS OF THEOCRACY

The group

The will of God was to behave in the same way as one’s ancestors did;\(^1\) equation of the will of God with ancestral behavior was the major limitation of human freedom in primitive society.\(^2\) At the birth of civilized society ca. 3000 B.C. sanctions on human behavior derived from religion; they are prescribed from the ancestors’ customary behavior.\(^3\) Civilization seems to have arisen from efforts to separate human existence from nature. Ceremony, literacy, and urban development have in common the sequestration of man from nature; rigid imitation of ancestral practices was a part of the effort to put man at a remove from nature.\(^4\)

The economic marker for the transition from the Paleolithic to the Mesolithic Age is the germination of the domestic economy: humans began to organize resources according to

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family and sanguinary order. The idea that self-interest is ultimately the only motivation of animal or human behavior, especially in the case of human behavior, appears to be false; self-interest is quickly eclipsed by partisan interest. Coordinated groups can accomplish multiples of what the same number of unassociated individuals could accomplish; one can fulfill one's own desires only by recruiting others into the project. Individual desires are best accomplished indirectly, by producing a cooperative project in which personal interest is comprised. Humans learn to share the product of their labor insofar as this sustains continuance of the cooperative effort that alone secures one's own desires.

2 When to this natural basis of custom a supernatural sanction is headed by religion, and the ways of one's ancestors are also the will of the gods, then custom becomes stronger than law, and subtracts substantially from primitive freedom. To violate law is to win the admiration of the populace, who secretly envied anyone who can outwit this ancient enemy; to violate custom is to incur almost universal hostility. For custom rises out of the people, whereas law is forced upon them from above; law is usually a decree of the master, but custom is the natural selection of those modes of action that have been found most convenient in the experience of the group. Law partly replaces custom when the state replaces the natural order of the family, the clan, the tribe, and the village community; it more fully replaces custom when writing appears, and laws graduate from a code carried down in the memory of elders and priests into a system of legislation proclaimed in written tables. But the replacement is never complete; in the determination and judgment of human custom remains in the end the force behind the law, the power behind the throne, the last magistrate of men's lives. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 27.

3 Around 3000 B.C. began a series of associated transformations that led a part of humanity to the remaining 0.4% of its life span to date: the era of civilization; of permanent power relations embodied in states, stratifications systems, and patriarchy; and of literate history. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.34.

4 Artifacts interpose human-made objects between human beings and nature. Most attempts to define civilization center on the artifact. Thus Renfrew defines civilization as “insulation from nature”: “It seems logical to select as criteria the three most powerful insulators, namely ceremonial centers (insulators against the unknown), writing (an insulation against time), and the city (the great container, spatially defined, the insulator against the outside. Cf. Renfrew, C.; The Emergence of Civilization.; The Cyclades and the Aegean in the Third Millennium B.C., London, Methuen, 1972, p.13.

5 The great revolution, from an economic standpoint, which followed the Paleolithic Age with the beginnings of the Mesolithic and Neolithic periods, is clearly revealed by detailed economic analysis which has rarely been traced farther back than this new period by our economists. For it was then for the first time that the pattern of the so-called domestic economy of Professor Spiethoff began, and spread practically over the whole globe. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.26.
societies, organized from kinship, are communistic because they are excrescences of family organization. Authority is a late invention; conformity to the will of God, or adherence to the behavior patterns of the ancestors, did not develop from command and obedience. Customary behavior develops anonymously throughout a group, to follow practices that appear to produce common benefit. The formation of custom is aggregative rather than distributive, but does tend to overrule deviant members who then feel compelled to conform, although there is no law or authority to that effect. Mesolithic and Neolithic society developed from agglomerations of higher levels of kinship organization, usually carrying the atavistic kinship organization in the medium of religion. Custom is more instrumental than Law, which is a derivative of custom after the appearance of government, whereas there is no government in primitive societies. Evolution of human society is usually interpreted as a natural élan towards the benefits of ever more sophisticated development found in cooperation. This is true in part, but benefits continually favored a part of the group, and the other group tended to retreat from civilized organization because of the disadvantages piled on them. In cases when escape to the prior level was unviable, and humans had to accept the new organization in order to survive, they reacted by intensifying the internal relationships,


A precivilized nomadic group assumed a maximum size of 175 to 475 people, perhaps chiefly due to constraints of illiteracy. Only 10\% of a group of this stage of development were able to settle in villages. Restricted to hunting and gathering, the group exhausts the edible resources of a given area in a very short time, at which point the group has no recourse but to migrate to a fresh region.\footnote{Ein Sample von mehr als siebzig Jäger- und Sammlergesellschaften der Human Relations Area Files zeigt, dass nur zehn Prozent von ihnen in der Lage waren, das Leben von Siedlern in einem Dorf zu führen. Nach den Gründen dafür braucht man nicht lange zu suchen: die gebräuchlichen Techniken der Nahrungsbeschaffung von Jägern und Sammlern verringern normalerweise in ganz kurzer Zeit den Bestand an essbaren Pflanzen und Tieren innerhalb eines gegebenen Gebiets so weit, dass das zur Erhaltung einer Bevölkerung notwendige Minimum unterschritten wird und die Gruppe gezwungen ist, weiterzuziehen. Häufig folgt sie auf ihrem Zug von Gebiet zu Gebiet einem mehr oder weniger festen Muster, welches sie nach einer gewissen Zeit an ihren Ausgangspunkt zurückführt. Cf. Lenski, Gerhard; Macht und Privileg, Eine Theorie der sozialen Schichtung, Suhrkamp Taschenbuch, Frankfurt am Main, 1977, p. 140.} Communication could not be other than personal, and a community of roughly 500 individuals constituted the maximum capacity of personal communication.\footnote{The population within which such contacts occur is the third unity, variously called the “tribe,” the “dialectical tribe”, or the “maximum band.” This is a loose confederation, of 175-475 people, comprising a number of bands. Wobst puts the central range of this number at 7-19 bands. A favorable environment may push population above these levels, but the “tribe” then splits into two units that go their own way. Direct face to face communication among human beings may have practical upper limits. Above about 500 persons and we lose our ability to communicate! Gatherer-hunters are not literate and are dependent on face-to-face communication. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p. 43.}

The technical level of nomadic groups was too low to support the more complicated social system requisite for a larger group;\footnote{Wobst H.M., 1974, “Boundary Conditions for Paleolithic Social Systems: a Simulation Approach,” American Antiquity, 1974, #39.} the normal nomadic group numbered about 50, and a group could increase to the hundreds only under optimal environmental conditions.\footnote{Wobst H.M., 1974, “Boundary Conditions for Paleolithic Social Systems: a Simulation Approach,” American Antiquity, 1974, #39.}

The Neolithic invention of the hoe enabled the increase of tribal size; more children under the technology of hoe agriculture persisted to adulthood. The nutritional value of the garden...
raised the prestige of women and prepared for the first matriarchies.\textsuperscript{13} Common rules appear sporadically, such as in the case of a hunting expedition, but the rule-organized group breaks up at conclusion of the event.

Prior to domestic economic organization, kinship was fictitious. A distinct and common gene pool developed from conditions in which individuals or groups were made to be stationary. The individual or family depended on cooperation in a wider group, but no religion, or kinship tie, or other rule confined them to one group instead of another. During the food-gathering stage property was not personal, but communal, and social stratification was undeveloped. Without these qualities any given individual could change from one tribe or another, because such a change did not constitute an invasion of property or any other disorder. A tribe lived on the edge of survival; any new individual would be perceived primarily as an incremental increase of labor power and hence as a strengthening of the tribe, rather than as a threat to property.\textsuperscript{14} Jealousy over possessions vis-à-vis a newcomer

\begin{footnotesize}
\begin{enumerate}
\item The transition to hoe cultivation was far-reaching in its consequences, and its effect can be seen most easily in the increase of the size of the tribes. The number of children who reached adult age was greater. Large tribes and small groups increased in size. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff's Uitgeversmaatschappij N.V., Leiden 1958, p.33.
\item This meant that property was almost exclusively in communal or family ownership, except for consumer goods. The food gatherer stage, on the hand, had not only such collectively owned property, which was carefully guarded as far as hunting grounds, rivers, and wells were concerned. Even in such cases, the individual could cross over to another tribe without any difficulty and share its property, as long as he or she followed the traditional initiation rites and customs of the tribe. Otherwise, individually owned property predominated. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff's Uitgeversmaatschappij N.V., Leiden 1958, p.25.
\end{enumerate}
\end{footnotesize}
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did not arise; there were no large inequalities in a nomadic tribe, equally as there was no
surplus to support an inequality. The original families did not inhabit a fixed territory, and larger groups did not mount a hostile reaction to new nomads who joined their group.

Disinterest

A group can accomplish far more than the same distributive number, but a rule imports a new anxiety. A rule is thought to embody equality, because a rule applies to every member in the same way. But a rule nevertheless entails inequality. Namely, a distributive number forms an aggregated group by virtue of rule compliance, but the rule will not take effect unless a member of the presumed group becomes non-equal; someone must supervise compliance, so that rule-formation entails stratification. Those who could uphold rules were taken to be magically endowed, and were therefore the first kings and priests.

The regimen of rule conformity created social classes, infringing on individual

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17 Their social structure was, and is, loose and flexible, permitting freedom of choice in social attachments. They are not dependent on specific other people for their subsistence. They cooperate in small bands and in larger units but, broadly, they can choose which ones. They can disengage when they wish. Lineages, clans, and other kinship groupings may give a sense of identity but not of substantial duties or rights. Nor is there much territorial constraint. Despite earlier anthropological accounts based on some Australian aborigines, most gatherer-hunters do not possess fixed territories. Given their social flexibility, it would be difficult for such collective property rights to develop anyway. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.42.


19 The few at the top can keep the masses at the bottom compliant, provided their control is institutionalized in the laws and the norms of the social group in which both operate. Institutionalization is necessary to achieve routine collective goals; thus distributive power, that is, social stratification, also becomes an institutionalized feature of social life. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.7.
spontaneity. This tendency instilled revulsion at further rule creation; at the inception of civilization there arose an antagonistic dialectic between the obvious benefits of collective effort, and the repugnance against oppressive control concomitant with increasing orders of organization. When a conventional religion strengthens rule conformity to the incipient advantage of an upper class, heretical religions regularly challenge new rules by making an atavistic demand for equality, such as the relation between Hinduism and Buddhism or Catholicism and Protestantism.

Any society whatever is riven with oppositions; each subgroup within the group discerns different advantages which can be raised in economic, social, military etc. viewpoints. Religion however is supposed to overrule the internal disagreements on that level in favor of a higher interest that is the same for all subgroups. Such leaders were taken to have magical powers because of their direct contact with the gods. The priests pronounced commands whose premises could not be proved or disproved by experience, and used this to their advantage; the demos accepted such pronouncements because they were beyond disproof. The community undertook to maintain this contact with God by confining heritability of kingship or priesthood to the descendants of the present kings and priests. A distinction between collective and distributive power explains the first rise of the kings; insofar as the king did not have personal interest (he could not because he was a god), one could confer on him authority without quite so much apprehension as if he had been a human. If only collective power is exerted, without favor to personal power, the disinterest of the king will

21 Human beings devoted a considerable part of their cultural and organizational capacities to ensure that further evolution did not occur. They seem not to have wanted to increase their collective powers, because of the distributive powers involved. As stratification and the state were essential components of civilization, general social evolution ceased before the emergence of civilization. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.39.
secure the best interests of the community as a whole.

Village Civilization

Three factors underlay the forthcoming characteristics of village civilization: 1) agricultural economy was, indispensably, planned; 2) the planned agriculture was communal, not individual; 3) the agricultural volume was of the barely necessary, not of a surplus for trade. There was not a choice between individual and collective labor; only collective labor existed even as idea. The fields or means of production were not at the arbitrary disposal of any individual; ownership was of the tribe. Individual land possession appeared in the Bronze Age, but existed not at all in the Neolithic. Land was farmed individually, but the land and its usufruct belonged to the clan/tribe. In the later part of this period nobles and priests did own large estates, and the land thereof was leased to individual farmers. The smallest unit of ownership was, however, the family.\(^{23}\) The collective labor units were regulated by family or kin; since the social stratification was almost wholly unformed, enforcement was not brutal. Benefits of work were as unindividuated as the work itself. Oikos production was limited to domestic need, and therefore did not accommodate surplus production and trade. The later appearance of trade originated from robbery and piracy, not from domestic production.\(^{24}\)

The group forms because humans can accomplish in groups what they could not accomplish singly, but the formation is also distasteful because group formation distributes power unequally.\(^{25}\) Originally a “king” had been appointed as a temporary leader, in time

\(^{23}\) The most important means of peasant production, the agricultural land, could be, in some town civilizations of the Ancient World, in completely free individual possession. But such legal possibilities did practically never exist in early prehistoric communities, as far as we are able to judge. Either the tribe or the clan had the supervision or some final property rights over all small farmsteads. These were, nevertheless, worked by individual small farmers who, in addition, leased much of the larger estates of the nobles and temples, as far as serfs could not be used on them. Similarly some cattle and most pastures usually remained the possession of the tribal community. Otherwise, these belonged to a family, but practically never to individuals. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.50.
of war, who however returned to his prior status as soon as the condition of war abated. When the group action is successful, its total benefit just barely offsets the displeasure of conformity. The chief of the group occupies this position temporarily because the productivity of the tribe is too low to dispense with the ordinary labor of anyone; for the most part the once and future chief does exactly the same work as everyone else.

The collaborating social units were small, united by relationship of blood or by compulsion. In spite of trends which usually led to the formation of upper classes, the Neolithic peasant cultures were essentially democratic. There was a professional division of labor; but it was still weak, unstable, and remained unconnected with agriculture as the main profession. Peasant economy is planned. The soil and other means of production were usually the property of a tribe or, by special grant, of a noble family father. Articles of consumption, occasionally the lesser means of production, could be individual property. The production of goods was practically limited to satisfy the needs of the small producing communities, and was organized from one center. The exchange of goods, by trade and warfare, moved only a very small part of general production. The customs which pertained to the distribution of the social product tended to a general and traditional reward. Labor was usually considered to be a communal and collective occupation, and the course of economy was steady, with the exception of natural catastrophes. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff's Uitgeversmaatschappij N.V., Leiden 1958, p.95.


The relationship between the two is dialectical. In pursuit of their goals, humans enter into cooperative, collective power relations with one another. But in implementing collective goals, social organization and a division of labor are set up. Organization and division of function carry an inherent tendency to distributive power, deriving from supervision and coordination. For the division of labor is deceptive: Although it involves specialization of function at all levels, the top overlooks and directs the whole. Those who occupy supervisory and coordinating positions have an immense organizational superiority over the others. The interaction and communication networks actually center on their function as can be seen easily enough in the organization chart possessed by every modern firm. The chart allows superiors to control the entire organization and it prevents those at the bottom from sharing in this control. It enables those at the top to set in motion machinery for implementing collective goals. Though anyone can refuse to obey, opportunities are probably lacking for establishing alternative machinery for implementing their goals. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.7.

Primitive groups prevent their war chiefs from assuming permanent powers because they are explicitly aware of the liability of subordination. Both the chief of a tribe and the “medicine man,” or “priest,” or “magician” performed their roles only temporarily, and were otherwise involved in the same labor as the others. Similarly to hunting parties, the group originally recognized a chief, when organization was required for war, but the office of “king” would dissolve as soon as the process of war terminated. Social stratification was not an endogenous characteristic of kinship. Fixed settlement, and the immediacy of foreign settlements prevented escape, in place of which the clan had no other recourse but to internally organize relations between themselves, so that they could adequately organize against external threats. The oikos economy antecedent to the appearance of towns established a tendential culture that adumbrated class society; kings, priests, and nobles existed before towns did. These types were awarded large landed estates in acknowledgment of their special service to society, while the remaining tribal land would be distributed in equal portions to the other families of the tribe. The common land allotments were limited to several years, but were eventually allotted permanently.

It was war that overcame original resistance to unification in a community. War inevitably developed between neighboring tribes, considering that edible resources were insufficient and tribes were accordingly nomadic. Developments of war intensified the authority of the

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29 Anthropologists tell us that primitive societies are actually well aware of what might follow and they take deliberate steps to avoid it. They are “assertively egalitarian,” as Woodburn says. The powers of war chiefs are limited in time and scope, precisely so that military authority will not become institutionalized. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.56.
32 It is war that makes the chief, the King and the state, just as it is these that make war. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 22.
chief and promoted the first signs of social inequality.\textsuperscript{35} Primitive families were matriarchal because it had not yet been perceived that pregnancy resulted from copulation;\textsuperscript{36} the male was thus perceived to have a curiously ineffectual role in human existence.\textsuperscript{37} The obstacle to village civilization was that members of a clan are blood relatives, whereas members of a society are not consanguineous.\textsuperscript{38} Constant war evolved kingship into permanent office. Primitive societies engage in war,\textsuperscript{39} both in frequency and lethality, in direct proportion to permanent settlement, and war reaches its apex when the settlement has become civilized.\textsuperscript{40} When a society achieves a notable surplus, foreign groups are enticed to plunder.\textsuperscript{41}

\textsuperscript{34} But yet there were basic trends in the laws of all townless civilizations which conformed with the pattern of domestic economy. There were practically always feudal elements, for the advantage of the three highest orders of society, the princes, priests, and nobles, implied in the legal arrangements of such civilizations. The clans of the three highest orders usually had the right to administrate large areas which were ceded by the whole tribe and were tended by serfs. In exchange for these concessions, revocable in theory, they had to give presents and special services to the community. With the exception of these large estates, the agricultural soil was divided up carefully and as equally as possible, among the families of free small holders, originally for one or several years, thereafter permanently. This division formed the normal basis for the land laws of most townless civilizations. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.50.


\textsuperscript{37} Since it was the mother who fulfilled most of the parental functions, the family was at first organized on the assumption that the position of the man in the family was superficial and incidental, while that of the woman was fundamental and supreme. In some existing tribes, and probably in the earliest human groups, the physiological role of the male in reproduction appears to have escaped notice quite as completely as among animals, who breed with happy unconsciousness of cause and effect. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 31.

\textsuperscript{38} Cf. Otterbein F; The Evolution of War; Human Relations Area Files Press, 1970.


\textsuperscript{40} In a quantitative study, only four out of fifteen primitive peoples did not routinely engage in warfare. Second, comparative anthropology shows that its frequency, organization, and its intensity in lives killed, increase substantially with permanent settlement and then again, with civilization. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.48.
the surplus would be lost as a result of flight, the group tends to engage in warfare to defend the surplus. Accordingly a class devoted exclusively for war, and government develops. Appointment of a king is equivalent with the external union of non-consanguineous kinship groups, which until then maintained internal relations within itself but indifference to other clans. Continuous social organization originates in the agricultural activity of a family or clan, not a society, in which cooperation must remain uninterrupted because of the continuity of the working process. A social organization, being repugnant, would persist only if the circumstances of its existence were inescapable. Thus hunting societies were never as internally organized as agricultural societies, because hunting is temporary, sporadic, and never generates surplus. Whereas agricultural territory was individuated across families, hunting territory remained tribal property that was not assigned by family. The function of hunting in the Neolithic age was not primarily to obtain nutrition, but to protect settled agriculture from wild animals; this was the age of matriarchy. An agricultural society depends on a much greater array of assets, and on a delayed return for its labor.

42 Gilman A.; the Development of Social Stratification in Bronze Age Europe, Current Anthropology, #22, 1981.
43 The greater the surplus generated, the more desirable it was to preying outsiders. And the greater the fixity of investment, the greater the tendency to defend rather than to flee from attack. Gilman argues that in Bronze Age Europe capital-intensive subsistence technique (the plow, Mediterranean polyculture of olives and grain, irrigation, and offshore fishing) preceded and caused the emergence of a “hereditary elite class.” Their assets needed permanent defense and leadership. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.48.
44 Cf. Lippert, Julius; The Evolution of Culture, New York, p.75.
45 The hunting territories, the “preserves”, remained the property of the tribe, and were not divided up. The main function of hunting in the Neolithic Age – and which has continued until today to some extent in agricultural areas- was to provide protection for agricultural crops, and to a lesser extent to obtain clothing. Hunting for food was less widely practiced than in the Paleolithic Age. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.63.
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A society is a federation; it does not presuppose blood relation, in contrast to matriarchy. War functions to create an artificial consciousness of distinction between those inside and outside society, not those inside and outside a blood line; it unifies society by emphasizing affinity between members of clans in which there was no blood relation.\textsuperscript{48} War was also instrumental in raising the prestige of the male.\textsuperscript{49} As the family was unified under a paterfamilias, the clan was by extension unified under a chief. The members participating in civil society are not blood relations; the basis of unity consists in the collective benefits of the unification of unrelated chiefs of clans.\textsuperscript{50} Although ancient society agglomerates from higher levels of kinship organization, it is not composed of consanguineous groups, but from civic organization.\textsuperscript{51} Suppose that a given clan was small and weak; a more powerful clan would absorb the weaker clan, because (1) the weaker clan, otherwise vulnerable to more hostile predatory groups, would benefit from the protection of the stronger clan and (2) the stronger clan would improve its own defense from amalgamation of smaller groups.\textsuperscript{52}

In the formation of civil society the blood relation principle of matriarchy deferred to a principle of mutual defense.\textsuperscript{53} A permanent King (=unification of nonconsanguineous

\begin{itemize}
  \item How salient were these first societies? That depends on how fixed they were, how trapped were the people inside them. Woodburn has argued the permanence in primitive societies is guaranteed if they are “delayed return” rather than “immediate return,” “labor investment systems.” Where a group invests labor in creating tools, stores, fields, dams, and so forth, whose economic returns are delayed, a long-term and in some respects a centralized organization is necessary to manage the labor, protect the investment, and apportion its yields. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.44.
  \item Armed hostility between groups reinforces their sense of “in group” and “out group.” It also intensifies objective distinction: economically specialized groups develop specialized forms of warfare. The weaponry and organization of early fighters derived from their economic techniques. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.48.
  \item Societies are actually federations of organizations. In stateless groups powerful individuals invariably represent some quasi-autonomous collectivity in a wider field of action- a household, an extended family, a lineage, a genealogical clan, a village, a tribe. Their powers derive from their ability to mobilize the resources of that collectivity. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.52.
\end{itemize}
clans) germinated only when clans had to remain in uninterrupted unity to meet the needs of continuous war. The amalgamation of clans into a society carried an element of internal hostility, since the smaller clans were compelled by the probability of war if they refused the amalgamation with the stronger kinship group. The society becomes militant because the only principle of its unification is the apprehension of war.\textsuperscript{54} Such a militant society had a higher probability of survival because all transactions in the society were oriented to the overarching consideration of war.\textsuperscript{55} The original kinship organization is thus transformed

\textsuperscript{51} “There is an institution of property in Tikopia, supported by definite social conventions. It is expressed largely in terms of ownership of goods by kinship groups, but allows for some individual holding of smaller items, as well as for rights of chiefs over certain types of goods such as land and canoes, and rights also over them by other members of the community as a whole. Decisions about the use of these goods in further production are taken in practice by the heads of the kinship groups—chiefs, heads of families, senior members of a “house” – in consultation with other members of the group, so that in the case of the more important goods such as land and canoes “individual ownership” can only be expressed in degrees of responsibility for and enjoyment of the group property.” Cf. Firth, R.; \textit{Primitive Polynesian Economy}, London, Routledge, 1965, p.277.


\textsuperscript{53} As the surplus of the herders grew and their investment became more concentrated in herds, so did their vulnerability to loose federations of raiders. Thus, those who could be offered protection were often submitted to more or less voluntarily. This was not submission to a foreign conqueror or to a specialized group of warriors from one’s own society, but to the authority figure of some collectivity to which the submissive group already had kin or territorial connections. It was a gigantic protection racket, embodying the same peculiar combination of coercion and community offered, for example, by the feudal lords of the European Middle Ages or by the New York Mafia. It did not usually lead to slavery or other extreme expropriation, but to the exaction of just enough tribute to give the military protector, an emerging king, resources to reward armed retainers, set up a court, improve communications, and (only in the most developed case) engage in rudimentary public-works projects. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.58.


\textsuperscript{55} In a competitive struggle between societies, those that adopt the “militant” state have higher survival value. At times Spencer takes this further, arguing that stratification itself owes its origin to warfare. At any rate, in such societies, stratification and the mode of production are subordinate to the military: “The industrial part of the society continues to be essentially a permanent commissariat existing solely to supply the needs of the governmental-military structures, and having left over for itself only enough for bare maintenance” This militant society is governed by “compulsory cooperation.” Centrally, despotically regulated, it dominated complex societies until the emergence of industrial society. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.56.
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into the social form of domination.\textsuperscript{56} Institution of the “King” was implemented to meet the needs of war.\textsuperscript{57}

\textbf{Oikos economy}

The purpose of labor may be conceived to be to obtain what can be immediately consumed. A revolutionary economic moment in the Neolithic Age was the emergence of the idea that labor might be used not for consumption, but for transformation into something that might render benefit long beyond a moment of immediate consumption: rent.\textsuperscript{58} Not in the Neolithic Age, but later, in the Bronze Age, rent fostered a dialectic antagonism between communal and private property. The State, a phenomenon later than rent, built wholly upon the idea of communal property; anything gained by conquest or by exploitation of labor remained the property of the community, not of individuals. However, rent (i.e. capital) had a perennial tendency to produce small, private accumulations of wealth. The State expanded, but always by virtue of individuals, and the growth of the State was always predicated on

\textsuperscript{56} Cf. Sutherland, A.; \textit{Origin and Growth of Moral Instincts}, London, 1898, pp. 4-5.

\textsuperscript{57} It is highly improbable that the first human beings lived in isolated families, even in the hunting stage; for the inferiority of man in physiological organs of defense would have left such families a prey to marauding beasts. Usually, in nature, those organisms that are poorly equipped for individual defense live in groups, and find in united action a means of survival in a world wrestling with tusks and claws and impenetrable hides. Presumably it was so with man; he saved himself by solidarity in the hunting pack and the clan. When economic relations and political mastery replaced kinship as the principle of social organization, the clan lost its position as the substructure of society; at the bottom it was supplanted by the family, at the top it was superseded by the state. Government took over the problem of maintaining order, while the family assumed the tasks of reorganizing industry and carrying on the race. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p.30.

\textsuperscript{58} Instead the main impetus towards human progress during the Mesolithic and Neolithic Ages was given by a different central force that was to become important for the first time in man’s history. It was the factor capital in its still relatively simple form of working property, that is, the creation of the first reliable way of transferring human work into something which gave rent for a longer time and even for the duration of generations. For the individual man and his society enormous additional labor forces came into existence, in this way, which greatly extended the possibilities of man’s own labor. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.28.
the dissolution of clanship, which is what kept individuals in a cooperative and communal state of mind. The State was not adequate to control completely what it had acquired by conquest; society became a mosaic of communal totalitarianism together with private property which tended towards decomposition of totalitarian control.59

Prior Neolithic social groups, being familial, did not form private property or social subordination; they maintained an oikos economy. The oikos economy, essentially domestic industry, precluded the development of artisanship. All non-agricultural tools and other things were manufactured by members of the household; nothing of this sort was bought from a market. The oikos economy originated in the family, but expanded in successive organizations: clan, tribe, city state. The form of autarchic self-sufficiency was always the same: to contain all production from within, not to procure from outside.60 One might misinterpret this from modern assumptions: the forbearance in not purchasing things one could make, was not from an idea of accumulating savings by economizing. In the Neolithic Age, agriculture, animal domestication, and slavery had not progressed to a capacity to produce surplus; one did not think of buying and selling because there was no surplus that might support trade.

The skills that sustained human life were contained within the family. These skills were

59 The imperial power continuously “spun off” into civil society, generating private power resources as well as state resources. Private property grew apace because the radius of political power was more limited than that of military conquest and because the apparatus of compulsory cooperation diffused and decentralized power, while ostensibly centralizing it. The state could not keep within its own body what it acquired either from conquest or from the successful development of techniques of compulsory cooperation. And so throughout ancient times there developed dialectic between centralizing and decentralizing forces, powerful imperial states and private-property classes, both the product of the same fused sources of social power. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.174.

60 Domestic industry far outweighed craftsmanship in the proper sense. Homer tells accordingly of slaves, men and women servants, at the courts of the Kings and nobles, who undertook practically all the work at home which proper craftsmen took over later on. Even the princes and the members of noble families knew, according to Homer how to do both simple and artistic works of craftsmanship. It was only in special cases and certainly not in normal circumstances that use was made of free craftsmen. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.263.
never capitalized; one family never used its skills to provide for the need of another family. Production was never conducted for exchange. The principle of autarchic sufficiency radiated from family, to clan, to tribe. Men and women within a family exchanged only between each other. On the contrary, if there was necessity to give beyond one’s smallest unit, it had to be facilitated by religious ceremony; in a gesture of obeisance to God, the oikos might give without reservation to the tribe or community, but always in the guise of religious devotion: this was donation.

War forced civil society in the place of kinship by disciplining non-consanguineous members in common rules, organizing social subordination with distinct classes, and enslaving war captives. These improvements were necessary because war presupposes production of a disposable surplus. Application of the idea of rent to animals was revolutionary, because domestication provided multiples of energy over that available from the human body. Capital had already been invented in the Neolithic Age, prior to the appearance of towns; humans had learned to invest in an entity whose immediate consumption would not compensate the investment, but whose long-term, repetitive product would exceed the original expenditure of energy.

61 The crafts of these days were seldom anything than pure house work. Originally such tasks were traditionally the duty of each family, clan, or tribe as economic units, and were intended to meet the daily needs of these collectives, as much as possible, with individual strength. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.73.

62 Men and women shared first for themselves, as a rule, and only gave each other or the tribal supply center such surplus of some produce as custom and ritual demanded. On the other hand, it often happened that the hunter or the woman food gatherer found it natural to give produce of other types unrestrictedly to the whole tribe. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.24.

63 War dissolved primitive communism and anarchism, introduced organization and discipline, and led to the enslavement of prisoners, the subordination of classes, and the growth of government. Property was the mother; war was the father, of the state. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 23.

64 Cf. Oppenheimer, Franz; The State, Indianapolis, 1914, p.16.
Private property

Property originated as an attribute of the family, not the individual. Tools and other indispensable things were scarce; passing a tool from a decedent to a younger person alleviated scarcity. If there were personal property, inheritance from the father to the son could produce greater efficiency in the use of tools, and greater security of social status. It is possible that inheritance anteceded personal property and explains adoption of the idea. The idea of property developed from agriculture, not hunting. The necessity in which the family had to protect the space on which agricultural goods were produced forbade nomadic mobility. Stationary agriculture began ca. 10,000 B.C., and husbandry began ca. 7,500 B.C. Triennial farming was a method of dividing the land into three strips, each of which

65 The most important working property of the Mesolithic and Neolithic differs in its form, as is only to be expected, to a great degree from that of the later town civilizations, but is nonetheless to be regarded as a genuine working capital. It is alive. Human labor was either invested in plants which produced at least one harvest, or trees would provide for generations. Or man’s labor was invested in the domestication of cattle. This second form of working property was even more important for the progress of the Neolithic Age than the first. For, even more than the plantations, it not only saved man a considerable part of the labor which he had to expend in his search for food during the Hunter and Food-gatherer Ages, but enabled him, in addition as his needs demanded, to make use of beings for many purposes which were physically much stronger than he himself. Cf. Heichelheim, Fritz; *An Ancient Economic History*, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.28.


68 The practice of investing human labor in cultivating plants with the help of seeds or cuttings yielded a permanent revenue about 10,000 B.C. Very little further output of labor was required to tend and harvest them in subtropical and tropical climates. This new practice of hoe agriculture probably developed in the “old planter civilizations” and began earlier than the age of tending cattle that may be presumed to have begun near 7500 B.C. or so as radiocarbon dates from the Belt Cave on the southern shores of the Caspian Sea have made probable recently. As the European Paleolithic Age ended several millennia later than that in the Middle East, it is easy to explain, with influences from the Southeast. Cf. Heichelheim, Fritz; *An Ancient Economic History*, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.29.
alternated between agriculture, pasture, and fallow. One family was assigned to each strip, and the assignment of each strip alternated between families; the land belonged to the tribe or clan, but the temporary assignment of a strip to one family suggested the subsequent birth of familial ownership.\footnote{Triennial farming, in which a field belonging to the tribe was divided into three strips, created a precarious family ownership in the course of time. The strips changed annually from winter- to summer-fruit or to pasture and fallowness. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.69.}

Intensification of internal social rules that came with the immobility of the population entailed organization of production as an essential element of defense, and the definition of land as private property was integral to collective defense.\footnote{Private property was encouraged by territorial and social fixity. As it emerged from a broadly egalitarian village and clan mixture it took the form of extended family, or even clan, property rights rather than individual rights. The key economic resources were fixed, in the permanent possession of a settled family group. Such land was the main source of Sumerian wealth. It was both the major surplus-producing resource and the place where exchanges with all other ecologies focused. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.82.}

In the Neolithic and Bronze Ages, property, which had hovered between collective and individual ownership, decidedly changed to clan ownership;\footnote{Cf. Flannery K.; “Origins and Ecological Effects of Early Domestication in Iran and the Near East, in The Rise and Fall of Civilizations, ed. C.C. Lamber-Karlovsky and A. Sabloff, Menlo Park, California, Cummings, 1974.} the decisive factor was the planning needed to preserve soil fertility.\footnote{The balance, which had prevailed during the Paleolithic hunter and food-gatherer Ages between individual and collective ownership, now swayed in a remarkable manner towards the collectivist side and to planning for groups of people. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.51.} But this was tenuous. Invention of subordination, social classes, and private property were reactive adaptations to social peril.\footnote{Cf. Gibson M.; “By State and Cycle to Sumer,” in The Legacy of Sumer, ed. D. Schmandt-Besserat, Malibu, California, Undena, 1976.}

The communistic, kinship mode gave way to private property in the Bronze Age, essentially because of “the problem of the commons;” if land had not been private, cultivation would have been too careless to support the requirements of stationary survival.\footnote{If the State maintained possession of land in}
the place of previous kinship organization, the occupants of the land would not undertake improvement of the land;\textsuperscript{75} private ownership was needed to motivate care of material assets.\textsuperscript{76}

From war the original kinship organization transformed into social domination: civil society.\textsuperscript{77} New social structures, though apposite to new pressures, conflicted with the previous priorities of kinship.\textsuperscript{78} Ca. 5,000 to 4,000 B.C. tools had been invented to facilitate domestication of animals for agriculture; animal power greatly improved human productivity over its maximum capacity in the Paleolithic Age.\textsuperscript{79} Although some groups might have happily regressed into nomadic hunting and gathering,\textsuperscript{80} for the most part the

\textsuperscript{74} When so much of the preparation and protection of the land is collectively organized, it is difficult for individual or household ownership of the land by peasants to be maintained. Sumerian records after 3000 B.C. divided irrigated land into tracts much larger than could be worked by individual families, unlike the situation in most prehistoric villages. One of their forms was private ownership by an extended family group. Kin and local tribal relations regenerated rank-authority irrigation management, and this seems to have eventuated in private property concentrations. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.83.

\textsuperscript{75} Cf. Brinkley, Capt. F.; Japan: Its History, Arts and Literature, v.1, Boston, p.133.

\textsuperscript{76} Ancient Japan provides a concise example of this circumstance. Durant: The state nationalized the land, and rented it to the peasants for six years or, at most, till death; the government discovered that men did not care to improve or properly care for land that might in a short time be assigned to others; and the experiment ended in a restoration of private ownership, with state provision of funds in the spring to finance the planting and reaping of the crops. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 851.

\textsuperscript{77} In the simplest societies there is hardly any government. Primitive hunters tend to accept regulation only when they join the hunting pack and prepare for action. Association and cooperation are for special purposes, like hunting; they do not rise to any permanent political order. The earliest form of continuous social organization was the clan- a group of related families occupying a common tract of land, having the same totem, and governed by the same customs and laws. When a group of clans united under the same chief, the tribe was formed, and became the second step on the way to the state. This was a slow development; many groups had no chiefs at all, and many more seem to have tolerated them only in time of war. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p.21.


\textsuperscript{79} Still more important for the possibilities of agricultural production in the oikumene was, that between 5000 and 4000 B.C., as afar as we can tell, man began to invent new tools to put animal strength at the service of plant cultivation. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.44.
advantage of agriculture and husbandry made passage into a rule-bound fixed community irreversible.\textsuperscript{81} Social inequality increases with the advance in political organization of a community increases; presumably those who terminate in the lowest level of society would regress to nomadism. The sudden appearance of social inequality is a result of the erosion of the tribal kinship system and its replacement with a civil political structure. The intimacy or remoteness of the individual or his family to the new political organization is the primary determinant as to whether his family will score high or low on the social scala. It is civil government that first of all sets the division of social classes.\textsuperscript{82} The institutionalized power of civil society necessitated private property, which in turn compelled stratification. Stratification and private property introduce a new option for social regimentation: deprivation.

The option in the deprivation of basic needs imports a new power of coercing the weaker members into more intensive regimentation.\textsuperscript{83} Animal domestication in the Neolithic Age came first, but success in this quickly recommended the advantages of slavery and serfdom.\textsuperscript{84} This idea initially changed the practice of slaughtering vanquished warriors into one of enslavement as a means of improving one’s labor power.\textsuperscript{85} But in a

\textsuperscript{81} Some areas may have returned to gathering-hunting, but enough did not give the impression of reversible development. Through it all was a drift toward greater fixity of settlement and organization, the core of the evolutionary story. Fixed settlement traps people into living with each other, cooperating, and devising more complex forms of social organization. The metaphor of a cage is appropriate. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.42.
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kinship organization it was taboo to enslave or otherwise subjugate clan members. Slaves were the product of the subjection of alien groups of people, usually as a result of war. An elite class of kings, nobles, and priests organized primary production, i.e. not the producers themselves. The primary producers, whether artisans or agriculturalists, became unequivocally dependent on the upper class for employment and sustenance; there was no market to alleviate this dependence.

Strengthening class stratification moved the upper class to view the landless and impoverished free sector of the population as an alien group. They were not foreign, but by viewing their lower class by analogy with war-captive slaves they could ease themselves around the taboo against enslaving one’s own clan members. The true war captives were embedded in slavery, while the lower-class clan members took on a dependent position as serfs. Only domination could organize society in such a way that alien groups of which it was composed could achieve effective processes of trade and war. Roughly by 3000 B.C. the original tribal ranking metamorphosed into stratified society. Distributive power was very slow to develop because of the revulsion at authority and compliance; ranking did not develop into social stratification because rank was a fugitive distinction, which could easily

83 Stratification involves the permanent, institutionalized power of some over the material life chances of others. Its power may be physical force or the ability to deprive others of the necessities of life. In the literatures on origins it is usually a synonym for private property differentials and for economic classes, and so I treat it as a decentralized form of power, separate from the centralized state. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.38.


85 During the Neolithic Age man not only already knew how to use his labor power to have means of production at his disposal at a later time. For this purpose he domesticated, tended, and used plants and animals, investing most of his labor potential into them. His surplus products he often also preserved, when he did not use them completely for his daily needs. But he also found further and more powerful means, to implement the labor potential at his disposal. He increased human labor for his personal needs by hiring servants against payment with surplus products or goods which he could procure with the help of barter. Furthermore, he took over slaves and dependent serfs by conquest in battle. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.52.
be surpassed, whereas stratification connoted a permanent subordination to organization.88 This hardening of class regimentation depended primarily on the inability to move away; if a family depended absolutely on the mechanisms of wider society it would conform to rules.89 Exploitation of one’s own social group depended on the subsequent development of deprivation; 90 if the individual could not otherwise survive except as a member of society, it was possible for society to withhold goods in the case that the individual did not produce

86 The remaining free people of the region came next. They did neither own land nor larger animals, and as a rule were, or were considered to be, foreigners. They found their living in crafts, trading and free farm labor, and were practically at the mercy of the four upper classes, who controlled primary production. The only exception was if they were believed to be protected by religious influences or needed in a political situation. These social groups of landless free people fluctuated often over wide stretches of land and among many nations. It was this social class, who introduced to the small particularized peasant regions of townless society many cultural and economic innovations from neighboring areas, using their experience by passing on goods produced by other nations to those who required them. The lowest stratum in the rural social scale consisted of the slave class. Its members were either personal servants or serfs. Both were compelled to place their labor potential completely, or to an overwhelming extent, at the disposal of other people without reward or hope of escape. The serfs belonged usually to alien groups of people who had been conquered, or they were originally free people of their own tribe who had fallen into a dependent position. All were now bound to the soil, compelled to serve the upper classes and the clans above them as hereditary communities. The slaves were usually individual booty from war, piracy, and robbery. Women particularly, and experts in trades and crafts who could not really be exploited as serfs were pressed into these despised classes. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.48.

87 The state is a late development, and hardly appears before the time of written history. For it presupposes a change in the very principle of social organization -from kinship to domination; and in primitive societies the former is the rule. Domination succeeds best where it binds diverse natural groups into an advantageous unity of order and trade. Even such conquest is seldom lasting except where the progress of invention has strengthened the strong by putting into their hands new tools and weapons for suppressing revolts. In permanent conquest the principle of domination tends to become concealed and almost unconscious; the French who rebelled in 1789 against the French aristocracy that had ruled them for a thousand years had come from Germany and hence subjugated them by force. Time sanctifies everything; even the most apparent theft, in the hands of the robber’s grandchildren, becomes sacred and inviolable property. Every state begins in compulsion; but the habits of obedience become the content of conscience, and soon every citizen thrills with loyalty to the flag. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 24.

more.\textsuperscript{91} When several clans united (=appointment of king), the original structure subsisted; it was the several paterfamilias who united in the State.\textsuperscript{92}

Humans do not want a king, not even at the moment they are making one. When the several paterfamilias united in the state, the single paterfamilias, who had been the representative for the welfare of his clan, coagulated into a separate class that controlled the clan, i.e. the lower classes, by recourse to deprivation.\textsuperscript{93} The patricians had gradually taken control of the economic forces of society; if pagani refused the rules set by patricians, they lost all the economic benefits of their society. The submission of the pagani hardened into a coercive stratification of society. For example, the original Roman patricians were, in origin, simply the collection of the heads of households, or heads of clans.\textsuperscript{94} Population density intensifies stratification, regimentation, and division of labor. When the land available to a budding civilization is absolutely limited, a growing population resolves its problem with war. Because the plebs had no recourse to geographical flight, the higher social classes

\textsuperscript{91} We may tentatively conclude that just before 3000 B.C. these were transitional polities, making that elusive move from rank authority toward stratified state. But the transition occurred first less in the realm of coercion by the rules than in the realm of coercion in the sense of caging, the growth of focused, inescapably intense, centralized social relations. The transition to coercion and exploitation was slower. Differences between the leading families and the rest and between freemen and dependent or slave laborers were “absolute-rank” differences. But rank within the leading families seems to have been “relative” and changeable. Rank largely depended on proximity to economic resources, which were themselves changeable. There seems to be no evidence of ranking in relation to “absolute” genealogical criteria, like supposed proximity to the gods or ancestors. In these ways, the emergence of stratification and the state was slow and uneven. Cf. Mann, Michael,\textit{ The Sources of Social Power, Volume I}, Cambridge University Press, 1997, p.86.


\textsuperscript{93} In societies that were already being territorially and socially caged by other pressures, circumscription intensified. The city-walls symbolized and actualized the cage of authoritative power. Adherence to diffused authority crossing its boundaries weakened, - one accepted this state and its military commander. The gigantic protection racket of political history began: Accept my power, for I will protect you from worse violence- of which I can give you a sample, if you don’t believe me. Cf. Mann, Michael,\textit{ The Sources of Social Power, Volume I}, Cambridge University Press, 1997, p.100.


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exalt their position by intensified expropriation of the production of the lower classes; the exigencies of war serve to justify the intensified expropriation.\textsuperscript{95} Population density intensifies stratification, regimentation, division of labor. These paterfamilias, originally the spokesmen for the members of the clans, congealed into a class, separated from their clans, forming the senatorial order; transformation into a governing class was a function of constant war.\textsuperscript{96}

**Sexual division**

Cattle were the basis of wealth in the Neolithic Age; who had more cattle was wealthy and appropriately socially positioned. When the herd increased, more sons were needed; only males participated in husbandry. Since husbandry was far more productive than food-gathering, women were valued for bearing children, but their economic role was secondary, and the nomadic tribe was patriarchal.\textsuperscript{97} Agriculture had originally been the women’s domain on the premise that it was less strenuous than hunting. The garden had been invented by women; it was an enclosed area established next to the living quarters in order to save the effort of walking long distances. The idea of the “sabbatical year” developed from the first fixed agricultural economy; every seventh year a field was left fallow for one year to restore soil fertility.\textsuperscript{98} The gardens and fields were cultivated only by women, and it was the property of the matriarch.\textsuperscript{99} Agriculture became the basis of matriarchy when its

\textsuperscript{95} Carneiro notes the importance of circumscribed agricultural land in the origins of civilization. He argues that when agriculture is intensified, the population becomes even more trapped. Population pressure worsens the situation. War is the only solution. As there is nowhere for the defeated to flee, they are expropriated and become a lower class in an enlarged society. Cf. Mann, Michael, *The Sources of Social Power*, Volume I, Cambridge University Press, 1997, p.100.


\textsuperscript{97} If the herd were larger, the number of herdsmen had to be increased and so all the tribes endeavored to increase their birthrate. For children, and particularly sons, were of the greatest value. Man was by far superior, as a herdsman, to woman as a food-gatherer at this stage or during the mixed herdsmen and planter cultures that followed somewhat later. In a nomadic life, woman very often became and becomes a subject being or at least takes second place in the patriarchal social system. Cf. Heichelheim, Fritz; *An Ancient Economic History*, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.40.
vital importance to food supply was recognized. Previously food-gathering, also reserved to women, had been less important than hunting, and maintained a social equality of men and women. The reliability of agriculture over hunting markedly raised the ascendancy of women over men; the passage out of the Paleolithic was simultaneous with the ascendancy of women over men. However, by the Mesolithic Age both animal domestication and slavery had been invented; occasionally, without disparagement of the economic importance of female dominated agriculture, the same techniques of domination were applied to women as to animals and slaves, so that female operation of agriculture induced a male-dominant society.100

Similarly to the hoe, animal breeding also brought about revolutionary improvement in the tribal economy and raised the prestige of men just as the garden had raised that of women. The plough, the first application of animal husbandry, made the animal breeders “wealthy” in relation to those without animals, and introduced a class division of nobles.101 Plough cultivation and irrigation substantially altered the female ascendancy in agriculture; the greater physical power of men over women once again prompted male preeminence. Women were relegated to the less muscular aspects of agriculture, and otherwise to secondary productions.102

Since taxation depended on reciprocal good will, skepticism about God would ruin the premises that support tax payment; agnosticism had to be suppressed with the utmost ferocity. In the early Bronze Age, women had been sold into marriage by their families, and men could repudiate wives at will. This however jeopardized the financial coherence of society because women given into marriage were often accompanied by dowries. The

98 A “wild” field-grass economy has perhaps changed, under the influence of the Palestinian climate, to the well known Sabbatical year of the Bible. Here each piece of agricultural land seems to have been left fallow for one year after six years’ cultivation. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.69.
99 The garden was enclosed. It became occasionally the communal property of the clan or tribe, but more often of large or small families and, in matriarchal societies, of the mother of the house. The enclosure gave the garden its Germanic name. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.66.
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marriage contract was made with the family of the bride, not with the bride; to secure exchange, the Code of Hammurabi endowed dowried women with contracts that entailed return of the dowry in the case of divorce, and protection of the inheritance rights of her children. The contract was first to substantially distinguish the “legitimate marriage” either from “secondary wives” or from concubines, who might jeopardize the wife and children’s inheritance. This new conception of a moral, legitimate marriage was introduced for stability of property and contract, not from sensitivity to the female plight. The new laws pertained to the aristocratic class, but soon applied to all people; it primarily adjusted patriarchalism

100 The food-gatherer of the Paleolithic Age, compared with man’s activities as a hunter, had had, on the whole, an equal position economically. For hers was the more secure chance, whereas man’s occupation had greater possibilities of gain. Now woman was far superior economically to man owing to her garden, as long as man remained a hunter. Her permanent plant resources fed the whole family much more competently than had the united efforts of man and woman formerly during the Paleolithic Age. And so grew a social and political ascendancy of woman over man, and is witnessed up to today, by the so-called matriarchy existing in many tribes to quite extreme forms of civil and social rule of womankind over men and children, polyandry, the bearing of arms by women alone, and feminine chieftains and priestesses. Female governments and legal jurisdiction within the family and over her kin are especially noticeable here, and remain have survived in many societies which finally adopted a patriarchal pattern. This control of society by women was certainly not necessarily the only constitutional pattern, the so-called hunter-planter period tended to by reason of its economic structure. For woman had become now economically an object of considerable value for man, to some extent his most valuable economic possession. She was in a position to feed everybody without any great expenditure of toil by the men. Very often more or less secret unions of men not only kept down alien prisoners of both sexes at the point of the spear, but even terrorized and kept down the women of their own tribes, as being the weaker in body, and reduced them, more or less, to the status of working slaves, so that the economic success of women led just as often to their social degradation as to their social advance. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.32.

101 The highest stratum in peasant states and societies has manifold charismatic offices and dignities like those of kings and headmen. Kingship and related positions are often restricted to individual clans and families of priests and similar servants of the gods, who hold religious sway and are closely connected with families, small tribes, and professional groups who are considered to be imbued with magical properties. The third highest group in the social scale consists of the nobles. When plough cultivation was thoroughly developed, the nobles were the animal farmers with large herds, among them horses, elephants, or camels. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.47.
to prevent distortion of social order.\textsuperscript{103}

In a nomadic community economic equality prevailed because of the absence of capital. The utility value of consumable goods diminishes much more rapidly than the utility value of capital. Exactly because of the near-equality in material things in nomadic or village conditions, prestige is generally unavailable. Given such circumstances, when an individual has material goods in excess of any utility value, and they are not convertible into capital, he is inclined to exchange those goods for prestige.\textsuperscript{104} Three phenomena ensue. First, the individual may increase his prestige by creating a retinue; by spending his surplus on others, employing others, and by feasting others who then make up a following he creates prestige for himself. A second phenomenon is gift-giving; by giving gifts very generously he raises his prestige. This expenditure of excess may generate into a gift-giving competition, in which one person attempts to show his superiority by giving more gifts than the other.

\textsuperscript{102} With the climax of townless economy in the Neolithic Age, with plough cultivation, mining, and the widespread use of water power for irrigation, the general use of cattle being something essential everywhere, the masculine sphere of influence increased considerably. Man had control of animal breeding, of the most promising part of plant cultivation, the spheres of mining, and of water economy because great physical strength was required in such activities. Woman’s sphere, on the other hand, remained the garden alone from primary production, by tradition. For the rest she was pressed into secondary production. A part of domestic industry and craftsmanship, particularly pottery, textile, embroidery, and cooking, remained her province for a long time to come. She also took some part in religious practices, medicine, and art, as she had done previously. In this way, even where the social balance of both sexes wavered, as it sometimes did, woman was economically dependent on man for about 7500 years up to the 19th century. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.49.

\textsuperscript{103} Women were given in marriage by the family, and in early times were simply sold. Husbands originally had complete power to punish and repudiate their wives, but this came to be limited by contracts which prescribed forfeit money in case of divorce and the like. Originally men had “secondary wives”, often sisters of the first wife. There were also “serving maids”, as mentioned in the Old Testament. Then the position of the dowried wife was protected by contract, as were the inheritance rights of her children, against the arbitrary power originally possessed by the husband. From this developed the institution of “legitimate” marriage, as can be clearly seen in the Code of Hammurabi. Then this institution, originally developed among the wealthier classes, was gradually generalized by legislation as the only moral form of union. Notice that the only moral form of union was developed from contract and property rights, not sensitivity. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.94.
Thirdly, there was one other item of capital value: women. They may become highly expensive prestige-objects; a man exhibits his greatness by acquiring a woman whom others could not afford.\footnote{105}

Women were a supreme capital good in that one made a long term investment in a wife, and derived children from the investment. Women fell under a norm of economic exchange; one family made a gift of the daughter, and the receiver reciprocated with some gift of equivalent value. Buying and selling were distasteful, so that much of what was in fact buying and selling was decorated as gift-giving. The value of a wife lent status value to women; wives were also coveted for the status their possession gave to the man.\footnote{106} Gift giving was in reality an exchange. The wealthy, having no capital excess, could exchange their wealth for higher prestige. Such customs had the effect of recreating a material equality across the tribe, but the gift-giver received high degrees of influence.\footnote{107}


\footnote{106}{Erstens stellen in diesem Gesellschaftstypus die Frauen die einzig wirklich entscheidende Form von Kapitalgütern dar. Zweitens herrscht hier die Norm der Reziprozität, die vom einzelnen verlangt, dass er alle erhaltenen Geschenke durch andere gleichwertige Geschenke vergilt. Drittens wirkt wie überall das Gesetz des Grenznutzens. Und Schliesslich gilt Status diesen Menschen soviel wie uns auch, sie sind in ihrem Statusstreben genauso unersättlich. Cf. Lenski, Gerhard; \textit{Macht und Privileg}, Eine Theorie der sozialen Schichtung, Suhrkamp Taschenbuch, Frankfur am Main, 1977, p.186.}
The outcome of the sexual adjustments prefigured one of the most fundamental structures of taxation. If taxation is made of each individual atomistically, the process of tax collection is infinitely complicated, and produces many more opportunities for evasion and embezzlement. Hierarchy is a perennial prerequisite to tax collection; every government that has successfully collected taxes has differentiated practices of tax collection in such a way that a higher level could ascertain the performance of a lower level. However, tax systems regularly undergo failure, implying 1) that there is always a strong subterranean resentment of taxation and 2) a tax system that does not constantly revise itself eventually loses its immunity to the stratagems of tax resistance.

Now assume that an individual owns property, but the property ultimately belongs to God, who owns all things; the farmer then owns the property nominally, but in reality the property is in the ownership of the king, who is either God or God’s first representative. Likewise, a family owns land, but the land actually belongs only to the clan, so that the chief of the clan can dispose over that land. Just as the king owns everything in his kingdom, the father of the family, the paterfamilias, owns everything in his family; although his women and children have nominal ownership, it all really belongs to the paterfamilias. This double entendre of nominal and real ownership structured taxation. Women and children need not be taxed, because they, as the property of the paterfamilias, can be taxed, together with all their nominal possessions, in the paterfamilias. All surplus is first concentrated in the paterfamilias, and through taxation all surplus is then concentrated in the king.

Divine Property

Expressed anachronistically, communistic sharing in the kinship organization was inadequate for extreme conditions because there is no compelling reason for the communistic producer to improve production. This might appear misjudged for a context in which the ideas of production or improvement did not exist. The theocracies with which we start held it beyond dispute that all property is the property of God; communism would appear most appropriate, and taxation does not comport with communism. The slogan that all property belongs to God easily converted into the idea that all property belongs to his nearest representatives, the priests. The Indian Brahmins, for instance, did not own property, but they were on the contrary the owners of all property, to whom everything was owed. Given such an ambiguity, the communistic thesis that all things belong to God could easily become the premise for a priestly aristocracy and class division. Private property, another anachronistic term, ought to increase the total social product by rewarding the effective and penalizing the ineffective producer; in doing so private property ought to give both the effective and ineffective producer incentive to improve production. In a society in which there was no private property, a concept of personal ambition could not have arisen.

The hierarchical structure of ancient oriental theocracy was a midpoint between communism and private property, with slightly different development in Mesopotamia and Egypt. The Old Kingdom of Egypt had no external enemies; in every direction the Nile was bordered by desert, a natural barrier, and since Egyptians had to live on the borders of the Nile, the simple North-South orientation simplified internal domestication. The absence of external enemies made private property relatively unnecessary. Instead of private property, revenue distribution could function as a device to keep each individual in the class in which he was born. It was not a regime of private property because class position was not a

108 From that moment he became a holy being; his person and property were inviolate; indeed, according to Manu, „all that exists in this universe is the Brahman’s property.“ Brahmans were to be maintained by public and private gifts-not as charity, but as a sacred obligation. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 405.
function of free enterprise.

Mesopotamia by contrast to Egypt was from inception exposed to external enemies, with the consequence that private property and commerce developed much more quickly. Trade had already existed in the Paleolithic age, but with the emergence of civilization trade became directly dependent on State power. In a mixture of civilized and uncivilized social groups, the more primitive nomadic groups organized piracy on the trade routes; only the military organization of the State could preserve trade. Furthermore, in a period of barter there could not be trade between States, pace piracy, unless state authorities could agree on exchange values.

**Donation**

Private property enabled taxation, but prior to adequate centralization, voluntary donation preceded the institution of taxation; the “taxpayer” voluntarily brought his “offerings” to the Temple. Donation was cognate with the development of the Temple. The Mesopotamian people could not resolve overpopulation by migration; they collected in the river basins because, apart from the agricultural yield of the river basins, Earth would not support them. As village groups expanded to overlap with the groups of other villages, social organization had to regulate peaceful coexistence between alien social groups irremovably living in the face of each other. The Sumerian Temple assumed the function of placating inter-village antagonism; the priesthood enabled the extensive irrigation of Mesopotamian land; the

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111 Originally, this trade preceded the state- as had indeed been also true of later prehistory in general. But the more it developed, the greater it depended on the state. As the organizational capacities of all regional groups increased, even the relatively backward became able to organize raids and to exact tribute from merchants. Trade needed protection from pillage right along its route. But even agreed peaceful exchange between state-controlled territories required a degree of diplomatic regulation, given the absence of an international “currency” denoting the commodity value of a good. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.131.

religion provided a strong normative rule across the several contiguous villages. In this
religion was the essential factor in bringing about the first division of class inequality in the
stage of primitive agriculture. The peasant surrendered his surplus to the Temple under
the construal that the “payment” was to God. The Sumerian Temple served to convey that
such donations were not to an alien group, but to a common focus of devotion. In this
context the King was the embodiment of Man, the immediate representative of God. By
direct descent from God, i.e. the “Son of God,” the King was presented as the only salvation
of humanity.
Ad nauseam, not even a dictator can hold power without implicit consent of the ruled; what the demos expected from their King was redistribution; if the King withheld the communal surplus in time of dearth, he would not be king for long. The Temple functioned as a center of redistribution amongst villages or groups which had the potentiality for jealousy and mistrust; redistribution in time of dearth enabled the peasant to think that his donation was to his own benefit. The Temple enjoyed credibility because it anteceded the market; all surplus was centrally stored in the Temple, not the market, and enjoyed approval as a reliable recourse in time of dearth. Roughly around 3000 B.C. the Temple, not the market, operated redistribution and thus accumulated approval as the major patron-client relation of the State. The Temple thus appeared as the world’s first instance of capital accumulation. The surplus of the entire countryside was systematically concentrated in one place, the Temple, whereupon it functioned as capital; either the accumulation was re-invested, or it was redistributed in times of dearth.

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118 Eine Eigenschaft, die in jedem Falle von ihm erwartet wird, ist Generosität; zeigt er Mängel auf diesem Gebiet, ist er schnell unpopular. Obwohl er der reichste Mann im Stamm ist, kann er seinen Reichtum nicht allein auf die Befriedigung seiner persönlichen Wünsche und Bedürfnisse verwenden. Cf. Lenski, Gerhard; Macht und Privileg, Eine Theorie der sozialen Schichtung, Suhrkamp Taschenbuch, Frankfurt am Main, 1977, p.224.


120 One principal form of their interdependence in the period around 3000 B.C. may have been the emergence of a redistributive state. There was elaborate central storage of goods and it is often suggested that this amounted to exchange not through a market but through the authoritative allocation of value by a central bureaucracy. Thus the state emerged out of loose patron-client relations, just as social stratification did. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.85.

121 In this way there arose in the Ancient Orient, for the first time in world history, towns into which the surplus products of primary production flowed from the whole territory around to be invested as capital. This still primitive capital was either increased by judicious investment, or used to supply a man’s needs which by this time had surpassed by far the bounds of pure necessity. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.162.
FISCAL REVENUE OF ORIENTAL THEOCRACIES

Surplus

In the initial phase of taxation, peasants contributed their surplus as a gift to the gods. Bias for private property was suppressed by the collective nature of surplus. It is virtually impossible for an individual to produce surplus. From the premise that collective labor is far more efficient than individual labor, a surplus does not appear except from collective effort. This limited the individual’s supposition that whatever he produced was ipso facto his property.\textsuperscript{122} The idea that what one produced beyond individual, immediate need was communal property easily became a norm.\textsuperscript{123}

The contribution was not monitored; no minimum was prescribed. In this there is a characteristic common to theft and gift giving. When a theft is committed, the victim does not arbitrate or prescribe how his stolen money will be used, nor can the thief’s arbitrary use of the money extenuate the theft. The same is true of simple gift giving; the gift-giver does not dictate how the receiver will use his gift. The gift-giver liberates the receiver to use the gift in any way he pleases. This is also prominent in ancient taxation, partially because taxation originated from gift-giving. The God receives the gift, or the tax; since the gift or tax is to God, and the gift-giver surrenders the gift somewhat in the guise of a suppliant, the gift-giver does not dictate how God will use his gift. Gift-giving is essentially an act of humility; it would have been incoherent to dictate how a gift should be used. God epitomized this aspect; one would not dictate to God how he should use one’s gift. God coincided with the King, or Pharaoh, or priesthood, whose stance thus became the


\textsuperscript{123} To keep a surplus, even one individually produced, requires social organization. It requires norms of possession. As these are adhered to imperfectly, it also requires armed defenses. Also production is normally not individual but social. Thus the possession, use, and defense of natural resources are greatly affected by even the simplest practices of social organization: Three men (or three women) fighting or working as a team can normally kill or greatly out-produce three men acting as individuals, however strong the latter may be as individuals. Whatever the power in question- economic, military, political, or ideological- it is conferred overwhelmingly by social organization. Social, not natural, inequality is what matters- as Rousseau observed. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.51.
unconditioned receiver, rather than of servants receiving the revenue in trust.

Oddly, in these circumstances, scarcity caused social equality. Redistribution and reciprocity were necessary qualities exactly because humans barely survived on the edge of subsistence; every family underwent starvation from time to time, and survived only from the willingness of other families to provide food; since this affliction was universal, rather than confined to an identifiable group, it did not lead to social demotion. On the other hand, great respect might accrue to one who was especially generous, and might induce appointment to chief of the community.¹²⁴ This explains the absolute demeanor of the ancient oriental theocracies; the entitlement to the tax payment depended on the aura of unconditional divinity.

In a Neolithic civilization, distribution was fairly equal, simply because there was no surplus; humans lived on the edge of extinction. Social equality was due to the lack of surplus.¹²⁵ At the transition to a town civilization, production exceeded the absolute minimum needed by every individual. Goods were produced collectively, but instead of collective, equal distribution, there was opportunity for one group to seize the surplus at the expense of other producers. A cardinal significance of fixed settlement was the greater difficulty for individuals to reject social inequality and regress to a simpler mode of life.¹²⁶

In addition to the struggle with production, an internal social struggle between the producers

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FISCAL REVENUE OF ORIENTAL THEOCRACIES

arose. Authority, and especially the predominant power that authority decorated, determined who would receive the greater part of the surplus.\textsuperscript{127}

Another aspect of gift-giving is spontaneity; the gift was unpredictable, in contrast with taxation. The “gift” could be levied at any time. The king and royal retinue did not find themselves obliged to await an appointed time such as in the case of tax collection; they could levy gift-giving arbitrarily. A gift was also supposed to be \textit{sponte sua}, not something that the gift-receiver could initiate. This was circumvented by threats of the terrible things that might result if by chance the King didn’t receive his gifts, and the gift-giver would calculate that he would lose less if he preemptively gave a gift.\textsuperscript{128}

Theocracy shaped the capacity to form a conception of wealth. The main value of God was the ascription of all landed wealth to God. The individual, having existence only as a social unit, could not help but think that his labor was not his property. Formulation of taxation was based solely upon how much the sovereign needed, because the individual had no concept that an individual existence as such had rights, although the idea of taxation later evolved to the standpoint that the well being of the taxpayer was a parameter for the sovereign’s tax initiatives.\textsuperscript{129} No distinction was made between private and public wealth

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\textsuperscript{128} All the permanent and regular taxes and services listed up to now were not as oppressive for the common people as regular imposts the amount of which could not be predicted beforehand. Nevertheless it was a common practice that all of the inhabitants of a region gave the King, princes, princesses, ministers, generals, and officials presents at all suitable opportunities, and these “gifts” were often solicited with more than gentle persuasion. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.178.
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inasmuch as whatever the commoner possesses is ipso facto the property of God; the individual has no possessions prior to God. Ideas of democracy and equality, inasmuch as such ideas imply private rather than communistic existence, did not germinate.

Enormous class distinction was integral to later development of ancient theocracy; the amount of social surplus is directly proportionate to the degree of inequality.\footnote{As far as the ordinary person was concerned, all official regimes were despotisms. The common man did not make the rules he lived by, nor could he alter them. In no way could the actions of his rulers be limited. If the people were not legally slaves, they might as well have been. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 88.} One might wonder why an increased surplus was not distributed equally, instead of having been concentrated in the ruling classes. The answer is pragmatic; labor classes cannot initiate a revolution, although they are needed to support one; the higher classes are capable of assassination, palace revolution, or popular revolution. It is therefore exigent to propitiate the higher classes. By establishing the upper class as priests, the commoner was rendered incapable of doubting the authority of the elite, whose authority was based upon proximity to God. Land, virtually the only form of wealth, was conceived as belonging to God, and by proxy to the priests.\footnote{Granet, Marcel; \textit{Chinese Civilization}, New York, 1930, pp. 87-88.} As in ancient China, peasant ownership of land did not appear even as an idea until Alexander the Great, thousands of years later;\footnote{Hirth, Friedrich; \textit{Ancient History of China}, New York, 1923, p.110.} the peasant as well as the land were the property of God, and therefore under the direction of priests.\footnote{Over these ancient obstacles life made its plodding way. The peasant sowed and reaped, occasionally for himself, usually for his feudal lord, to whom both he and the land belonged; not until the end of the dynasty did peasant proprietorship raise its head. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 647.}

There were six social classes in the Neolithic Age, possibly prior to settlement, definitely prior to the emergence of towns; the royal family/clan, the priesthood, nobility, small freeholders, propertyless freemen, and slavery.\footnote{Cf. Latourette, K.S.; \textit{The Chinese: Their History and Culture}, v.2, p.58-9.} In the Neolithic period there had been

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no defined professions or offices; insofar as there was a special function, it would exist as a temporary function added on to the labor that all members performed. The Bronze Age was the occasion for conspicuous class difference and its institutionalization; individuals were designated with office and professions which they performed exclusively of any other labor.135 The emergence of capital in the Bronze Age, at the same time as the emergence of the city, accentuated class distinctions; the invention of capital enabled the first three classes to receive rent-money, universally, from all the members of the lower classes.136 As the only possessor of wealth, the Temple was the storage of the social wealth, and was put to financial use by the priests to monopolize wealth.137

Taxation, a prior claim on another person’s assets, is most successful when it can be accomplished covertly. In Sumeria the priests were the tax collectors. The priests had higher status and greater independence than nobles or office-holders, because priestly status did not...
derive from the State; this gave them some immunity from the State. Because their status derived directly from God, they could occasionally exert greater authority than the king. By experiencing taxation as a religious mystery, the commoner is excluded from disposition over tax collection. Belief in the reality of God would motivate people to cooperate in tax exactions in behalf of God rather than of humans; it was logical to make the Temple the storehouse of community wealth. If the taxpayer can be motivated, by theism, rather than coerced, the revenue will be more abundant.

**Temple Treasury**

The Neolithic tribes had no technology for food storage; humans ate what was at hand for the moment. Consequently humans shared a characteristic of carnivorous animals; when food was at hand, they consumed to extreme excess, as it were storing the surplus food in

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137 Land was the basis of wealth in all ancient societies, and in principle all land belonged to the gods and their chief of representatives, the priest-kings. Palace and Temple were therefore the largest landowners, their holdings at first not distinct from one another. The Temple, in early theocratic governments, was a financial center as well as the center of worship. Its economic activities resulted in revenues that substantially increased the priest-King’s wealth. Cf. Webber and Wildavsky; *A History of Taxation and Expenditure in the Western World*, Simon and Schuster, New York, 1986, p. 47.


140 A state which should rely upon force alone would soon fall, for though men are naturally gullible they are also naturally obstinate, and power, like taxes, succeeds best when it is invisible and indirect. Hence the state, in order to maintain itself, used and forged many instruments of indoctrination—the family, the church, the school—to build in the soul of the citizen a habit of patriotic loyalty and pride. This saved a thousand policemen, and prepared the public mind for that docile coherence which is indispensable in war. Above all, the ruling minority sought more and more to transform its forcible mastery into a body which, while consolidating that mastery, would afford a welcome security and order to the people, and would recognize the rights of the subject sufficiently to win his acceptance of the law and his adherence to the State. Cf. Durant, Will; *Our Oriental Heritage*, MJF Books, New York, 1963, p. 25.
their bodies. A single hunter might eat thirty pounds of meat in one day.\textsuperscript{141} When the idea of food storage was invented in the Bronze Age, the storehouse, which was kept in the possession of the king and his priests, was a powerful force for keeping the demos under control.

All societal treasuries originate from a church; tax revenue is accumulated in the Temple, and the King is the chief priest of this temple. The storehouse, maintained by priests, encouraged popular trust and conformity. If there had been no redistribution from the storehouse, the authority of the king and priests would have collapsed forthwith. Obversely, if the pagani had been able to keep their agricultural surplus, they would not have been sensitive to the wishes of their king and priests. When however the king collected all surplus, and rendered a condition of artificial dearth, redistribution of the surplus would control the respect and obedience of the pagani; redistribution could be presented as the king’s supererogatory generosity. Simply by making the largesse of redistribution proportionate to the productivity of the pagani, the pagani could be motivated to work hard.\textsuperscript{142}

It is the accumulated wealth, personified in the King, which constitutes the viability of society. This seems unintelligible because of the modern conception of opposition of business and government.\textsuperscript{143} The conjunction of treasury and temple was not paradoxical. A large central treasury is a fixture of theocracy, in that a large accumulation of stagnant money would induce awe. Every individual wants wealth, and when he sees an enormous

accumulation, he experiences his insignificance before the greatness of his gods, etc. The treasury belonged to God, and accordingly to the King, but one function of the treasury was to build up a surplus for redistribution in the case of famine. The paganus would sponte sua contribute to the Temple under these premises. A market regime would not allow stagnant accumulation; it would instead discover profitable use for every little accumulation, and enforce its utilitarian value. The central treasury manifests that there is only one power: the power of the King. Central treasury emphasizes hierarchy.\textsuperscript{144}

Severe class differences are essential for a hierarchy; one must investigate the paradox, that insuperable inferiority of the labor classes induces them to acquiesce in the supremacy of the ruling class. The Indian Brahmin class for instance kept itself so separate from other castes that it even refrained from operation of government, and yet never lost its supremacy; government and political activity were the domain of a class below the Brahmin. The

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\item[143] Treasury, and not the physical body of the King, is the real King. Financial administration and government, therefore, are inseparable. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 38.
\item[144] The existence of a rich central treasury is a sure sign of hierarchy. A market regime would not permit any government (as distinguished from private entrepreneurs) to become wealthy. Only collectives organized on principles of hierarchy, such as the despotic governments described, have a central treasury. Hierarchies encourage central accumulation, and attempts by those who collect and distribute society's wealth to siphon it off by deviations from proper behavior. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 87.
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Brahmin and Kshatria did not pay tax, so the tax burden fell almost totally on the Vaisya, the merchants, shopkeepers, etc; apart from the economic benefit, tax immunity served to brandish the superiority of these classes.\(^{145}\) In Egypt, the afterlife was not even attributed to the peasants and lower classes.\(^{146}\) Hereditary caste division oddly stabilized the hierarchical structure of Indian society, although common sense would suggest that the extremes of poverty and privilege would encourage insurgence.\(^{147}\) In Egypt the priesthood, qua ruling class, presented itself as communicating God’s will in mundane affairs.\(^{148}\) In India and Egypt tax revenue was deliberately used to accentuate caste difference, apparently by infusing awe.\(^{149}\) The elite of a society are a very small fragment of the population; they maintain power mainly because the majority of the population accepts its subjugated position as natural. The elite class is far more organized than the lower classes, and uses religion to impress on the broad population that social inequality is so ordained in God’s plan that it would be sacrilegious to question.\(^{150}\)

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\(^{146}\) Naturally their religious privileges were not equal- peasants were not credited with an afterlife, and may not have been buried- but beliefs and participation in ritual became fairly similar across classes. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p. 113.

\(^{147}\) There were extremes of poverty and wealth. At the bottom was a small minority of slaves; above them Sádras were not so much slaves as hired men, though their status, like that of almost all Hindus, was hereditary. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 480.

\(^{148}\) Cf. Dubois, Abbé J. A.; Hindu Manners, Customs and Ceremonies, Oxford 1928, pp.81-87.

\(^{149}\) In a caste system, domination is achieved by separation. The Brahmins, to whom Kautilya directed advice, for instance, separated themselves not only from subordinate castes but also from the direct exercise of political power. Members of the priesthood relied on social as well as financial support from the lower orders; the principles of subordination that Hindu doctrine inculcates, in turn, helped shore up the governing authorities. More than one hierarchy existed, but they reinforced one another rather than competing for the favor of excluded groups. (In other ancient kingdoms the priesthood did govern, presumably making manifest the gods’ will in secular life.) The financial implications of such stratification are high levels of taxation on subordinate castes, and even higher levels of spending on upper castes to maintain social differences. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 89.
A practical factor shaped the intimacy of wealth and religion, perhaps best achieved in ancient China. Donation and storage provided a reliable food resource in times of drought, and could stabilize grain prices. This was an essential rationale for the storage of wealth in the Mesopotamian Temple. In time of abundance the given ancient society might purchase large quantities at low price, saving the farmer by enabling him to sell grain on the market at higher prices. In time of scarcity government would release the stored grain at lower than market prices, so as to preempt famine. But since government bought surplus grain at low market prices and sold it at times of high market prices, government always had a privileged opportunity to profit from harvest vicissitude. If grain storage was transferred to private enterprise or if the good intentions of government degenerated, an agricultural bank might develop from the original intent.\footnote{Nach Mosca is die herrschende Klasse stets eine Minderheit der Gesamtbevölkerung. Erstens ist sie hochorganisiert und geniesst dadurch im Verhältnis zur unorganisierten Mehrheit einen grossen Vorteil. Zweitens kanalisieren die meisten herrschenden Klassen bis zu einem gewissen Grad das Potential zur Führung in den unteren Klassen dadurch, dass sie deren fähigste zu sich aufsteigen lassen. Drittens werden die Massen durch das, was Mosca “politische Formeln” nennt, Theorien der Rechtfertigung sozialer Ungleichheit, dazu gebraucht, ihr Schicksal als rechtmässig und normalerweise auch als unvermeidlich zu akzeptieren. Und schliesslich lässt schlichte Gewohnheit jene in den unteren Klassen ihrer Arbeit nachgehen, ohne dass sie die Rechtmässigkeit oder Unausweichlichkeit ihrer Position in der Gesellschaft auch nur in Frage stellten. Kurz, selbst wenn die herrschenden Klasse nur eine Minderheit ist, und in grossen Gesellschaften ist es eine recht kleine Minderheit, stützen und stabilisieren viele Faktoren ihre privilegierte Position. Cf. Lenski, Gerhard; Macht und Privileg. Eine Theorie der sozialen Schichtung, Suhrkamp Taschenbuch, Franfurt am Main, 1977, p.33.}

A taxation scheme could be either a conduit to a capitalistic scheme for augmenting money from money, or a socialistic scheme for keeping the popular life in equilibrium by redistribution in time of recession. Redistribution was a very sensitive, precarious institution for theocratic societies; it enhanced the prestige of the Pharaoh or King, and failure to redistribute could overturn his government. But over-willingness to redistribute could jeopardize theocracy. When a theocracy adopted democratic features, taxation increased. Why? Why should a hierarchical element constitute a substantive part of a social democratic regime? Even if hierarchy were abolished and an egalitarian society were instituted, such a
democratic society would willy-nilly reintroduce hierarchy, not by any ideological change of mind, but because society would not function without at least a minimal degree of hierarchy. Without the availability of privilege, individuals would select less strenuous employment, and thereby ruin the principle of selection for the best performance of the most difficult tasks. Theocracy to the contrary would adamantly retain the tax obligations needed to maintain the relative class-order; it was forcefully evident that in any change of regime whatever, a hierarchic core had to be retained, or had to be reintroduced, or the whole social structure would collapse. Hence “democratization” did not amount to a replacement of theocratic with democratic expenses, but an expense additional to the theocratic expenses, to finance the democratic demand for greater redistribution.

Ancient and medieval Chinese emperors maintained a network of provincial granaries of constant equalization, with branches located at strategic points along major roads and waterways and at the empire’s borders. Although the principal goal was to reduce uncertainty by providing a constant supply of food grain for the army and for the population in the event of famine, the Emperors also wanted to influence the price of grain. When the harvest was abundant the state bought grain at a low price and stored it, thus raising the price that producers would receive in the market. In times of scarcity the government released part of the stores in charitable contributions to the starving, and sold the remainder at less than the current market price. Though emperors may have intended only to make food available to the people at reduced cost, their market operations must also have been a source of profit to the treasury, for the grain was sold for more than its original cost. As long as these economic activities were carried on as separate enterprises within the King’s bureaucracy, subject to its division of labor, they remained hierarchical. Only if royal grain purchase and resale produced a class of money lenders independent of the crown would market relations modify hierarchy. Gradually the granaries’ main function changed. As surpluses accumulated in good years, officials began to make interest-bearing loans to the unfortunate producers who had consumed grain they would need for the next season’s planting. By the 9th century A.D., the granaries of constant equalization had been transformed from institutions of public charity into agricultural banks. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 81.

Ancient oriental economies were precarious and unpredictable; if a harvest failed, a society no less than an individual could become instantly destitute. Consequently such societies were predisposed to accumulation as a means to project power. The yield could not be averaged out diachronically by saving from a bumper crop. Inadequate transportation made it impossible to average out consumption geographically across abundant and scarce yields. Under this pressure a government would try to accumulate surplus, which differentiated into food and gold. Surplus food accumulation as a security against crop failure was ineffective. The sovereign might accumulate his food revenues in the capital, the better to impress the demos with his wealth. Transportation of food would centralize the sovereign’s power, but transportation would double the cost of food in the case of re-transportation to a famine stricken area. Costs of collection, transportation, and storage could amount to a severe leakage of the value of the natural revenue. Greater utility would attach to tax revenues in kind stored distributively in local depots, but sovereign information on total assets would be inaccurate due to local distribution. Decentralized revenue storage would give the provincial tax collectors greater opportunity to embezzle. Storage in local depots would eliminate costs of transportation, but localized storage of wealth would encourage collusions and rebellions from local subalterns.153

153 Whether the threats of intimidation and violence that pervaded financial administration in the kingdom of Asoka brought in much additional revenue is questionable. In the ancient world the financial structure supporting government was fragile. Because income depended mainly on agricultural output, fortunes of ruler and individual cultivator alike were dominated by uncertainties that have plagued agriculture since time immemorial. Neither Farmer nor King could count on regular and recurring income. Events could be anticipated only as far as the next harvest. So ancient kings accumulated huge surpluses as a safeguard against the unexpected. Yet in societies in which most people lived on the edge of subsistence, such surpluses were essentially wasteful. Accumulation of food surplus in the sole control of the sovereign would function as a social security measure, in that the sovereign could distribute food to famine stricken areas. Even where transportation was adequate to transfer the King’s share to central store houses, distribution methods often were inadequate for allocating stores where needed. In China during the Han Dynasty, piles of grain lay rotting in the capital while famines ravaged the provinces. Stores of commodities were costly and cumbersome; collection, storage, and distribution of revenue in kind involved the state in an enterprise impossible to manage. There was a seemingly simple solution to the problem of allocation. Tax receipts could be stored where collected, and distributed to meet the King’s local
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The circumstance that early tax revenue was in kind probably encouraged socialistic expenditure, because the accumulations had to be spent before they perished. Possibilities of investment or revenue surplus for capitalistic gain were constrained because opportunities to spend non-money capital for future profit were limited to seasons of scarcity when prices were high.\textsuperscript{154} The possibility of capitalistic storage of wealth did not emerge until development of a money economy. Exchange in natural kind compelled government to re-invest its revenue (natural kind) before its value deteriorated, or it had to distribute the excess revenue in ways that would generate fealty. When a currency emerged taxation usually developed a natural surplus, which was in perishable agricultural commodity. The King traded his tax revenues, i.e. chickens, grain, etc. in the market, converting the tax revenue into imperishable commodities, and later into coin. The king would delay such a transaction until a time of scarcity raised the money value of his chicken above its value at the time of receipt. The ancient king thereby got involved in finance and speculation from very early times.\textsuperscript{155}

Conversion from communism to property occurred not from endogenous class conflict, but from the hostile contiguity of one closed social group with another closed external group. Private property did not endogenously develop from avarice, but from the jeopardy posed by an external group.\textsuperscript{156} The group that produced more would reproduce more, and obligations. This could minimize losses from transporting produce to central warehouses, but the King then faced a different and equally difficult problem: how to prevent distant local officials from setting up shop on their own. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 87.

\textsuperscript{154} Voluntary donations brought to the Temple by residents of nearby land supplemented royal production. Temple priests had only to collect the offerings from the altar. Perishable gifts doubtless were consumed immediately; the remainder was deposited in store houses for later use. During prosperous times, offerings were regular, predictable, and sometimes so plentiful as to produce a surplus. When harvests failed, however, the King could reverse the direction of contribution, drawing on storage surplus to provide food for the hungry and receive grain for the next sowing. Even after voluntary contributions had become compulsory taxes, the financial administration of ancient theocracy was inseparable from either Temple or King’s household; it was simple, personal and direct. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 49.
gradually occupy more of the available space.\textsuperscript{157} War is not even the main form of conquest; one society is more likely to be diminished if economic prosperity makes population of another society proliferate.

Taxation could not have arisen in a primitive communistic society inasmuch as taxation individuates production according to what each individual produces. This was more plausible in Mesopotamian than Egyptian society. Taxation entailed a need for incentive to produce, as accomplished by private property, plus the king’s prior right to possession of everything, as in theocracy. The voluntary attitude in the earlier phase made the paganus more amenable when a tax collector was first sent out. As population grew, the Temple became too distant to attract donations proportionate to those of a small village. Familiarity that motivates cooperation diminishes as society grows larger, alienation gradually increases, and compulsion has to replace familiarity as the animus of cooperation. The voluntary donations had to become a compulsory tax, and the king would need a bureaucracy to carry out tax collection.\textsuperscript{158}

\textsuperscript{155} With the surplus accumulated during periods of peace and prosperity, the monarch enhanced his wealth by trading in the markets that grew up around Temple and Palace, at first exchanging surplus grain for scarce commodities, later for money. As a result, fiscal management in the ancient world was largely logistical. It dealt with collection, storage, distribution, and sale of a variety of commodities. Product management, warehousing, and handling, and merchandising were distinctive features of much ancient government finance. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 45.

\textsuperscript{157} Why did this primitive communism disappear as men rose to what we, with some partiality, call civilization? Communism proved unbiological, a handicap in the struggle for existence; it gave insufficient stimulus to inventiveness, industry and thrift; and the failure to reward the more able, and punish the less able, made for a leveling of capacity which was hostile to growth or to successful competition with other groups. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 18.

\textsuperscript{158} The territorial range a ruler can govern effects dependence on existing technology. Administrative techniques for financial management of government were first invented when the range of fiscal tasks increased beyond the King’s personal capacity to control them. With the primitive transportation and communications available, the monarch’s effective demographic control was limited by the distance a man could walk in a day. Beyond that range men would not carry gifts to Temple. In taking contributions, he would have to send agents out into the countryside to claim them. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p.50.
Compulsory Taxation

A primitive kinship society is characterized by personal production of all things. The familiarity in kinship had obviated need for compulsory taxation. Exchange in a civil society, on the other hand, stimulates greater production than personal need, but undermines the kinship organization in the direction of intensified civil organization. In the case that exchange (i.e. between non-relatives) is more efficient than autarchic production, the agent would produce more than what he needed, and exchange excess for items of a different sort. If the agent did benefit more from exchange, he might abandon time and labor on production of personal necessities, because he could receive more thereof by exchange than by personal production. Exchange was not necessarily either equitable or inequitable. To the degree that the agent relented on autarchic production of things accessible by exchange, he placed himself in a relation of dependence on the person from whom he received them, thus creating for himself both benefit and jeopardy. This dependent jeopardy was mutual; a plausible solution to mutual insecurity arising from this relation could have been communistic sharing, i.e. renunciation of the principle that producing x automatically establishes ownership of x, and at the same time abolition of exchange based on the premise of separate ownership.

Government was an alternative solution which, instead of suppressing property, accentuated it by providing protection thereof.\textsuperscript{159} The first purpose of Government might have been protection of the security of exchange relations.\textsuperscript{160} In an original clan organization there is no trade; it begins between strangers, and therefore needs a principle of community other than kinship.\textsuperscript{161} The individual allies himself to whatever seems to guarantee his security;

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this loyalty advances to some level of citizenship, in which the individual appreciates that whatever he does for sustenance would avail him nothing if his government did not exist. This security consisted in a guarantee of the expectations of exchange. Since the individual depletes himself of the production of necessities when he devotes his time to production for exchange, he starts out in a vulnerable position; his personal power is not enough to enforce the anticipated return on the exchange. The State (government) therefore begins with two faces; as the oppressive tax collector, but also as the guarantor of the exchange relation. Contractual relations were backed by coercion, and the inequality of private property was transformed into a sacrosanct status quo. Compulsory taxation depends on the size of bureaucracy. At a certain point in the development of compulsory taxation, government agents had to be posted in fields and villages to guarantee that the paganus would not hide part of his harvest from the tithe. A paganus might voluntarily contribute what he could spare under the impression that his tax payment was to the gods, but the tithe connoted that the payment was not fully voluntary.

Prior to the invention of interest, primary production had to be consumed; a small surplus could support a small upper class, but it could not be used to promote further production. A surplus became capital, i.e. an expenditure of surplus to create greater surplus, after money was invented and interest could be charged on the use of money. The priesthood, government circles, etc. of the upper class had seized their positions by war or other types of violence, but the class as such could not grow. It was only by the invention of capital that the proto-aristocracy could achieve perpetual enrichment by loaning against interest to the lower classes, thereby forcing them to pay chronic rent on everything imaginable. The proto-aristocracy grew splendidly only after the emergence of town civilization and stable rent-payment.

Compulsory taxation emerged from growth of community. Voluntary donation is

162 To prevent cultivators from harvesting crops without surveillance, the government had to station guards in each village. As growers brought grain to a central location for thrashing, collectors commanded the government’s share. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 57.
embedded in familiarity; distance eroded the familiarity, and remoteness from center to periphery disabled communication.\textsuperscript{164} Compulsory taxation ensued only by its analogy to the prior custom of temple donation; if taxation had not built upon temple donation, the pagani would have resisted. Taxation began with agriculture, not hunting, in part because hunting was collaborative, and did not produce a surplus, and partially because slavery was endemic to agriculture but not to hunting. Because the returns of hunting are sporadic and do not amount of over-sized surplus, a hunter who works longer or is otherwise better than another does not receive a premium; the returns are distributed equally. There was no motivation for supererogation.\textsuperscript{165}

Because agriculture could produce a surplus, it could stimulate ideas of efficiency and distribution.\textsuperscript{166} Agriculture takes consideration of individual differences;\textsuperscript{167} efficiency

\textsuperscript{163} The economic improvement which was a consequence of the practically general use of interest loans in the Ancient Orient made it possible for the first time in world history to convert surpluses from primary production into capital in the proper sense of the word. As early as during the time of the Neolithic townless civilizations the surplus from a larger number of families or from whole village communities had been sufficient to support a small overlord class, or a few prominent individuals who were usually dignitaries of the tribe, warriors, or priests. Some of them may have come to their position by peaceful means, but most of them by using force. For the most part such ruling groups were formed as a result of war and the use of forms of physical compulsion if we follow both the evidence from excavations and ethnological parallels. But only after it had gone over to the practice of demanding interest from loans could this overlord class use rents and capital fully by giving productive loans against interest. The ruling class, the members of which could live from rents out of the surplus of primary production, became much larger in numbers consequently than it had been in the days of townless civilization. Similarly it was now possible for a minority of the poorer people who carried on trade or worked in the various crafts to make this occupation their principal one by taking up productive loans against interest payments. They no longer had to spend a large percentage of their time in trying to supplement their living from primary production. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.161.

\textsuperscript{164} If a government grew beyond its effective communications range, there were several possible outcomes. In some cases, physical expansion may have so reduced voluntary donations that the King was forced to adopt a compulsory tax system. But such a geographically dispersed territory required a far greater organization than the relatively few officials needed to handle collection, storage and distribution of voluntary offerings from a limited area. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p.50.
improves insofar as those who are agriculturally superior can subordinate those who are weaker to a collective plan.\textsuperscript{168} Collectivities\textsuperscript{169} ambiguously attain higher productivity in toto either by improving the higher and lower echelons of the group,\textsuperscript{170} or by depriving the lower echelons to the advantage of the higher.\textsuperscript{171}

When extensive expansion fails, intensive expansion increases; the condition of intensive stratification is the centralization of the State. As governments became more elaborate, greater numbers had to be employed in the bureaucracy and army.\textsuperscript{172} An important element of population condensation is that, when the individual sees the impossibility of extrication from social control, he develops a social regimentation, a division of labor, bringing intensification where he cannot achieve extrication. The intensification of society is motivated by the same motive. The individual cannot get free from fleeing society, but he perceives that he can attain more freedom by social ascent. This might be explained as

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  \item \textsuperscript{165} Perhaps a little support of Locke’s emphasis on difference in diligence, industriousness and thrift could be inferred from the evidence on gatherer-hunters. After all, if some of them did work eight hours instead of four they would have been rich in surplus (or double in population!). But things are not that simple. As studies of gatherer-hunters show, everyone in the group is entitled to share in unexpected surpluses, however produced. Thrift does not bring its bourgeois reward! That is one reason why entrepreneurial development projects among today’s hunter-gatherers generally fail- no incentives exist for individual effort. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.51.
  \item \textsuperscript{166} Agriculture, while generating civilization, led not only to private property but also to slavery. In purely hunting communities slavery had been unknown. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 19.
  \item \textsuperscript{167} Cf. Briffault, Robert, \textit{The Mothers}, v.2, New York, 1927, p.494.
  \item \textsuperscript{168} The rise of agriculture and the inequality of men led to the employment of the socially weak by the socially strong; not till then did it occur to the victor in war that the only good prisoner is a live one. Butchery and cannibalism lessensed, slavery grew. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p.20.
  \item \textsuperscript{172} Wichtigster Einzelfaktor bei der Zunahme beruflicher Spezialisierung ist eindeutig diese gestiegene Macht des Staats. Alle grösseren und mächtigeren Königtümer erforderte komplizierte Regierungssysteme mit vielen Beamten und Soldaten. Cf. Lenski, Gerhard; \textit{Macht und Privileg, Eine Theorie der sozialen Schichtung}, Suhrkamp Taschenbuch, Franfurt am Main, 1977, p.207.
\end{itemize}
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individual greed for wealth, but greed is not its primitive energy. Desire for wealth derives from the perception that one has relatively more freedom if one is wealthy, whereas the poor always become the victims of those who seek freedom by dictating over others. Normally society does not discourage this perennial tendency, because it is exigent to social viability that in each social position the most capable person, specifically to that function, be selected. Selection also depends on the personal motivation of the candidate to desire the position; society accordingly attaches privileges to those who fill the position.¹⁷³

This principle of selection is applicable only within the span of one generation of labor; society might easily destabilize if there were no method to establish a reliable continuity across generations. In a nomadic or horticultural society inheritance is nearly impossible; there is no material property to inherit, and, given that absence, there can be no inheritance of social status or office. Personal qualities remain equally distributed, regardless of social rank; there is no genetic ground to justify preference for the son of a high ranking individual over another. When however personal property increases, the inheritance of property may decisively stabilize the preference of one individual over another, as for example anyone in medieval Europe could qualify as a knight if he could afford a horse and armor. It was inheritance of property which enabled social stratification.¹⁷⁴

This particular form of stratification functioned very poorly for the theocracies, because their priority on hereditary class stability precluded superlative ability. Vertical mobility was differential. If inheritability of office and fortune were narrowly limited, there would be correspondingly greater vertical mobility. If on the other hand the parental generation enjoyed the privilege of giving their children their offices and fortunes as an inheritance, there would be very little vertical mobility; class inequality, and a generally suboptimal level

of competence, would become more pronounced.\footnote{175}

In the latter case the organization must carefully disguise collectivizing to make it appear that all members benefit. The tithe, meaning literally a tenth, is usually a religious tax, although it is not specified as such in the ancient theocracies. What is called the tithe was not specifically religious; emphasis is much more on the denotative meaning-component: 10\% of the harvest. The tithe was the largest portion of the State’s tax revenue.\footnote{176} The tithe is usually represented as a harvest tax, but in the oriental theocracies it was a 10\% tax on any production; livestock, artisanship, and commercial exchange were as subject to the tithe as agriculture.\footnote{177}

The tithe had one advanced feature; it was not a fixed amount on every individual indiscriminately, but extracted revenue differentially according to individual capacity. People were not taxed a flat sum regardless of their means or production; the first tax was


\footnote{176} Apart from labor service the basic tax in the ancient world, and the one producing the largest revenue, was the tithe, an assessment of the fixed proportion of agricultural produce. Although we have no tax statistics for ancient times, one Oriental scholar has estimated that during the Tang Dynasty in China, 80\% to 85\% of the government’s tax revenues were paid in grain. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 71.
calculated from the actual harvest. An initial element of coercion appears in that it was the authority of the government agent, not the farmer, to make assessment of total crop yield. The natural kind economy discouraged higher production. In a non-monetary economy, payment in kind spread the loss between the farmer and the landlord, because 1) taxation was rated in percentage of harvest and 2) half of a poor harvest is less than half of a good harvest; it provided a natural relief for the taxpayer. Even when taxation is conducted with consent there is constant aversion to compliance. Ancient theocracies countervailed reluctance 1) with a claim that the peasant’s land belonged not to the peasant, but to God; 2) taxation was calculated on the probable yield of the land. Number (1) should instill in the peasant the sense that the use of his labor for personal interests rather than assignment was theft. Number (2) deterred the peasant’s proclivity to underreport his yield. When #2 was implemented, it infringed on the principle that the farmer and the landlord shared in the loss ensuing from a poor crop; it extricated the landlord from risk. Number (2) seems to have guarded against the liability that a paganus might deliberately produce a poor harvest in order to reduce his taxes, in that #2 would entail that he pay a tax proportionate not to the actual, but to the ideal harvest.

In other instances the land tax varied from 20% to 50% of the harvest, but the absolute value of the tax would at least diminish in proportion with dearth.178 When taxation was converted to currency, the landlord escaped sharing in the agricultural deficit;179 the taxpayer

177 A second pillar of Ancient Oriental public finances was the levy of the tithe or some other percentage on produce. The harvest from garden and field, the increase in the size of their herds, products obtained from animals like wool, the profit made by craftsmen from supplying the temples or private consumers, and finally any profit made by the merchants and traders had to be recorded in the percentage paid for in kind. This primitive tax developed finally to the Persian tage. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.174.

178 The peasant had to surrender from one-sixth to one half of his crop; and, as in medieval and contemporary Europe, many tolls were laid upon the flow and exchange of goods. Akbar raised the land tax to one third, but abolished all other exactions. The land-tax was a bitter levy, but it had the saving grace of rising with prosperity and falling with depression; and in famine years the poor could at least die untaxed. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 480.

179 Cf. Siddhanta, N. K., The Heroic Age of India, New York, 1930, p. 178
would owe a hundred shekels in tax regardless of whether the harvest supporting the tax payment is a full harvest or a poor harvest of only half the yield of the full harvest; in this regard money shifted the risk 100% on the side of the taxpayer. This circumstance is a large factor in why the ancient governments, through the Roman Empire, were careful about keeping money values stable; it benefited the landlord to the cost of the paganus. When there is a bureaucracy, and the revenue prospects are poor, the bureaucracy will exploit the conditions of collection to shift any deficit to the taxpayer. It would not benefit the paganus to hide his taxable crop because underreporting his crop would not diminish taxes. Thus a peasant would be discouraged from under-working on the reflection that taxation rather than himself would take the gains; a tax based on ideal rather than real yields would be an incentive for the peasant to work more, not less.

Theocracy facilitated the shift of favor to government; in the final metamorphosis prior to Alexander the Great, Persia held that its King, directly in contact with Ahura-Mazda, communicated laws that were irrevocable because they were the direct will of God. This was an inheritance from all the previous Mesopotamian societies, and like them it closed any gap between sacred and secular. The position was largely a protection against the commercial

\[ \text{\textsuperscript{180}} \text{ Cf. Havell, E.B.; History of Aryan Rule in India, Harrap, London, p.234; Smith, Ox. H, p.312.} \\
\text{\textsuperscript{181}} \text{ Cf. Dutt, R.C.; Civilization of India, Dent, London, p. 121.} \\
\text{\textsuperscript{182}} \text{ Irregular methods of compensation had other disadvantages. In a multilayered bureaucracy like the Chinese, little was left for the central government after all state officials had taken their share. Hierarchy is expensive. Payment in kind also had disadvantages for collectors, for in time of shortage rewards were sharply reduced. The imperial Chinese bureaucracy made a unique adaptation to the modest compensation of its officials. When money became the normal medium of exchange, payments in kind were eliminated, leaving only small salaries as a reward for service. Imperial officials then compensated themselves in a currency known as squeeze. At each step of the tax collection-local, provincial, and national-each official exacted an irregular, extralegal payment from taxpayers. This combination of tax service and institutionalized bribery became a regular feature of Chinese financial administration. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 83.} \\
\text{\textsuperscript{183}} \text{ Most agricultural land was owned by the state and leased out to peasant farmers subject to the harvest tax, which was not based on the actual production but on what the production should be. Cf. Adams, Charles; For Good and Evil, the Impact of Taxes on the Course of Civilization, Madison Books, London, 1993, p. 7.} \]
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class; the merchants would not be able to make the laws more favorable to themselves if the
nobility-priesthood had asserted their immutability on the ground that God had appointed
these laws. The divinity of the laws seemed to be a bulwark to prevent commercial wealth
from altering prescribed class order; the monarch took sides with the nobility against the
commercial interest.

Evasion

A debt is the result of an exchange, and invites retribution if the debt is not paid; an
unpaid tax is also liable to retribution, and therefore invites the idea that a tax is a kind of
debt. In the case of a debt, however, the debtor has received some good, for which his debt
payment is a recompense. A tax does not similarly presuppose that the taxpayer has received,
or will receive some good in exchange, for which tax payment is an advanced recompense;
such an interpretation would be anachronistic. Taxation originated from donation. In the
case of both debt and tax, the payer has no right of control over how the receiver will spend
his payment, although tax and debt differ in that a debt resulting from exchange must be a
wholly voluntary transaction, whereas entry into tax obligation is involuntary. Previously
it was noted that primitive societies very reluctantly invested leaders with special power,
on special occasions, and dissolved the power as soon as the occasion was accomplished.
If there is furthermore no guarantee that the tax payment will be spent to the benefit of the
taxpayer, how is the taxpayer motivated to believe his tax obligation is justified?

185 It was a proud boast of Persia that its laws never change, and that the royal promise or decree
was irrevocable. In his edicts and judgments the King was supposed to be inspired by the God
Ahura-Mazda himself; therefore the law of the realm was the Divine Will, and any infraction of
the law was an offense against the deity. The King was the Supreme Court, but it was his custom to
delegate this function to some learned elder in his retinue. Below him was a High Court of Justice
with seven members, and below this were local courts scattered throughout the realm. The priests
formulated the law, and for a long time acted as judges. Cf. Durant, Will; Our Oriental Heritage,
till Roman Times,” in Analytical Archaeologist: Collected Papers of David L. Clarke, London,
A person cannot refuse to pay taxes, and litigate from the premise that he gets nothing of value in return. To argue that tax evasion is unjust because noncompliance raises the taxation of everyone else begs the question, because the question pertains to why anybody should pay a nonproductive tax. In any hierarchy the common people are already part of an organization; they are organized by the hierarchy, and have no additional organizing principle. But the order they enjoy amongst each other fails in the case that their resentment is of the hierarchy itself. Absent the hierarchy they resent, they are left with no alternative organization. Knowledge is socially organized; if there are no prevalent concepts which organize social perception collectively, large numbers of individuals remain large numbers of individuals; they are unable to organize groups that militate against the conventional expectations of social behavior.

In this respect compulsory taxation exhibits an element of voluntarism. The taxpayer must feel convinced that the benefit of secure exchange compensates against the cost of tax payment, but when he does not agree, tax evasion will raise the cost of tax collection. Futility descends when the cost of tax collection cancels the tax revenue. Augmentation

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187 What we have puzzled over is how the people were constrained to submit to coercive state power. They would freely give collective, representative authority to chiefs, elders, and bigmen for purposes ranging from judicial regulation to warfare to feast organization. Chiefs could thence derive considerable rank prestige. But they could not convert that into permanent, coercive power. Archaeology enables us to see that this was, indeed, the case. There was no swift or steady evolution from rank authority to state power. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.63.

188 The similarity between tax collectors and robbers is also found in the basic meaning behind the word taxation, which means forced exaction. Taxes are not debts, despite the fact that we carelessly refer to them as such. The principle of fair value received-which is the basis for a legally enforceable debt-has no place in a tax dispute. A tax is owed because the government orders it to be paid. Nothing else is required. Cf. Adams, Charles; For Good and Evil, The Impact of Taxes on the Course of Civilization, Madison Books, London, 1993, p.1.

189 There is a simple answer to the question of why the masses do not revolt- a perennial problem for social stratification- and it does not concern value consensus, or force, or exchange in the usual sense of those conventional sociological explanations. The masses comply because they lack collective organization to do otherwise, because they are embedded within collective and distributive power organizations controlled by others. They are organizationally outflanked. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.7.
of the bureaucracy to prevent taxpayer evasion may raise taxation so much that taxpayers rebel. Assessment of taxpayer compliance is the fundamental constraint on taxation.

**Budget**

Budgeting presupposes a concept of permanent property. Evolution of the concept of ownership would gradually attenuate the total ownership of God and generate an idea of personal ownership of abstract or oversized things. Duration retarded the idea of personal rather than communistic property in a hunting society.\(^{192}\) The idea of abstract property developed in agriculture because duration facilitated the association of a field with the prospects of the field; in hunting this necessary time lapse between sowing and harvest did not occur.\(^{193}\) The underdevelopment of the idea of ownership produced the impression that taxation was taking from the individual wealth that was never in his ownership in the first

\(^{190}\) First, we cannot understand (and so act upon) the world merely by direct sense perception. We require concepts and categories of meaning imposed upon sense perceptions. The social organization of ultimate knowledge and meaning is necessary to social life, as Weber argued. Thus collective and distributive power can be wielded by those who monopolize a claim to meaning. Second, Norms, shared understanding of how people should act morally in their relations with each other, are necessary for sustained social cooperation. Durkheim demonstrated that shared normative understandings are required for stable, efficient social cooperation, and that ideological movements like religions are often the bearers of these. An ideological movement that increases the mutual trust and collective morale of a group may enhance their collective powers and be rewarded with more zealous adherence. To monopolize norms is thus a route to power. Cf. Mann, Michael, *The Sources of Social Power*, Volume I, Cambridge University Press, 1997, p. 22.


\(^{193}\) Communism could survive more easily in societies where men were always on the move. Hunters and herders had no need of private property in land; but when agriculture became the settled life of men it soon appeared that the land was most fruitfully tilled when the rewards of careful husbandry accrued to the family that had provided it. The passage from hunting to agriculture brought a change from tribal property to family property; the most economical unit of production became the unity of ownership. As the family took on more and more a patriarchal form, with authority centralized in the oldest male, property became increasingly individualized, and personal bequests arose. Cf. Durant, Will; *Our Oriental Heritage*, MJF Books, New York, 1963, p. 18.
The rates of taxation of a theocracy were unstable and unpredictable. A non-monetized economy was incapable of budgeting because the value of any natural good relative to or convertible with other natural goods would fluidly change according to the seasonal scarcity or abundance of the different crops or products. Taxation rates could not be calculated according to predicted expenditure, because future expenditure was unpredictable. All of the organs of state functioned on a principle of self-sufficiency rather than of central budgeting. This tactic eliminated need for larger bureaucracy, and excluded the liability that government would be required to pay debts for another section of government. Instead of centralized fiscal operations each administrator managed the finances of his province alone; there was no one in the State with a purview of total revenue and expenditure. Estimates were made of probable expenditure. One and only one revenue source was assigned to a predicted expenditure; if revenue did not suffice for an expenditure, revenue was not drawn from some other source to fill the deficit; payment from the assigned revenue source was simply prolonged for as long as it took to satisfy the expenditure. Earmarking, the main technique of fiscal administration, impeded understanding of the national assets.

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194 Instead of combining with the sects to foster equality, hierarchical regimes may move toward greater separation between top and bottom, accentuating power differences. People beneath the ruling groups lose their role in the system and become fatalistic. Budgeting is done for them but not by them; loss of autonomy accounts for their fatalism. In such a despotic regime, the distinction between public and private never develops, because every thing (and every one) belongs to the hierarch. Taxation is virtually confiscatory, but spending on behalf of the people is kept on a tight rein. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 27.


196 Centralized capacity to plan and control spending did not exist in any government until the 19th century. Governments from the earliest times administered taxing and spending by earmarking: revenue from each tax went into a specific independent fund; in turn, fund balances defrayed pre-determined classes of expenditure. Because independent administrators had jurisdiction over each fund, those who dealt with government finances did not comprehend the scale of spending or deficits nor exerted much influence over the disposition of state assets. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 29.
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Each of the organs of state, functioning on a principle of autarchy rather than of central budgeting, accumulated its taxes, in kind, in storehouses from which the staff and the peasants were paid.\textsuperscript{197}

All ancient societies were agricultural societies; inevitably the total wealth of a society varied directly with agricultural yield. The taxation rate could not be constant from year to year, because the total agricultural yield unpredictably varied. Rates tended to fall over the long term due to fluctuation in value of agricultural yield. The king responded to unpredictability by decree: he set price and wage maxima as a method of obtaining annual stability. Constant prices and wages had no effect on the real value of produce relative to agricultural variation. Consequently, price and wage laws did not promote commerce or average living standards, but it made the king’s tax revenue immune to inflation.

The unpredictability of expenditure vis-à-vis collection was reconciled by ad hoc taxation; insecurity was shifted to the labor class. In such circumstances, earmarking was very serviceable for immunizing expenditure from the turmoil of changing natural values. Every source of tax revenue was earmarked for an assigned expenditure; this cancelled the instability of exchange rates between natural goods and gave regularity to taxation. If the revenue of a bridge was assigned to payment of a war, the cost of the war might fluctuate according to changing values of natural kind, but the effect on the tax was simply to make collection last longer, until the debt was paid. By restricting the tax revenue to one specific thing, and making the period of taxation elastic, taxation would not affect the values of commodities or endanger the security of the debt. Although the earmarked good A might vary with another unpredictable natural good B, the volatility of their respective values would not impinge on the use of A to pay a debt. If the earmark had a poor return, the payment might telescope into the future, without however raising prices or creating new

\textsuperscript{197} The royal oikos was administered by a large staff of officials, and it was supposed to meet the expenses of the court and state from its own income in kind. Each domain, Temple, storehouse, and public works office had its own administration, and each administration had its own staff of workers bound to render labor service in return for rations from the royal hordes. Sometimes the rations were embezzled, leading to hunger and labor strikes. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.121.
expenses.

Variability of real values was counteracted by attempts to stabilize prices: a money value was fixed for a natural good A, regardless of its actual value relative to scarcity or abundance. A decree of compulsory valuation amounted to enforcing the public (not the king) to bear the brunt of any deficit. While the king received a fixed tax revenue, if commodities varied from the money equivalent in fixed prices, the public would have to buy and sell the commodities as if they were worth that money equivalent. This device worked only if there was payment in natural kind as well as in money. This sort of strategy was not mindful of reality, but it did protect government against inflation or deflation, by offsetting such aggravations on to the population.¹⁹⁸

One must wonder how fixed prices and fixed wages worked; in fact they never worked. One might force a consumer to purchase at a certain price, or not at all, but it would seem impossible to force a consumer not to refrain from buying. How is a fixed price different from the price of supply and demand? Does the market price depend less on gullibility than the fixed price? The scheme of supply and demand distinguishes a demand, and, within the sphere of demand an effective demand; those who constitute effective demand are those who will purchase the product now at the asking price. The asking price abuts with gullibility;¹⁹⁹ it is the highest price at which an individual can be motivated to make the purchase,²⁰⁰ but the person’s willingness to purchase at a certain price does not entail that the purchaser has an accurate knowledge of what the cost of the item is.²⁰¹

¹⁹⁸ Fiscal management was cumbersome and costly. Where taxes were paid in commodities, the government had to establish common units of measure and determine rates for one commodity in exchange for another. Rates of exchange- in commodities or from commodities to money -might be the result of custom; yet, in an economy of periodic scarcity, there was a tendency for rates to rise or fall over time along with variations in agricultural productivity. Powerful kings, such as Hammurabi of Babylon, intervened to stabilize rates by issuing decrees of compulsory valuation. Whether the price and wage maxima established by various ancient Kings did help commerce is problematic, but they did protect government revenues against loss due to inflation. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 45.

¹⁹⁹ Winternitz, H. M.; History of Indian Literature, volume 1, Calcutta 1927, p. 65.
²⁰⁰ Cf. Davids, T.W. Rhys; Buddhist India, New York, 1903, pp.100-1.
Embezzlement

Assignment of a tax entailed elaboration of tax collector organization, which in turn raised the costs of tax collection. If the sovereign duplicated the agents at every tax collection post, embezzlement might be stifled by the jeopardy that each person’s counter-agent might discern one’s embezzlement, under the condition that collusion also could be monitored. The bureaucracy of a State was a hierarchy of perhaps five levels, and on each level the office holder had a court, or staff, of various experts. The larger the bureaucracy, the greater number of people to be paid, which could severely reduce the sovereign’s final revenue. If bureaucracy is too small, tax revenue will be insufficient due to evasion and embezzlement, and protection of exchange would fail; if it is too large, the cost of collection would exhaust the taxation revenue, and tax on exchange would deprive the individual of exchange benefit. The cost of tax collection was a dead weight: a cost that benefited no one, and which should have been in each party’s interest to minimize.

201 The guilds settled intra-Guild affairs, even arbitrating difficulties between members and their wives. Prices were determined, as among ourselves, not by supply and demand but by the gullibility of the purchaser. In the place of the King, however, was an official Valuer who, like our secretive Bureau of Standards, tested goods to be bought, and dictated terms to the makers. Trade and travel had advanced to the stage of horse and two-wheeled wagon, but were still medievally difficult; caravans were held up by taxes at every petty frontier, and as like as not by Highwaymen at any turn. Transport by river and sea was more developed: about 860 B.C. ships with modest sales and hundreds of oars carried to Mesopotamia, Arabia and Egypt such typical Indian products as perfumes and spices, cotton and silk, shawls and muslins, pearls and rubies, ebony and precious stones, and ornate brocades of silver and gold. Trade was stunted by clumsy methods of exchange—at first by barter, then by the use of cattle as currency; brides like Homer’s “oxen-bearing maidens” were bought with cows. Later a heavy copper coinage was issued, guaranteed, however, only by private individuals. There were no banks; hoarded money was hidden in the House, or buried in the ground, or deposited with a friend. Out of this, in Buddha’s age, grew a credit system: merchants in different towns facilitated trade by giving one another letters of credit; loans could be obtained from such Rothschilds at 18%, and there was much talk of promissory notes. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 400.

Since compulsory taxation propagated collectors, tax had to be raised to pay for the bureaucracy. A desire to increase bureaucracy, to secure sufficient tax revenue, in combination with a desire to minimize bureaucracy, to reduce rates of taxation, develops strain between communal and personal property. The axiom that all things belonged to God gave theocracy unlimited right to disposition over surplus. Personal property would be conditional and fictitious, following the total ownership of God. Personal property could be weakly conceived in affinity with things one held in the hand. Property rights vary according to the length of delay between investment and return. The concept of property in things held in the hand developed quickly because others do not need to be excluded by force. This is not the case for a more abstract concept of property such as that in land, because another can be physically present in the property at the same time as the owner, so that explicit force is necessary to advertise one’s exclusionary ownership. Since furthermore such a property obtains utility only from collective labor, an item such as land is likely to be conceived as collective property, and vitiates a possible concept of individual ownership; exclusionary individual ownership is very late to evolve, and a primitive agrarian society is unlikely to generate conspicuous economic inequality.

203 The most common control mechanism was redundancy-duplication of function. Where communication was imperfect, an appointed official was more likely to give the King’s interests top priority if he knew that his honesty was being checked by another official performing the same task. Large numbers of clerks, scribes, waiters, and overseers were needed to handle the sheer volume of commodities paid in as taxes; but proliferation of officials also served as a financial control, as one functionary checked on the work of another. As the tasks of financial administration became increasingly specialized, ancient rulers tried to check malfeasance by granting supervisory authority to government inspectors. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 84.

204 Archaeological evidence from Mesopotamia reveals that the earliest compulsory taxes were tithes, payments assessed on a fixed proportion of the total, based on some official’s estimate of what a man had harvested. A man who took gifts to Temple gave only what he could spare; but when the King demanded regular payments of a specified amount, a reluctant subject’s compliance could be achieved only by coercion. The compulsory tax policy demanded multiplication of officials to assess and collect the crop. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 51.

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At the same time as conversion from donation to taxation, the revenue collection had to be delegated. Given this condition, 1) the tax collector had to project most of the authority of his principal, 2) the delegate had to act for the King instead of using specious representation of the king to benefit himself, and 3) the role of tax collector had to be transmitted across generations without loss of fidelity to the king. These conditions of tax collection were very costly. Creation of the tax collector produced a second interval between the King (temple) and taxpayer; the interval could either function to verify transference of the tax revenues to the King, or the interval could malfunction as a systematic opportunity of embezzlement. The tax collector would inevitably be aware of the realities of tax collection instead of the religious ceremonies purporting payment to God.

The only stable solution for collaboration would be to share the benefits of revenue collection with the tax collector. Essential functions, such as tax collection, were delegated to immediate relatives, or nobility/priesthood. The King could not collect his tax revenue without the aid of the tax collector, i.e. the priest; in consequence the priest or tax collector had power by multiples over the King. According to the amount of power covertly in the hands of the priest (tax collector), the priest etc. received the greatest part of the revenue. The reality was concealed by overt shows of the priests’ generosity to the demos. The king was never seriously threatened by the demos because, once abstracted from the organization given by the State, the demos had no organization; the only grave jeopardy to the king was usually only his own bureaucracy and priesthood. If the king provided enough wealth for

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206 Groups vary in their property rights according to their forms of delayed return labor investment. The emergence of private unequal property is speedier if the investment is portable. The individual can possess it physically without having to exclude others by force, if the delayed-return investment is in portable tools (used perhaps to cultivate small plots intensively), then narrow property forms based on individual, or perhaps household ownership may develop. At the other extreme is extensive labor cooperation. Here it is inherently difficult for individuals or households within the cooperating group to achieve exclusionary rights against others within the group. Land is variable in its implications. If worked in small plots, perhaps with great investment in tools, it may lead to individual or household ownership- although it is not easy to see how enormous inequalities develop rather than a group of roughly equal peasant proprietors. If extensively worked through social cooperation, exclusionary ownership is not likely to occur. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.51.
these groups, sedition would be unlikely.\textsuperscript{208} If the King absorbed nobility (or priesthood) in tax collection, they would share in the profits of government. When this scheme worked, nobility would cooperate in tax collection instead of organizing embezzlement or rebellion. No later-day government could become nearly so absolute, autocratic, and totalitarian as the oriental theocracies had been; an essential counterpoint had been that no government afterwards had ever been as weak as the theocracies.\textsuperscript{209} A King or Pharaoh, being divine, by definition cannot encounter such a thing as loyal opposition; at the same time the King depended on the good will of his aristocracy to effect any supposedly absolute decree.\textsuperscript{210}

The cost of placating the bureaucracy (priesthood) in wealth and power in order to align collaboration was so great that the king or Pharaoh was always in jeopardy of being engulfed by the bureaucracy taken into his service. The King would foment a refractory,
treasonous bureaucracy if the distribution of tax revenue to his bureaucrats were too stingy; they would begin to calculate whether they would get more if they deposed the present king. Generosity was necessary to keep a stable government. However, generosity in excess would exhibit the King as lacking adequate power; if he were too complaisant, his bureaucrats would recognize a safe opportunity to depose the King for the sake of some rearrangement more remunerative to themselves.211

Expansion of a village theocracy made central government perilously dependent on bureaucracy. Distributed bureaucracy, dealing with different language groups and different ethnicities, dissipated royal power of intervention on local issues and reduced the delegate’s will to execute the royal preference. Delegation of powers signifies greater efficiency, but also dissipation of royal power due to local favoritism by the royal delegate. If central government does not exercise military oversight and its bureaucratic delegates are remote from court, the delegates appointed would be native to the ethnicity, for greater efficiency, but such delegates inclined to partiality to their locales and apathetic towards central preferences.212 Where transportation was poor there would be frequent revolts; only if the King could maintain fast and frequent communication with his outer provinces would this constant tendency to revolt by distant subalterns decline.213 This liability increases because bureaucracy, for the sake of efficiency, eventually becomes hereditary.214 When education of bureaucracy becomes remote from court, and the positions are passed on hereditarily, costs are reduced, but an entity (bureaucracy) is generated whose interests are collectivized and


212 Rulers of territorially dispersed, ethnically diverse territory thus often governed through intermediaries, adopting loosely organized agents to administer to structures in which central control was weak or nonexistent. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 52.
Bureaucracy eventually arrogates benefits that had been pertinent to the King; a new form of embezzlement consisted in charging the taxpayers more than the King prescribed, and to keep the excess. The priests of Sumeria for instance cleverly charged exorbitant fees for funerals. Death was inevitable, and because of the credence people paid to a literal existence after death, they could not circumvent the funeral that made posthumous existence possible. This pattern was to become constant throughout the history of taxation: a tax charged to something indispensable is more likely to succeed. The priests’ illegitimate tax via the funeral ceremony struck the people exactly where evasion was impossible. The tithe amplifies an important aspect of this stratagem. The tithe had originally signified its namesake: one tenth; it was not particularly associated with religion. By associating the tax with religion, it would be more effective, because of the psychological effect in the presumption that even if the taxable entity could be concealed from government, God would still see.

It is intriguing that the Hebrew priesthood remained separate throughout the Bronze and Iron Ages, whereas the Greek priesthood disappeared indistinguishably in the Greek nobility almost immediately. Greece was originally composed of kings, nobility, and priests, of

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214 A bureaucracy calls for organizational procedures—to select officials and subordinates and, next, to specify what each should do. Then there must be a way for each person to do his job, and to transmit the operational and social content of each occupation from one generation of bureaucrats on to the next. Where authority is delegated, there must be reliable devices for insuring that each official actually accomplish his assigned task. If an organization is to continue administering effectively, solutions to these problems must be developed and institutionalized. The problems are closely related; several are mutually interdependent. In the earliest bureaucracies of the ancient world, selection, acculturation, and training were accomplished simultaneously by co-opting officials from the noble class. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 53.
whom the priests were probably from an ancient Indo-Germanic warrior class; by the time of Homer the priests mixed indiscernibly with the nobles.\textsuperscript{215} The element of individuality in Greek culture had not been strongly challenged; the Greeks were outside the oriental theocratic orbit, and survival did not depend on asserting and defending a divergent world view. The Hebrew individualism was just as strong, but from earliest inception, located in the middle of the theocratic tradition, it survived only by asserting itself against the universal and pervasive oriental theocracy.\textsuperscript{216} The Hebrew priesthood was exigent for this refractory self-assertion against an enormously older and larger theocratic tradition, whereas the Greek priests blended almost ignominiously into the nobility because of their desuetude. A clue to this discrepancy is that the Hebrew priesthood took the part of the demos and fought against the oppression of the Hebrew government constantly. The Hebrew priesthood had gained in strength from having successfully stabilized society with the biblical laws.

The King or Temple collected taxes, according to conditions, either in kind or money, and afterwards put tax payments paid in kind on the market, where they were exchanged for money. Apparently the taxpayer was often unequipped with money, but money was preferred because it was imperishable and had better utility as investible capital; furthermore, taxes taken in kind could either be reserved or transferred to a different market where the exchange value would be higher.\textsuperscript{217} Trade was undeveloped in the Bronze Age; agricultural commodities were not put on the market and the oikos mentality precluded trade

\textsuperscript{215} In Greece the kings of the early Iron Age and similarly the priests lost their privileges in the course of a few generations without any very great opposition. The Old Hellenic families of priests, originally a separate and probably endogamic Old Indo-Germanic warrior class, took their places now with the nobles in rank without much difference being felt as early as during Homer’s time. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.278.

\textsuperscript{216} On the whole the Greek reactions during this time are an important proof of the extraordinarily strong individuality of the Hellenic nation which did not yet need to rise in defense of their ancient heritage against overwhelming Ancient Oriental influences, as the Israelite prophets and their followers were compelled to do during the same period. Archaic Hellas was so strong in itself that alien ideas and influences were not dangerous to its spiritual and material development. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.211.
Oddly, the only commercial exchange was in foreign luxury articles, not in domestically produced necessities. This trade was conducted by kings; there was no merchant class, and there was no capital. If an individual performed as a merchant, his capital was that of the king, not his own, and he performed his role as a servant of the king, not as an independent agent. The foreign merchandise was sold on the market, at high rates of profit, which was restored to the royal treasury. This scheme was implemented, as in other theocracies, by King Solomon. Solomon and secular government afterwards had tried to confer priority on the wealthy classes, in sympathy with the general pattern of oriental theocracy, but the Jewish people, especially their priests, had managed to repulse this tendency of the oriental state. In the ancient Sumerian State, in a similar attitude the King Urakagina reduced the funeral fees to 1/5 of what they had been; the 80% premium had been to the emolument of the priests rather than to central government. Tax arrogation jeopardized the viability

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217 These taxes were levied both in money and in kind. The latter were partly used directly, but partly sold on the markets against money. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.179.
218 Imported articles of foreign origin were not simply consumed by the palaces and courts receiving them. The surplus from such stocks was sold at great profit for the royal exchequer on the markets. A late example of this type of state trade is reported for King Solomon, who found his imported racehorses most useful in foreign trade. They brought in a good profit as re-export, in transactions in which the King acted as middleman. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.174.
219 The law giving of the Old Testament brought a definite stabilization to the Levite and priest class in Israel, the priest clans of the Greeks becoming part of the general aristocracy very early. A similarly stabilizing effect is connected with the well-known protective measures of the Bible against any extortionate oppression of free peasants, of the poor landless free peoples, and of the bonds men and slaves. Consequently the ship of state’s heavy list to the side of King, nobles, and priests was largely combated, an important factor for the subsequent Jewish development away from Ancient Oriental practices. Against the royal power which imitated the Ancient Oriental pattern since Solomon’s times the primitive pattern of village civilization was upheld here, and even mummified. As we have already made clear the biblical laws about usury, debt slavery, slavery in general, and the returning of homesteads to the original free peasant owners were devised for this purpose. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.278.
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of taxation;\footnote{222} it was arrogant first in charging the tax for the benefit of the agent, not the
king, and second in its attachment, like blackmail, to an inescapable need.

Previously, one danger of local storage depots had been that the subaltern might use the
resources to defect from the Kingdom; by dividing military command from government, so
that two delegates appointed by separate authorities could monitor each other, the separation
of military from money should have reduced the possibility of revolt. In the Persian Empire
the satrap, i.e. the governor of a province, might be deposed without warning or poisoned
by order of the King, presumably so that the satrap would lack opportunity to organize a
rebellion against the King. But this sort of solution never achieves closure. Perhaps in the
place of a priesthood the King has a secular bureaucracy to guard his interests. But the King
is still overwhelmed;\footnote{223} chiefs in his new bureaucracy can conspire, and the bureaucratic
body is so largely impersonal and indifferent to who the particular King happens to be that
the King can never securely monitor loyalty to himself.\footnote{224}

\footnote{221} From 3000 B.C. onward the clay-tablet kept records by the priests. One King, Urakagina of
Lagash, was a royal reformer, an enlightened despot who issued decrees aimed at the exploitation
of the poor by the rich, and everybody by the priests. The high priest, says one edict, must no longer
“come into the garden of a poor mother and take wood there from, nor gather tax in fruit there
from”; burial fees were to be cut to $1/5 of what they had been; and the clergy and high officials
were forbidden to share among themselves the revenues and cattle offered to the gods. Cf. Durant,
Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 120.

\footnote{222} Cf. Cambridge Ancient History, v.1, p.387.

\footnote{223} Plutarch, Artaraxerxes, in Lives of the Greeks and Romans.

\footnote{224} The empire was divided into provinces or satrapies for convenience of administration and
taxation. Each province was governed in the name of the King of Kings, sometimes by a vassal
Prince, ordinarily by a “satrap” (ruler) royally appointed for as long as he could retain favor at the
court. To keep the satraps in hand, Darius sent to each province a general to control its armed forces
independently of the Governor; and to make matters trebly sure he appointed in each province
a secretary, independent of both satrap and general, to report their behavior to the King. As a
further precaution an intelligence service known as “the King’s eyes and ears” might appear at any
moment to examine the affairs, records and finances of the province. Sometimes the satrap was
deposed without trial, sometimes he was quietly poisoned by his servants at the order of the King.
Underneath the satrap and the secretary was the hoard of clerks who carried on so much of the
government as had no direct need of force; this body of clerks carried over from one administration
to another, even from reign to reign. The King dies, but the bureaucracy is immortal. Cf. Durant,
Tax farming

Tax collection varied with the stability of the State. Direct tax collection via state bureaucracy was the most dangerous method; if at all possible the State would try to distance itself from collection but take possession of its revenue. The right of tax collection might be conferred on someone as a gift, similarly to earmarking, in which a creditor might be assigned enjoyment of a public revenue source until the debt was paid. Armies or bureaucrats might be given a limited right to a taxable source for the length of time the taxation took to pay the State’s obligations. Finally, tax-farming conferred the right to collect taxes on a businessman-entrepreneur, who would transfer the revenue to the State in return for some profit he extracted between what he collected and what he surrendered.225

Secularized property, separate from Temple or State, eventually made possible the earliest schemes of tax farming. Prior to delegation of collection to the tax collector, it had been delegated to the cities; each city was assigned a quota of tax revenue, and it was conceded to the city government to distribute and collect the tax burden by its own planning. The delegation from the king’s court to the city governments was an effect of the union of religion and government. When the Pharaoh or King ceased to collect taxes directly, each city contracted local merchants and bankers to collect the tax payments. Delegation of tax collection served to deflect anger away from government.226 Central government delegated the duty to the city, which delegated it to tax farmers, which in each interval deflected rage against the entity delegated to tax collection. Delegation mitigated the liability in tax collection.

225 The collecting of the taxes varied with the periods and the power of the states. They were either collected directly, farmed out, given away as presents, or given to individuals and soldiers as a payment for services. We have capital taxes and income taxes for agriculture, trade, and crafts, customs and excise duties, and finally military and labor services. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.179.
226 All the citizens of all cities had to pay taxes to the central government; the civil bureaucracy itself did not collect the taxes. This task was delegated to each city’s assembly of elders, who in turn handed the job to local merchants and bankers, who were, if not the world’s first tax farmers, at least the first traces historians have found. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 57.
collection, but each interval caused higher tax rates. The pyramidal form of tax collection is adopted because of its effectiveness, and partially because it diffuses tax hostility. Government could elude the jeopardy of confronting reluctant taxpayers by means of tax farms. Deflection of hostility was not, however, the main motive in the invention of tax farming. The problem of mistrust between principal and agent reemerges. The tactic of delegation to city government and hence to bankers is to deploy an agent who is so wealthy that he would not be tempted to embezzle, preferably a person who is preoccupied with honor rather than money. If the agent is so wealthy that he would not embezzle, he would be unmotivated to accept such employment unless there is some enticement other than wealth. The approach would work only rarely; either the agent will have no motivation to accept the position, or, if he is attracted to some benefit as agent, there will after all be some respect in which embezzlement is attractive to him.²²⁷

Ultimately government had to resort to agents motivated by wealth, but on the other hand an agent had to be already wealthy to be eligible for the function. While potentially profitable, tax farming always entailed risk. If a tax farmer’s hired agents did not collect enough to pay the contracted tax quota, he was nevertheless liable for the full amount; in years of failed harvest, he might incur losses. To entice the tax collector into employment the principal would have to let the intermediary, the tax farmer, share in the tax revenue. The tax farm naturally benefits the wealthy over the poor; bribery is the security which the tax farmer takes against poor harvests. As the tax farmer is personally responsible for default on previously assigned tax revenue which fails to be collected, the agent applies his fiercest reprisals on the tax payers under his (unsupervised) jurisdiction. Because the tax collector is not supervised, a wealthy taxpayer can bribe the collector to extract tax payments from others instead of himself.²²⁸

²²⁷ By appointing men of wealth, selected and trained from their youth to administer government finances, monarchs hoped to guard against self-seeking at their expense. Ever fearful of conspiracy or treachery that might weaken their control, kingdoms were not content merely to appoint finance ministers from the nobility, but were ever on the alert for tests of fidelity. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 82.
The arrangement was propitious because of the indelible mistrust between the principal and the agent. The agent will under all circumstances try to embezzle more for himself and yield less to the principal. The contract of the tax farm sets a condition of the minimal revenue the State will accept; the agent understands he will have to compensate by paying from his private revenue for any of the contracted amount that he fails to collect. Since under these conditions the principal (the State) is guaranteed against loss, and the agent cannot gain by cheating the state, he develops his exploitative genius into stratagems of overcharging the taxpayers. The incentive for tax farming was the possibility that the collected revenue would exceed the contract fee. It seems quite reasonable, for instance that the land tax of the Roman Empire was 10%. Whereas the Roman tithe was set at 10%, the agricultural exaction seems to have been a function of soil fertility; if the peasant could live on less, taxation might amount to 20%-25%. The 10% rate was the minimum to be received by the state; a private tax collector received the money, but he would demand arbitrary tax payments far above the minimum demanded; that surplus the tax farmer would withhold. The actual land tax varied between 20% and 50% of the total yield.

The State did not intimidate the tax collector, since it was only by the congeniality of the tax collector that the State could elude the costs of tax collection. The State did not constrain the methods of tax farming, since the State knew that if the agent was turned from exploitation of the taxpayer, he would aim his exploitation on the other side of the interval, the state. The liability on the taxpayer, who was not protected by the Law, was much more than the ostensible 10%. It is conspicuous that the State did not prescribe how much the tax collector should charge, nor monitor the exaction; the only requirement was the 10%
payable by the tax collector to the government. This exemplifies the normal operation of a risk-contract, such as the tax farm. The tax revenues originally amounted to a surplus held in an agricultural bank, which secured the taxpayer by redistribution in time of dearth. By having converted tax collection to tax-farming, risk was transferred from the State to the tax collector; a primary interest of the tax farmer would then be to transfer fisc from himself to the taxpayer. The use of the surplus was altered from the agricultural bank, i.e. the security of the taxpayer, to the surplus collection of the tax collector. Overcharging of tax thus changed the vicissitudes in tax collection to the risk and loss of the taxpayer, instead of the tax collector.

**Tax anticipation**

The intervals produced by tax delegation, either to municipalities or tax farmers, introduced abstractions that obfuscated the taxpayer’s capacity to understand tax revenue expenditure. Tax revenue normally assumes a focus extraneous to the interests of those paying the tax. In an oriental theocracy, more than a thousand years prior to the attempt to justify taxation as a benefit to taxpayers, this was evident. Theocratic societies by their very nature do not host a plurality of power centers; there existed no opponent internal to government to whom justification of expenditure would be required. In place of budgetary calculation, the oriental theocracy, being monolithic, simply imposed new taxes ex tempore.

230  The tax-farming arrangement came into its own since its myth about tenure as increasing secularization of property created a private economy separate from that of Temple and State. In exchange for a fixed fee, negotiated in advance and paid to the assembly of elders each year, merchants who acted as tax farmers contracted to collect local taxes. By leasing out the tax franchise, the assembly guaranteed a certain amount of tax receipt, much as the central government had by delegating tax collection to the cities. In Mesopotamia, near the end of the second millennium B.C., the traditional tax on land was 10% of the crop, payable in kind. In practice, tax farmers collected much more. Seeking to guarantee in good years against possible losses from poor ones, the average tax farmer demanded 1/5 to half the crop from reluctant peasants. Whatever this amounted to in any year was the tax farmer’s profit, and, like any present-day businessman, he tried to increase it. A mixed regime was created: hierarchy was joined by markets. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 58.
if revenue did not suffice.\textsuperscript{231} The taxpayer was timorously regarded as an entity which must be cajoled into tax payment, but whose attitude otherwise aroused only anxiety as an unreliable condition for tax revenue. Once conditions for perpetuating future tax were expedited, preoccupation focused solely on the object of tax expenditure, usually defense and aggrandizement. If tax collection is delegated to cities, the collector, i.e. the city, unlike the individual taxpayer, may be sufficiently strong from its own resources or secondary alliances to refuse advance payment on a tax, or may even withhold collected revenue if the purpose of the revenue is uncongenial. This sort of circumstance stimulated the invention of tax farming.

A tax farmer was on one cardinal point far superior to a government tax bureaucracy; in the case of bureaucracy a tax collector was a member of an enormously powerful organization on which the King was dependent. The tax farmer was not associated in any organization; he had no power to defy the King. A private tax farmer was wealthy, but he was an individual; government could demand from him advance payment on tax collection, and an individual tax farmer would never challenge the purpose of the requested revenue. An entity such as a Senate or Bank might well challenge the purpose of the exaction. A tax farmer was normally obligated to pay the state the estimate of the annual tax revenue of his assignment one year in advance.

A consolidated purpose unifies expenditure so as to transcend the horizon of the individuated ideas of the taxpayer; a State generates committed costs that disregard the immediate benefits to its taxpayers.\textsuperscript{232} Most of the surplus production came to the King. Since there was no market, the King used the economic surplus to produce and distribute the largest part of society’s assets; the king’s social control amounted to his control of the

\textsuperscript{231} Budgetary mechanisms in despotisms mirrored societal organization; ancient regimes were steeply hierarchical, consequently power relationships in budgeting (who takes from and gives to whom) were entirely asymmetrical. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 89.

total economy.\footnote{The taxes were partly collected by agents and partly indirectly by tax farmers against the payment, as a rule, of an average tax amount for one year in advance. A very large part of the economic surplus of society consequently went to the crown, which was one of the main producers, consumers, and distributors of its own national economy simultaneously. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.179.} If the sole purpose of the labor population is to generate tax revenue or its equivalent, the State is likely to overstretch the fiscal capacity of its population to a purpose external to popular sentiment. In an age in which all wealth reduced rather quickly to agriculture, territorial expansion was the motive of war, and the motive of territorial expansion was an increased tax base. The tax farmer epitomized the capacity of government to control the prospects of the individual in such a way that the wealth of one class was transferred to another. The tax farmer shared in the wealth of this process if he succeeded, and was liquidated if he did not.\footnote{Four types of evolutionary theory are considered here: liberal, functionalist, Marxist, and militarist. Rightly, they see as connected the two most important and baffling questions: (1) How did some acquire permanent power over the material life chances of others, giving them the capacity to acquire property and potentially deny subsistence to others? (2) How did social authority become permanently lodged in centralized, monopolistic, coercive powers in territorially defined states? Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.49.} Even if a king did not desire expansion, he would still have to raise an army against kings who did. If each atomized call for tax expenditure is scrutinized, tax revenue will fall short. The tax farmer was sandwiched between the taxpayer and the demands of military growth. The tax farmer would usually be required to pay in advance of tax collection into the earmarked state debts.\footnote{Cf. Divale W.T. and Harris, M.; “Population, Warfare and the Male Supremacist Complex,” American Anthropologist, #78, 1976, p.532.} The tax farmer would survive only if he were apathetic to the misery his tax collection induced, and if his interposition deflected the rage of the taxpayer away from government and towards the farmer.\footnote{Cf. Divale W.T. and Harris, M.; “Population, Warfare and the Male Supremacist Complex,” American Anthropologist, #78, 1976, p.532.}

The peasant was inculcated to believe that he owed an unpayable tax payment to the king, while there was another conventional form of repayment: service.\footnote{Cf. Divale W.T. and Harris, M.; “Population, Warfare and the Male Supremacist Complex,” American Anthropologist, #78, 1976, p.532.} Thus a King could form an army from his peasants on the basis of their consequent debt to him for their use of his land. An individual settled on land as the King’s vassal was mortally obligated to
render military service and also corvée service in the erection of new cities, pyramids, etc. Artisans who were not liable for tithe or land tax were given residence outside the royal palace, and were thus enserfed to render their skills, gratuitously, to the King. As society had not yet developed capital, labor could not be employed; instead of capital reserve, collective labor in the form of corvée was used to administer labor needs. Similarly the Assyrians did not release their war captives, who were instead used as a costless labor force for public construction. The Jewish tribes were in this respect perhaps generically the same as their Semitic neighbors in this moment of civilization; they also enslaved their war captives in

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236 The growth of military power reinforced the caging of social life. Thus the evolutionary story tends to center on certain economic power relations and on military power in general. These culminate in the emergence of the state, the fourth source of social power. As I have defined it, as centralized, territorialized, permanent, and coercive, the state was not original. It is not found among gatherer-hunters. The state’s component elements are encouraged by social and territorial fixed investment, economic and military. This would complete the evolutionary story, linking together prehistory and history in one sequence of development. From gathering-hunting to the permanent civilized state a continuous series of stages embody greater social and territorial fixity as the “price” of an increase in human powers over nature. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.49.

237 In rural Japan in the 19th century, each family furnished the equivalent of 40 man-days per year-10 days for labor tax, 10 days for materials-produced tax, and 20 days for land tax. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 70.

238 Vassals holding military fiefs had to render service personally, under pain of death. Unauthorized requisitions or acts of violence were severely punished. Vassals served not only as soldiers but also as unskilled laborers; for example, they were used in building a new city. Some may have been settled in conquered territories to replace deported populations. They received from the monarch not only land but also livestock. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.89.

239 …had to revive these primitive forms of labor for their new societies, because they were unable to replace collective labor by capital reserves, in the beginnings of their new civilizations. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.60.

240 Furthermore the royal citadel was surrounded with land holdings which were assigned to craftsmen bound to render labor services; they thus constituted a labor force always available. Later the Assyrian kings used war prisoners for their colossal building projects alongside the native craftsmen bound to labor service, the latter being given the tasks needing skilled labor. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.85.
building projects such as King Solomon’s Temple.\textsuperscript{241} Nevertheless, the Jews did not allow the owner power of life and death over his slave,\textsuperscript{242} and protected the slave’s freedom to buy himself out of slavery.\textsuperscript{243}

The practice of a later age, of pensioning soldiers with land grants, was probably a development from the earlier Babylonian premises, that land belonged to the king and that any occupancy was ultimately a subtenancy. The land grant as a military pension exhibits a more general principle. By paying the soldier with something that he cannot keep except by the State’s continuous protection thereof, the soldier’s interest comes in alignment with that of the State, which receives a loyalty and service without extra payment. Taxation metamorphosed from a pattern similar to that of early modern Europe. The possessors of land grants owed military service; the military service gradually mutated into an obligation to provide substitutes for military service; finally, the military obligation was converted into a money sum equivalent to the cost of employing a mercenary.\textsuperscript{244} In the post-Assyrian Persian Empire, the members of aristocracy did not own their estates independently; they received their estates from the King; this was a strategy of stabilizing the agrarian-aristocratic ascendancy. If all land belonged to the King, the merchant could not take possession of it; the King would appoint the land to aristocrats, and use their military duty to preclude class war. By granting the land to aristocrats without inheritance the wealth of merchants could be contained. The aristocracy of medieval Europe lost their ascendancy due

\textsuperscript{241} Isaiah, vii, 8.
\textsuperscript{242} Isaiah, xvi, 7.
\textsuperscript{243} As in the other countries of the Near East, war captives and convicts were used as slaves, and hundreds and thousands of them toiled in cutting timber and transporting materials for such public works as Solomon’s Temple and Palace. The owner had no power of life and death over his slaves, and the slave might acquire property and buy his liberty. Men could be sold as bond servants for unpaid debts, or could sell their children in their place; and this continued to the days of Christ. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 337.
\textsuperscript{244} First the possessors of certain lands had to serve personally, as a feudal obligation; then the provision of recruits was attached to the ownership of these lands as a liturgy; finally, the liturgy was satisfied by the payment of a fee, with the proceeds of which the King hired mercenaries. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.90.
to their consumption of commercial goods. Such aristocrats enjoyed provincial autonomy: their own courts, taxation, military force, but remained obligated to supply the King in case of war. This is also probably why the conversion of England from Catholicism to Protestantism succeeded.

**MESOPOTAMIA**

**Town Civilization**

The earliest town civilizations of Egypt appeared ca. 3500 B.C.; the Old Kingdom materialized ca. 3000 B.C. The first towns: Ur, Kish, and Uruk emerged in Mesopotamia at slightly earlier dates (roughly 500 years) than the Egyptian towns. Towns had suddenly emerged from the Paleolithic Age as a result of the earliest primitive invention of capital; inasmuch as the time lag between planting and reaping constituted capital investment, agriculture accounts for the new interest in immobile settlement. In the fourth Millennium

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246 Most members of the aristocracy were attached to the throne by receiving their estates from the King; in return they provided him with men and materials when he took the field. Within their fiefs they had almost complete authority-levying taxes, enacting laws, executing judgment, and maintaining their own armed forces. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p.360.

247 The most powerful kings used external conquest to enlarge and enrich the state. To defend kingdoms some rulers also maintained large standing armies. Warrior kings delegated the command function to feudal nobles and recruited troops by means of corvée- an early form of taxation that combined in one contribution a family’s liability for both taxes and military service. During war soldiers supported themselves by looting conquered territory, but in peaceful interludes the King had to feed the armies or disband them. Ancient Mesopotamian kings resolved this dilemma by paying troops with land grants that could be passed on to a man’s descendants. This land grant device served two purposes; it provided a permanent army, and it ensured the troops’ loyalty. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 67.

248 The primitive Egyptian town civilization of the Predynastic centuries is as late as after 3500 B.C. or so, and the Old Kingdom begins near 3000 B.C. or probably slightly later. The earliest city civilizations of Mesopotamia as they appear in the excavations at Ur, Kish, Uruk, and other sites seem to be slightly, but not much, earlier than Predynastic Egypt. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.97.
B.C., capital investment in townless “civilization” was impossible.

The slow emergence of the State eventually combined the separate city-states into one community. The contiguous city-states originally formed economic connections that enclosed the native populations.

Religion was more diffuse than a city-state; residents of contiguous city-states would be possessed of the same religious orientation. Problems of trade, irrigation, settlement, etc. that arose between city-states rather than within a city-state would therefore be mediated by a temple rather than a government. The temples, incessantly negotiating confrontational problems, gradually formulated the tenets of their religion to solve exactly such problems.\footnote{251} As temples mediated relations between people of neighboring city-states, the penumbral areas of the several city states merged into an informal religious culture, centered in one of the temples. Formal unification into a state usually occurred only from the exigency for military unification.

The inhabitants of a city depended on the ability to live without personal and immediate performance of primary production.\footnote{252} The emergence of a capital city catalyzed creation

\footnote{249 Cuneiform and Hieroglyphic texts from the archaic periods of city civilization which we have been able to decipher, reveal already with certainty the Ancient Oriental tendency to general usury which we outlined so far. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.105.}

\footnote{250 If we recall the reasons for the economic upheaval which brought the end of the Paleolithic hunter and food gatherer stage, we ought to remember that this had been the first time that man had an opportunity for making use of real capital investment. It was this chance which had brought about a sudden change in man’s general attitude to life, and his technique, and made him break away from the Old Stone Age. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.103.}

\footnote{251 Wheatley, J.; The Pivot of the Four Corners, Edinburgh University Press, 1971.}

\footnote{252 Ein zweiter Faktor, der zum längeren Bestand einzelner Gemeinden beitrug, war die Bildung von Königreichen und von Staaten. Wie wir gesehen haben, waren die Bewohner der Hauptstädte dieser Staaten zumindest Teilweise frei von der Notwendigkeit, ihre materiellen Bedürfnisse mit Produkten aus der unmittelbaren Umgebung zu befriedigen. Cf. Lenski, Gerhard; Macht und Privileg, Eine Theorie der sozialen Schichtung, Suhrkamp Taschenbuch, Frankfurt am Main, 1977, p.206.}
of conditions under which capital would be practicable. The townless civilizations had been egalitarian or “communistic” because primitive production did not produce a surplus that could form conspicuous differential distribution; with agricultural economy, on the other hand, means of production came into the hands of private property and brought about division into social classes.

Usury

The wealth of the Temple had accumulated long before any town civilization had ever emerged. At the earliest nascence of a town, clans settled in communities, and the leaders of each clan combined to form a government center. The routine was to construct some social and material structures without which it would be quite impossible for any individual to live in the town context. Elites scrambled to seize and secure their elite positions, but it remains to inquire how they managed to do so. An “elite” cannot stick to his egoistic interests at the expense of the community; instead, it is indispensable that the elite person attach himself to communal, altruistic interests at the cost of his personal desires, so that society in recognition of his success in this will promote him to a position of corresponding prestige. Hierarchical organization is indispensable to social viability, and, once social survival is

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253 The revolutionary change from townless to town civilization was mainly produced by the factor capital, and that there was a sudden change-over in the fourth millennium B.C. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.103.

recognized to depend on the organization, inequality of social status is accepted insofar as social organization is ineluctably predicated upon unequal prestige.\textsuperscript{255}

The priests and nobility could present themselves as altruistic and benevolent in initiating these structures, and indeed, the structures did enable the people to live better than in their previous nomadic plight. Then the priests and nobles were able to charge people taxes and rents for the use of these structures that had now become indispensable for bare survival. Material structures were land drainage or irrigation; construction; artisanal organization; substitution of some oikos production; long distance trade, etc. A major instance was the monopolization of seed, through taxation, and then the allotment of the same seed back to the farmers, at an interest charge on the forthcoming harvest. At each opportunity the priests and nobility made loans to extract perpetual interest payments from the lower orders. One Egyptian temple (Ramses III, 1198-1144 B.C.) kept 86,486 people in perpetual corvée by means of usury.\textsuperscript{256}

One must wonder how this combination, so simple and self-evident to us, ever came into combination; how did the idea materialize, that one should be paid, for lending money? The


\textsuperscript{256} The priests had their own economic organization in their Temple possessions which had their roots in the primitive period of townless civilizations. The clans of the nobles formed often communities of their own of which the oldest of the most influential living members was the chief. They too were rooted in the prehistoric past. Both groups were able to increase their wealth by investing it as loans against interest in the new town colonies and villages on state drained land which were being founded now and then, through other usury, by means of organizing certain crafts under their direction and with their capital, taking over part of the production which had been carried on in the homes until then, or finally by putting up capital to back the merchants who imported essential goods and luxury products over long distances. An Egyptian temple under Pharaoh Ramses III (1198-1144 B.C.) owned no less than 2393 km\textsuperscript{2} of land and employed 86,486 people. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.165.
idea seems to have originated from husbandry, not agriculture, and hence seems to have begun in the Mesolithic Age. The basis of wealth was livestock; an individual had a high or low social position according to the number of cattle in his possession. If one were to lend a cow for a year, in that time the cow would probably calve; consequently the calf appears to be the property of the lender, since propagation is a natural property of the cow, which is indisputably the property of the lender. On this basis the individual was suddenly motivated to lend money as an opportunity of gain. This transaction had limited success in the nomadic period prior to town civilization, but gathered importance exponentially only after the establishment of town civilization.

The argument that justified the interest charge applied only to living things; it was assumed that 20% per annum was the natural rate of growth for living things. The reasoning did not work in regard to inanimate things, which did not reproduce, and therefore should not generate interest payments. Nevertheless, Egypt and Mesopotamia were the first civilizations to apply interest payment to inanimate entities. How? Animism; all of the theocratic civilizations held that the universe as a whole, and the universe in each of its parts, was alive. Now any loan could be made at interest, because the loan, whatever it

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257 Wealth, therefore, was judged among the animal breeders, according to convention, as of utmost importance for society. The number of his heads of cattle and the species of his animals were usually the foremost factors in deciding the social position of an individual, or a clan. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.40.

258 Quite on the contrary, usury had suddenly a much greater importance in the life of the Ancient Orient than the traditional use of it which had developed in the townless cultures. The main Ancient Oriental innovation was in this field that inorganic materials were treated as if they were living organisms with the means for reproduction. Loans were made regularly by many for the purpose of gain. With the addition of a certain percentage, these loans were repaid at their expiration, exactly as if a living “caput”, a cow, or another animal, had given birth to young offspring. This custom was originally inspired by the animal loans of the townless civilizations, which had not been too important for the general life of the people. It is significant that the Sumerians used the same word “mas” for both calves and interest, and that the Egyptian language developed its word for interest “mis”, which survived as late as the Coptic stage, from the verb “misij”, which means “to give birth”. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.105.
was, was naturally growing and reproducing exactly as man’s best friend, the cow.\textsuperscript{259} The priesthood and nobility stabilized their social position with this new stratagem; they sought to “help” impoverished small landholders by extending loans on interest which could not possibly be repaid. The original loan was for consumption, not investment; this circumstance virtually guaranteed that the borrower would be unable to extinguish his debt. The priest or noble then received the smallholder’s land, and as the case may have been, the landholder and his family into slavery.\textsuperscript{260}

This transaction was motored by formation of a class society. Slaves accommodated hereditary prestige much better than wives. A wife, or wives, lent prestige to the man, but they did not permit heritability. A son could not inherit his father’s wives, nor could he inherit his brothers and sisters. Such women as were wives were members of the same clan, with ties to their previous families, so that, apart from age difference, inheritance of a father’s wife would incite too many occasions for internecine strife. Slaves on the other hand were not blood relatives, and could therefore be inherited from father to son without difficulties. Thus, slavery was very important for the inheritance of prestige and social position from one generation to the next; slavery was a cardinal element in the transition from simple horticultural society, in which slaves were scarce, to advanced horticultural

\textsuperscript{259} The Ancient Orient was, as far as our knowledge goes, the first civilization in which there was a conventional and symbolic interest payment provided for in the case of loans of objects which are inanimate for us, exactly as if these objects were live cattle or plant seeds. How the oldest cities of the world came to use this abstract method, which was definitely of a revolutionary character, can be explained, in my opinion, from Ancient Oriental theology. The whole world was animate in all its parts for the Sumerian, Accadian, Hittite, and Egyptian peoples, and for Syria, Minoan Crete, and pre-Aryan India. All separate agglomerations of matter were alive and able to influence and modify each other in a way which could be explored with the help of mathematics. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.105.

\textsuperscript{260} Literary sources from the lands of the new nations merely tell us of the profiteering indulged in by aristocratic families, how they tried to exploit the poverty or economic inefficiency of small landowners by giving interest loans for consumption to them which could not be repaid and led to the loss of their land, and even of their personal freedom and that of their unfortunate families. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.254.
society, in which one’s social position was measured by the number of slaves in one’s position. Usury was thus the greatest factor in the extreme polarization of social classes and in the overwhelming power of the aristocracy.

Seisachtheia

Seisachtheia is here used as a generalized antonym to usury. The most conspicuous reaction against usury was not by the Greek people. All of the oriental ethnic groups, who had adopted animism, accepted the notion that inanimate entities naturally grew and reproduced like animals, thus justifying interest-bearing money loans. The result was the transformation of clansmen into the unpropertied underclass, and the emergence of a new social class: debt slaves. The Jews, following from tenets of Judaism, never accepted the premise that dead and inanimate matter was anything other than dead. But in Israel in the time of Solomon the banking system had already started in the process endemic to the other oriental theocracies. The aristocracy had used the banks to extend loans and gradually humiliate the labor classes. However, the Israelites were, atypically for Orientals, quite prone to detect evil in the King and upper classes; they did not equate the Holy with King and government. The prophetic tradition enabled the Israelites to resist the aristocratic scheme; Israelites were permitted only loans without interest. Taking interest for a loan was made illegal. Oddly, the laws against interest bearing loans and debt slavery were

not binding on foreign merchants; similarly Israelites were allowed to lend at interest to foreigners, but not to Israelites.\textsuperscript{263} Interest-bearing loans were permissible only as a bank transaction with a non-Israelite; apparently the allowance was made to preserve the viability of international commerce.

The successful popular revolt against interest bearing loans extended to the consequence of interest bearing loans: debt slavery.\textsuperscript{264} The Jewish “sabbatical” derived from agriculture; every seventh year a field was to be left fallow in order to restore its fertility. To protect

\textsuperscript{262} On the other hand these new peoples certainly did not share the feeling of the Ancient Oriental nations for whom all “dead” matter was as alive and capable of reproduction as plants, animals, and people. I think this fact is most clearly revealed in that the affinity of money materials to interest was no longer self-evident for the victorious invaders and overlord classes of the new village societies, nor for the natives whom they had subdued and with whom some Ancient Oriental traditions survived. The Israelites for example did not originally consider the lending out of money on interest as permitted by their traditions. Between Israelites only loans without interest were lawful. Loans with interest remained the prerogative of the alien nations of Canaan, the Phoenicians, Hittites, Egyptians, and Mesopotamians. We know from the Prophetic books of the Old Testaments how long the people of Israel resisted the Ancient Oriental legal concepts of lawful interest from loan capital. There remained, from this time of struggle, an absolute prohibition of taking interest between Israelites, and extensive restrictions placed on the debt slavery of Israelites and resident metics in Judaism. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.219.

\textsuperscript{263} Only the nokhri, the Hebrew equivalent of the Greek word xenos, was exempted from the laws against debt slavery. If we take into account the economic structure of Palestine during this period according to biblical and other sources these people belonged almost completely to the merchants and financial classes, coming to Palestine on temporary business, or they were the economically dependent envoys, agents, and representatives of the Kings, wealthy owners, and temples of Phoenicia, Egypt, Syria, Asia Minor, and Southern Arabia. In fact we have many similar laws which were promulgated from Greece and Italy to India during approximately the same period. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.255.

\textsuperscript{264} In Israel we find such a forceful development in opposition to the inhuman and antisocial forms of the new banking transactions instigated by the overlord class. It led, by various intermediate stages, to a radical prohibition of taking interest between Israelites as well as from Israelite metics, gerim. Later were added similar laws appertaining again to both categories of the population which now dealt with the problems of debts and slavery for debt as judicially as had been done with the questions of interest in usury. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.255.
against loan sharking, every seventh year was to be a year of Jubilee: all debts were invalidated, land which was mortgaged had to be returned to the owner, and all slaves had to be set free.  

Deuteronomy forbade pawning at interest; only interest-free loans were allowed. All of the laws of Saul, David, Solomon, and others, which conflicted with the prohibition of interest loans, were eschewed. 

However: interest loans and debt slavery were the essence of the earliest oriental cities; to prohibit lending at interest was equivalent with regression to the Neolithic townless society. The interest loan was consonant with the ancient oriental theocracy and communalism, and was incompatible with any advance to individualistic consciousness. The pernicious effects of interest bearing loans and debt slavery stimulated counteractive revulsions against them throughout western Asia. The Iranians regarded interest loans and debt slavery as dishonorable. The tyrant Periandros in Corinth liberated debt slaves and abolished every

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265 These reforms were bound up with the old sacred institution of the year of rest (or of Jubilee), which had perhaps originally been only a periodical fallow year with a religious background. After a fixed period of years all debts were declared invalid periodically, all mortgaged lands had to be returned to the original owners, and all slaves, usually debt slaves, had to be freed again. There followed finally a law which granted asylum to all Palestinian slaves who left their masters because they were badly treated and with it, in Israel, slavery was practically abolished. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff's Uitgeversmaatschappij N.V., Leiden 1958, p.255.

266 Pawn credit with interest was suppressed by the revolutionary laws of Deuteronomy in the Old Testaments and was changed into interest-free friendly loans between neighbors where possible. Attempts were made in Israel for a long time here and in related economic fields to return to the simpler practices of the townless civilizations, a policy which had a certain amount of success. Finally interest loans in Israel were restricted to banking transactions with non-Israelites who were no more than temporary visitors in the country. All contrary practices, especially those developing during the reigns of Saul, David, Solomon, and their immediate successors, were suppressed. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.257.

267 Practically every period and country of archaic, classical, and Hellenistic-Roman antiquity made their own experiments in this field attempting to stop the progress of the social evils which Ancient Oriental usury institutions brought to the new individualistic societies for which they had not been devised originally in the Sumerian planning states of the fourth and third millennia B.C. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.256.
kind of slavery. Other Greek tyrants had been overthrown in the interest of ending interest bearing loans. In the Indus valley the two highest castes were forbidden commensality with money lenders, and were not allowed to lend at interest; Indian society legislated maximum interest rates for the demos.\textsuperscript{270} Solon’s retroactive \textit{seisachtheia} of 594 B.C. invalidated all debts collateralized on land or body if the debts had been incurred at a specific date; unlike the Israelite reform, the relief from debt was once only. The \textit{seisachtheia} liberated all slaves in Attica and returned all land that had been forfeited from debt default. Solon also bought back all the debt slaves that had been sold abroad and returned them to Attica as free men. Finally, the terms of the prohibition of debt slavery were even more severe than those of the Israelite prohibition. It is interesting that Greece, which had never been tightly implicated in oriental theocracy, was the first society to reject debt slavery.\textsuperscript{271}

\textbf{Tribute}

For seven hundred years Sumeria was composed of about twelve independent city-states, without any trend towards greater unification. The kingship began to separate from the Temple and priesthood towards the end of this period, and starting from 2300 B.C. confederations of city states formed.\textsuperscript{272} Finally, Sargon of Akkad united the city-states into a

\textsuperscript{268} There was obviously a general movement directed against interest in usury, debt slavery, and finally against slavery of any kind arising in the Mediterranean lands and beyond at an amazingly early period, the results of which were to be perfected by well-known Christian doctrines during late Roman times. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.256.

\textsuperscript{269} As late as during the time of the Greek historian Herodotus, near 450 B.C., the Iranians considered interest loans and debts as dishonoring a man. The Ancient Indian literature reviled usurers and attempted to lay down interest maxima. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.219.

\textsuperscript{270} From Corinth we know that the tyrant Periandros not only freed all the debt slaves, but abolished slavery altogether, again a measure recalling biblical provisions. In Megara a kind of anarchy in the paying back of interest followed the fall of the tyrant, details being not given in this case by our tradition. Even in India the taking of interest, and even joint meals with money lenders were outlawed for the two highest Hindu classes, and interest maxima were fixed for the rest of the population. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.256.
Sumerian Empire. The utility or rather the total meaning of a population is tax payment. The demos served to pay taxes and corvée labor. In the non-oriental societies of Greece and Rome there was a cognate social obligation: the munus. Government was entitled to levy all citizens for any construction project whose expense exceeded the royal resources. This obligation anteceded the liturgy, which was an attempt to eliminate corvée by making contributions from citizens honorific.

Control, rather than care, of the demos was cruel and erratic, erratic, because it would

The best known law of this kind from Greece forms part of Solon’s reforms. This great statesman permitted unlimited interest, except for transactions with widows and minors, and abolished all debts for one definite occasion only, not for any recurring period of time, as had been the case in Israel. This so-called seisachtheia of 594 B.C. made all debt obligations, including those laid upon landed property and the person, illegal, if incurred before a certain date. This law, which was retroactive, made all debt slaves free who had remained in Attica, and returned many plots to their original owners, exactly as was the case in the Israelite sabbatical year. Furthermore Solon bought up as many of the debt slaves as possible with state capital who had been sold abroad, and returned them to their home country also. Finally he forbade by law all future loans on the person in terms even more radical than the biblical legislation. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.256.


For something like seven hundred years, the dominant form of Sumerian civilization was a multistate structure of at least twelve principal city-states. Thus there was no swift move toward larger, more hierarchical organizations of power. In the latter half of that period, however, the city-state began to change its internal form as kingship became dominant. Then, from about 2300 B.C., the autonomy of the city-state began to weaken as regional confederations of cities emerged. Finally these were conquered by the first extensive “empire” of recorded history, that of Sargon of Akkad. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.131.

Finally there was still a form of collective labor in Hellas and Rome (munus) to which the King or leaders of the state had the right to call up all citizens in time of necessity or advisability. They made use of this right when, e.g., the construction of new shipping, defense works, cemeteries, funeral pyres, the building of the harbor, a canal, the provisioning or transporting home of foreign guests made demands too great for the ordinary resources of the King himself. Andreades points out, quite rightly, that this kind of service is related to the Ancient Oriental feudal usage, but in its inner sense had already developed as early as in Homer’s time in the direction of the later liturgy, which attempted to replace serfdom by voluntary service of the free citizens for the good of the community. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.277.
be economically unaffordable to impose constant oppression, and cruel, because social control depended more on achieving a terrifying impression that would persist in the demos mentality.  

Government solicitude for its population is due to its dependence on popular taxation. Citizenship in a native country and bondage in a conquered client country are little different. Oriental theocracies tended to extract tribute from their conquests; this didn’t constitute a large difference between the status of native population and subjugated population. Within the native society a dominant group developed into a ruling class by forcing rents and taxes on their own population, thus enabling themselves, a small group, to live in leisure as the governors of town society; the emergence of the town civilization depended without exception on slavery and a prostrate lower class.  

The methods of town society regarding subjugated states was basically the same as the etiology of their own state formation. As mentioned, the king, as permanent office, originated from the needs of warfare. Irrigation functioned as subjugation only for lowland areas. In China, India, Mesopotamia, and Egypt irrigation and canalization were installed very quickly; they were fundamental methods of binding the areas into central government. In making it possible to produce two harvests per year they were of indispensable utility to the demos, so that control over them gave government tremendous power. The infeasibility of upland irrigation divided the population into the poor, who were located in the uplands, and the comparatively prosperous, those in the river basins who benefited.

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276  Little was required of the masses besides regular handing over of payments in kind and in labor. Control over them, though savage, was erratic. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.174.
277  In addition to Nature the origin of the phenomenon city has been ascribed to changes in the social organization of the time when this new form of human settlement was created. A ruling class of conquerors is supposed to have arisen in peasant times, and, with the facilities afforded by tributes and rents, gained the leisure for a small minority which was required for the higher development towards town culture. Each city would have, under these circumstances, a lower slave and dependent class of necessity as its basis. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.101.
from irrigation. Subjugation was stabilized in the lowlands by irrigation, whereas military technique was reserved for the uplands.

The upland populations tended to one of two outcomes. The nomadic hunters had, after about 10,000 B.C., converted from small groups into rather large hordes. The lowland population did not conceive them as enemies; a symbiotic relation had developed in which the uplanders were appreciated for eliminating the threat of wild animals to the herds, and who formed a trade relation with the lowlanders.\(^{279}\) In this case the upland and lowland people might evolve into a unitary tribe. Conversely, the upland people might become a predatory tribe that could subjugate the lowlanders. Upland people were pastoralists in the Mesolithic era; a plague might suddenly destroy the entire herd, when wealth and social stratification depended entirely on possession of livestock. Rigid class distinctions developed in response to this insecurity, and the horde would militarize in proportion to the instability of livestock.\(^{280}\) The natural division propagated a perennial tendency of the upland groups to plunder the lowlands, and for the city states to skirmish over land claims.\(^{281}\) This being natural and therefore interminable, the only solution had been to militarize the lowlands with walled cities and armies, roughly starting from the middle of the third millennium.\(^{282}\)

\(^{278}\) In the Near East, the Mediterranean region, India, and China the same intensifying process took place in agriculture by means of irrigation and canalization. Egypt and Mesopotamia had, in addition, a two harvests’ system in their period of Bronze Age town civilization. This highly developed agricultural technique, which was, in a sense, a Southern analogy of triennial farming, may lead back to the time of townless village civilization of the Sumerian and Semito-Hamitic nations. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.69.

\(^{279}\) But even archaic hunters and hunter tribes after 10,000 B.C. changed from being members of small separate groups to useful functionaries of the new peasant societies- except where racial differences were too great-and they were strongly influenced by other communities in consequence. Ethnological evidence proves that these hunters were not, as a rule, treated as enemies, except where they were thought to be animals or sub-humans. Usually, they were considered to be useful friends of the planters, animal breeders, and ploughmen, whose crops and animals they defended from destruction by wild animals, and whose surplus products they willingly took over in exchange for their services. A symbiosis of various professional groups to form a simple united tribe began quite early in this way. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.64.
Lowland society protected itself by intensifying the power of territorially centralized authority, whereas upland social groups remained decentralized. The upland threatened, the lowland was intimidated. The upland was not threatened; the lowland people could be conquered and turned into slaves. It was in a sense an advantage to the lowland to have been threatened, and disadvantageous for the upland not to have felt threatened. Societies that are threatened react politically by developing stronger government for the sake of defense; the upland, being unthreatened, retained their primitive organization as a nomadic group. Concentration of wealth and trade on the river basins necessitated more centralized authority. Since surplus was also centralized in storehouses, military defense had to be centralized to protect the surplus from marauding. Centralization taking place only in the alluvial basins, not in the highlands, the State required more regulated communication

280 Epidemics which man was quite powerless to prevent, and other natural or political blows of fate could weaken the herds with startling suddenness, and may even today make tribes who were formerly rich, so poor that they almost starve to death. Under these circumstances differences in wealth and possessions and consequently a rigid class distinction grew up, even within the free upper class of these nomad civilizations, and the more warlike they became, the more intensively it developed. The animal breeding society became a “wandering state” within a threefold social caste system of the nobles and rich owners, the poor and free mass of the people, and the despised slave class. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.41.


282 Scholars generally attribute the first part of the process, the rise of kingship in the later Sumerian city-states, to warfare. The irrigation successes of the city-states made them attractive as prey to poorer upland neighbors. The records also document many boundary disputes between the city states themselves. The two types of conflict made defense more critical and led to the construction of massive city walls in the mid-third millennium. Simultaneously, we deduce that war leaders consolidated their rule into kingship. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.131.


than the upland groups could provide. By progressively defeating the periphery of upland marauders, pacification enabled greater agricultural production, and the State could increase its share of the surplus; in consequence the State increased the common good by repression and exploitation of those producing it.

A state subjugates its own tribes and appropriates the surplus for the ruling classes; the attitude of a State towards the people of an alien state is in no essential way different, although the means of subjugating a society possessed of its own elite must be different from the means of controlling the non-elite of one’s own society. The State would require commercial exchange that was greatly to the advantage of the Lowlands, the State, or the State might ritualize a regular tribute payment from the uplands. But both groups are valuable only because of the potential tax revenue. This being the case, war will not arise if there is no prospect of increased tax revenue, or if the cost of war will not be offset by plunder. Since a State will not go to the expense of warring with an equally powerful state, in which case the cost would be intimidating, the most likely case of war will consist in the juxtaposition of a small and large state, so that the cost of conquering the small state will be

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286 Conquerors found themselves driven toward a particular set of post-conquest economic relationships, for which we can use the term given by Herbert Spencer, compulsory cooperation. Under these relationships, the surplus extracted from nature could be increased, the empire could be given a somewhat fragile economic unity, and the state could extract its share of the surplus and maintain its unity. But these benefits flowed only as a result of increasing coercion in the economy at large. The peculiarity of this is the inseparability of naked repression and exploitation from more or less common benefit. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.146.
287 The same factors that encouraged property differentials also intensified a territorially centralized authority, that is, a state. Irrigation management played a part. Exchange of produce where the more powerful party’s territory was fixed and strategic for transport meant that the redistributive storehouse or the exchanging marketplace would be centralized. The more resources are centralized, the more they require defense, hence also military centralization. The imbalance between the parties created another centralized political function; for the irrigators would seek more ordered routines of exchange than pastoralists and gatherer-hunters’ own existing social organization could provide. In later history this is called “tribute,” authoritatively regulated exchange, whereby the obligations of both parties are expressed formally and accompanied by rituals of diplomacy. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.85.
less than the gains of spoliation.\textsuperscript{288}

War is thus not principally caused by jeopardy or bad relations with the other nation; often the principal cause of war is an internal maladjustment within the State, which might be resolved by using conquest of another state merely as a pretext. Conquest was used to stabilize a king’s control of internal affairs. If the king successfully conquered a neighbor, his prestige would increase, and he would use the plunder to employ more of the nobility and grant them higher emoluments. This would preclude the possibility of a popular insurrection, although this maneuver would not preempt assassination or palace revolt.\textsuperscript{289}

Three days march, or 90 kilometers, was the maximum distance that an army could manage;\textsuperscript{290} in consequence a nation gambled with the liability of invading an area the cost of which would defeat the nation even when it succeeded militarily.\textsuperscript{291} A city-state could defeat

\textsuperscript{288} Vom Standpunkt jeder Verteilungstheorie aus ist Krieg nur eine besondere Form des allgegenwärtigen und ununterbrochen Kampfes um die Kontrolle des wirtschaftlichen Surplus. Der Unterschied gegenüber anderen Formen besteht darin, dass Krieg im allgemeinen einen Kampf zwischen zwei etablierten Eliten impliziert und nicht zwischen Elite und Nicht-Elite derselben Gesellschaft. Jede etablierte Elite verfügt über bewaffnete Kräfte zum Schutz oder zur Durchsetzung ihrer Interessen. Was am meisten vor einem Krieg zurückschrecken liess, war im allgemeinen der Mangel an profitablen Gelegenheiten. Keine Elite zog je in einen Eroberungskrieg, wenn die vermutlichen Gewinne die zu vermutenden Kosten nicht überstiegen, mit dem Resultat, dass da, wo zwischen Völkern eine Art Gleichgewicht der Kräfte herrschte, die Kriegsgefahr geringer war als dort, wo ein Volk einen entscheidenden Vor sprung vor einem anderen hatte. Cf. Lenski, Gerhard; Macht und Privileg, Eine Theorie der sozialen Schichtung, Suhrkamp Taschenbuch, Frankfurt am Main, 1977, p.103.


\textsuperscript{290} Cf. Smith, A.; “Are Nations Modern?,” London School of Economics, Patterns of History Seminar, Nov. 28, 1983.
marauding bands because an army is a concentration of military force, whereas a marauding band is not. Because the army was a pinnacle of pure force, any village or group in the path of the army needed to flee or surrender, even though its population might be much greater than that of the conquering army. However, the power of an army is concentrated; the army is intrinsically an unnatural condition, which makes its power inescapably temporary. The army is in hostile territory, and its supply of food etc. comes from the point of the army’s origin, not from its present location. There is a constant cost simply in maintaining the unity of the army, and the cost increases in proportion to its removal from the home base. As the army proceeds, it has to deploy garrisons to maintain the area it has covered. The constant dispersal of the army to maintain hegemony progressively detracts from its major advantage over the marauding band: concentration of force.\(^{292}\) The more an army conquers, the weaker it becomes and the less capable of maintaining its advantage.\(^{293}\) Supposing that an army could penetrate at most 90 kilometers from its home, it would not be able to control the 360 degree area it has penetrated with a straight line.\(^{294}\) The subjugated state, realizing the

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\(^{291}\) More was routinely required of the dispersed ruling group, but it was not uncongenial to them. The empire was not territorial, nor was it unitary. It was a system of federal domination by a king or emperor through provincial, marcher, and even “foreign” rulers and elites. This was for fundamentally logistical reasons: I calculated that no conqueror, no matter how formidable, could organize, control and supply his troops and administrative officials on a routine basis over more than an eighty to ninety kilometer route march. The king or emperor used his professional army in reserve to dominate, to cow. But everyone knew that it would take a formidable logistical exercise to employ it. As long as local elites handed over tax or tribute, their own local control would not be interfered with. Their own interest was in the maintenance of the imperial system of compulsory cooperation. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.174.


\(^{293}\) The political radius of practicable rule by a state was smaller than the radius of a military conquest. An army achieved success by concentrating its forces. It pushed through unpacified terrain, protecting continuously only its flanks and rear and keeping open intermittently its lines of communication. Those who could not run away submitted, formally. It was only because they could not run away, trapped by a millennium of caged agriculture, that the radius of conquest was so great. But ruling over those who had submitted involved dispersing force which was throwing away the military advantage. No conqueror could eliminate this contradiction. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.142.

limitations of the conquering army, might insincerely comply by paying tribute or other obligations, but continue as it had before, because it discerns the improbability that the patron would accept the cost of razing the client city. When a conquering army razes a city, it hurts the enemy; but at the same time it destroys all the profit it could have hoped to get from its victory.

The patron State could have exacted compliance by army placement in the subjugated state. But this was so expensive that there would be no value in keeping the new territory. The other possibility would have been to maintain the enemy elite instead of exterminating them. Cooption of the former ruling elite/bureaucracy would reduce the cost of conquest by using the client state’s native infrastructure and so preempt the cost of installing new infrastructure. This was, in essence, exactly the same reluctant process by which the King had pacified his native population. If the King wanted to keep everything for himself, he would fail; if he shared power and benefits with nobility and priesthood he would be able to implement his sovereignty, but only by surrendering a large part of the benefits to his assistants. In the present case it was more economical for the King to share power and benefits of a subjugated territory with the elite of that nation he had conquered.

This ambivalence was repeated in the issue of tribute payment. Ideally, tribute should expropriate the total surplus of the subjugated nation so that the nation is without resources.

295 Throughout ancient history the maximum unsupported march practicable for an army was about 90 kilometers- scant basis for intensive military control over large areas. Faced with a powerful military force located, let us say, 300 kilometers away, locals might be concerned to comply externally with its dictates- supply annual tribute, recognize the suzerainty of its leader, send young men and women to be “educated” at its court- but everyday behavior could be otherwise unconstrained. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.26.

296 There were four principal strategies for ameliorating this and for developing genuine imperial domination. The first two- rule through clients and direct army rule- were the more readily available but the least effective. The other two – “compulsory cooperation” and the development of a common ruling-class culture – eventually offered far greater resources to imperial rulers but required more complex infrastructures, which the history of power development only gradually made available. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.143.
to launch a revolt. In concomittance with the development of slavery emerged the right of a king to demand tribute from a conquered group. Although the tribute paying group was not taken into slavery, appropriation of their total surplus made their social status equivalent to slavery. A victorious king could transfer the property rights of the defeated people to his own children and colleagues. Tribute was far more lucrative than slavery.\(^{297}\) However, the total surplus, and the tribute, by this approach tends to become minimal. Exorbitant tribute induces the subjugated population to retard production, just as is the case with slavery, because they do not benefit. If the tribute is sufficiently light to allow residual profit from production, the client state will be much more remunerative to the patron state receiving tribute. If the patron does not have the solvency to exterminate the conquered population and supplant it with native population, his greatest benefit will come from a lenient tribute. It would be more remunerative to absorb the elite of the conquered state into cooperation with the ruling class of the patron State. If the patron state needs the labor force of its subjugated population, replacement of the client infrastructure with its own would be unaffordable; it would be most economical to allow continuance of the client’s accustomed government and economy and merely expropriate the surplus thereof.\(^{298}\)

Though this is economical, it could be successful only by leaving the subjugated state in a sufficiently viable condition that it may generate the power to revolt. To wit:

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patron could obtain the client’s cooperation only if tribute were sufficiently lenient that the client would see benefit in the arrangement. Lenient tribute from a subjugated state whose infrastructure remains intact endangers the patron state insofar as the client state’s surplus is greater than the amount extracted by tribute. Lenient tribute encourages the client state to revolt, inasmuch as its surplus provides the resources for doing so.\textsuperscript{299}

In this there was a new dilemma. It was most economical for the patron to allow the original elite of the subjugated state to continue as they had. The tribute was a compromise; it allowed the ruling elite to keep their places in exchange for the surplus from the region they ruled. If the tribute were low, the subjugation would be nearly unnoticeable to the subjugated demos, especially if their taxation were the same or lower than previously. The taxation for the tribute would be carried out by the client elite, not by the patron State. Tribute was a graduated domain; the tribute might take away all surplus, making the subject people replete with hostility, but unequipped to implement revolt, or tribute might leave the client state as much surplus as it would normally have after native taxation, and leave the subjugated state acquiescent in its client status. But in the first case the client state would covertly seek alliances with some rival of the patron state; in the second case it might

\begin{itemize}
\item[1.] Empires that develop in (center/periphery) systems are political mechanisms that feed on already established forms of wealth production and accumulation. Where they do not over-tax and where they simultaneously maintain communication networks, they tend to increase the possibilities of production and trade in the system, i.e. the possibilities for all existing forms of wealth accumulation.
\item[2.] Empires maintain and reinforce center/periphery relations politically, by the extraction of tribute from conquered areas and peripheries. But insofar as empires do not replace other economic mechanisms of production and circulation but only exploit them, they may create the conditions for their own demise.
\item[3.] This occurs where the revenue absorbed from the existing accumulation cycles increases more slowly than the total accumulation itself. In such a case an economic decentralization sets in, resulting in a general weakening of the center relative to other areas. [There follow the examples of Rome- of rapid decentralization- and of Mesopotamia- of more gradual decentralization].
\item[4.] Grossly stated, the balance of empire is determined by: booty + tribute (tax) + export revenue - (cost of empire + cost of imports) (where exports and imports are, respectively, from and to the center). Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.147.
\end{itemize}
accumulate enough resources to revolt on its own.

The subjugated elite, remaining as governors, would have two priorities: 1) they would want to please the patron state in order to keep their still privileged positions, and 2) they would do everything to keep the cost of tribute from infringing on their personal income. The elite would do as best they could to pay the full cost of tribute, and to shift the tribute payment from the elite class to the demos. The subjugated elite were in effect performing the function of the tax farmer. If tribute was too large to shift wholly on to the demos, the subjugated elite would become restive, or if too much was burdened on the demos, the polity would become susceptible to popular revolt against the native elite and consequent war against the country receiving tribute. Repercussions from the patron State would then involve the costs of war, replacement of the native elite, military occupation, and increase of the tribute requirement. The patron State would want to threaten very strong reprisals, and it would have to substantiate its threats, but it would not want to take these measures, because tighter occupation would be more uneconomical both for the patron and the client.

A regular precaution to preempt such a development was to take the children of the client elite hostage, or rather, into tutelage, so that the children would absorb the culture of the patron State; such client elite would then be more likely to govern their native country in compliance with the patron.\textsuperscript{300} The patron State would then garrison the client State to enforce the rule of the client elite, and in the event hold a popular insurgence down until the patron army arrived.\textsuperscript{301}

\textsuperscript{301} It was possible, however, to acquire more power by adding diffused power to such authoritative processes. This was to take hostages of the children of the native elite and to “educate” them and perhaps also their parents into the culture of the conquerors. As yet techniques for doing this were limited. But if the natives were backward relative to the conquerors, civilization could seduce them somewhat from their own people. The conquerors would help them maintain local control with troops whose main function in a rebellion proper was to retreat into a citadel until help arrived. In fact, until much later, supposedly “territorial empires” did not generally have clear-cut boundaries and “internal” marcher areas were usually ruled in this indirect way. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.143.
FISCAL REVENUE OF ORIENTAL THEOCRACIES

But even this was complicated; the presence of a foreign garrison in a subjugated state would destroy the only advantage of maintaining a native elite in the subjugated state. Those taken hostage might be civilized in the form of the patron nation, but the utility of tribute consisted in the subjugated elite’s affinity to their common population. If the hostages were absorbed only too well into the foreign culture, the mutual alienation between the elite and their native population would destroy the trust in the native ruler, by which the conquered population would cooperate in paying tribute. If the patron nation needed to use military force to keep the subjugated elite installed, the value of tribute over total conquest was already eroded.

The tribute relation therefore necessitated the implementation of a “bluff,” which had precedents much earlier than the formation of kingships. The tribute relationship entailed conspicuous humiliation of the native elite to the patron king, so as to suggest that military reserve would cruelly pulverize any contemplated uprising.\textsuperscript{302} The psychological factor of dread before the overwhelming, awesome, irresistible power of the opponent functioned to overcome rebellion by preempting the temerity to even contemplate such a tactic; in reality, the supposedly cruel, awesome power was not awesome, but control could be sustained by instilling that impression on the demos. In all of these “your-King-is-God” polities, the monarch was invariably very weak and depended on inflation of his image simply to maintain ascendancy. Military power has a concentrated core within which it can coerce, but it has a very wide outer area in which it is nominally located, but where such force is too diffuse to effect anything. It must be made to appear that it is effective in places where it is not, for otherwise the subjugated people will accordingly pretend to submit, but in reality ignore the demands of the patron state.

Formation and expansion of a State depended much more on bluff than conquest; the

\textsuperscript{302} Hence the pictorial representation of domination was the personal humiliation of rebels and the ritual prostration of client rulers before their masters. Rule was through other kings, lords, governors. This offered low-cost security, but it left an autonomous local elite, capable of mobilizing resources in revolt or in the service of a more attractive rival, internal or external. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.143.
patron state would impress upon the client state the terrible powers of other predators in order to persuade them to amalgamate with the patron state in order to be protected. Exactly the same ruse explains why every oriental theocracy invariably presented God as horrific. If the demos were agitated by the impression of divine omniscience, divine omnipotence, and divine jealousy, they would be too intimidated, before the fact, to contemplate evasion of the taxation which was invariably referred to divine command. It was perhaps impossible to prevent or detect tax evasion, but it was possible to make the taxpayer too terrified not to pay his taxes.

A nation would have the capacity to absorb the immediately contiguous areas directly into its taxation system.\(^303\) Shortage of resources prevented a larger outlying area from integration, even if militarily subdued; when complete conquest and integration were uneconomical, such a second area could be subjected to tribute.\(^304\) Under the premise that the benefit of conquest is fiscal revenue, it would be more lucrative to derive from tribute the equivalent of tax revenue than to dissolve the existing society and impose taxation. By contrast, the Roman Republic, which unlike the theocracies had developed some capitalistic elements, turned over conquered territory and captured people to private capitalistic

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304 Owen Lattimore distinguished three radii of extensive social integration, which he argued remained relatively invariant in world history until the fifteenth century in Europe. The most geographically extensive is military action. This is in itself divisible into two, inner and outer. The inner reaches over territories that, after conquest, could be added to the state; the outer is extended beyond such frontiers in punitive or tribute raids. Hence the second radius, civil administration, (i.e. the state) is less extensive, being a maximum of the inner radius of military action and often far less extensive than this. In turn this radius is more extensive than economic integration, which extends at the maximum to the region and at the minimum to the cell of the local village market, because of the feeble development of interaction between units of production. Trade was not altogether lacking, and the influence of Chinese traders was felt outside the effective range of the empire’s armies. But communications technology meant that only goods with a high value-to-weight ratio – true luxury items and “self-propelled” animals and human slaves- were exchanged over long distances. The integrating effects of this were negligible. Thus, for a considerable stretch of human history, extensive integration was dependent on military and not economic factors. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.9.
exploitation. \textsuperscript{305} Native government and colonialism are the same in the ambition to broaden the revenue base. The assertion by the Kings of Assur that their conquered regions “pay the same tribute as the Assyrians” highlights the impression that territorial conquest was carried out for fiscal expansion. \textsuperscript{306}

**Urbanization and Tax Compliance**

Tribute or tax was feasible only by making something indispensable contingent on compliance. \textsuperscript{307} Social inequality provided this indispensable contingency, \textsuperscript{308} given a class lower than that to which one belonged, every individual was motivated to perform his
required role from fear of being demoted to the lower class. Class society is not a social distortion resulting from anti-social ambition; it is rather a fundamental mechanism of a viable society. The roughly contemporaneous Chinese culture excelled the Mesopotamian cultures in achieving the true ideal of this strategy: “The state should take the entire management of commerce, industry and agriculture into its own hands, with a view to succoring the working classes and preventing them from being ground into the dust by the rich.” Wang An-Shih abolished the corvée, usury, debt-slavery, and used public funds to rehabilitate destitute peasants. This contrasts with the primacy Mesopotamia gave to the State; the Near Eastern theocracies were predicated on the coercion available from irrigation.

Theocracy developed from the corvée required for canals and irrigation. Humans resisted the regimentation requisite for civilization, which originated exclusively in alluvial agriculture, that is, where the development of irrigation agriculture made higher level social stratification inescapable. The Mesopotamian Kings regimented the demos in corvée, without which the same number of people would have been incapable of achieving the same work. The State, not private enterprise, provided the demos with food and requisites. As

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310 Civilization was an abnormal phenomenon. It involved the state and social stratification, both of which human beings have spent most of their existence avoiding. The conditions under which, on a very few occasions, civilization did develop, therefore, are those that made avoidance no longer possible. The ultimate significance of alluvial agriculture, present in all “pristine” civilizations, was the territorial constraint it offered in a package with a large economic surplus. When it became irrigation agriculture, as it usually did, it also increased social constraint. The population was caged into particular authority relations. Cf. Mann, Michael, *The Sources of Social Power*, Volume I, Cambridge University Press, 1997, p.124.
311 Like the pharaohs, the kings of Sumer and Akkad regulated the labor services of their subjects, provided them with food and drink, and then saw to it that they received payment in kind. Cf. Weber, Max; *The Agrarian Sociology of Ancient Civilizations*, Verso, London, 1988, p.85.
private agricultural development was epicentric upon prior government corvée, government predetermined every social formation.\textsuperscript{312}

Exchange relations can develop easily between strangers, between different cultural groups; the trader is not necessarily affected by the culture of the exchange partner. It is different with production, which is always internal to a family, clan, class, etc.\textsuperscript{313} Production amongst members of a group entails evolution of common beliefs and values because collective production succeeds only in an environment of mutual trust.\textsuperscript{314} The basic fact that Babylonian expansion depended directly upon construction of canals determined the cultural identity of the demos; no social event that did not, ultimately, conform to government controlled corvée construction of the canal could have persisted in Mesopotamian culture.

Because Babylonian and Assyrian cities were the centers of urban and rural tax collection, the ultimate purpose of canal construction was the formation of cities. This might be obscured by the fact that the manifest purpose of canals and irrigation was to expand agriculture, the ultimate source of all wealth. However: whenever a Mesopotamian community achieved agricultural surplus, its consequence was to raise the small holding

\textsuperscript{312} The basis of the economy was irrigation, for this was the crucial factor in all exploitation of land resources. Every new settlement demanded construction of a canal, so that the land was essentially a man-made product. Now canal construction is necessarily a large-scale operation, demanding some sort of collective social organization; it is very different from the relatively individualistic activity of clearing virgin forests. Here then is the fundamental economic cause for the overwhelmingly dominant position of the monarchy in Mesopotamia (and also in Egypt). Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.84.


\textsuperscript{314} Investment can be in the social relations of production and exchange, in the form of labor gangs, the division of labor, market, and so forth. These tend to be social rather than territorially fixed. Regular labor relations (without military force) require normative trust, found between people who are members of the same group- family, neighborhood, clan, lineage, village, class nation, state, or whatever. This is truer for production than exchange relations because its cooperation is more intense. Normative solidarity is necessary to cooperation, it tends to fix interaction networks and to foster a common ideological identity. Investment over a long period means a tighter shared culture among the generation, even among the living and the yet to be born. It tightens the bonds of villages and of king groups like clans into societies with temporal continuity. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.45.

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farmers to petty nonagricultural employment in the government, commercial, and artisanal corners of the city, and to relegate the agricultural labor to prebendary or tenant landholders. The agricultural labor population would quickly become the subjugated demos from contiguous areas or those enslaved from war capture. Roughly around 3,000 B.C. the urban inhabitants were composed of both the elite and the former agricultural population, while the rural inhabitants had previously been peripheral population, whether or not militarily subjugated.\footnote{Cf. Jankowska, N.B.; Private Credit in the Commerce of Ancient Western Asia; in The Fifth International Congress of Ancient History, Leningrad, Paris, Mouton, 1970.} The previous kinship organization of the core population assumed a class-organization in the place of kinship, as a result of urbanization.\footnote{As the surplus grew, some of the core, propertied, irrigating families or villages withdrew either wholly or partially from direct production into crafts, trade, and official positions, being replaced predominantly by “dependent laborers” receiving prebendary land and rations, probably recruited from the peoples of the adjacent areas, and secondly, but much less importantly, by slaves (normally war captives form outlying areas). Our detailed knowledge of this process derives from later, after about 3000 B.C., but it probably dates from the very beginnings of urbanization. It is a lateral stratification, across the floodplain, between the core and parts of the periphery. A second stratification, within the core, whereby the rank authority of the kin and village leader was converted into a quasi-class position over his own kin or village members, may have accompanied it. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.84.}

The Mesopotamian social stratification was nevertheless dependent on irrigation. Social stratification was not determined by individual genetic endowment, but by relatively accidental social circumstances; to wit, the more intelligent members did not naturally percolate to the elite level because they were cleverer than others.\footnote{Cf. Firth, R.; Primitive Polynesian Economy, London, Routledge, 1965.} Individual genetic variation is not sufficiently large to induce a generic trend because the minor intellectual superiority of an individual is not cumulatively transmitted.\footnote{I start with the weakest part of liberal theory-its tendency to locate social inequality in differences between individuals. Whatever the precise origins of stratification, they are social processes. Original stratification had little to do with the genetic endowment of individuals, nor had any subsequent social stratification. The range of difference in the genetic attributes of individuals is not great, and it is not cumulatively inherited. If societies were ruled by human reasoning powers, they would be almost egalitarian in structure. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.50.} In this regard, elite status was
accidental. A family which merely happened to own land that appeared no different from other land, but was more fertile after irrigation, would rise in status from the propensity to employ more workers and from its greater surplus. Any person occupying irrigable land would automatically dispose over greater advantage than pastoralists or hunters. Trade always concentrates on rivers; consequently secondary livelihoods such as artisanal skills and manufacture concentrate on the riverside.

Upland non-alluvial areas naturally develop dependence on the alluvial settlement because the sole opportunity for trade is with riverside concentrations. The alluvial and non-alluvial regions were mutually parasitic. The alluvial group naturally controlled the upland groups because of their monopoly of all trade. The upland groups occasionally, and futilely, attempted to change the direction of dependency by forming marauding bands that periodically looted the lowland. The lowland reasserted its primacy by imposing either tax or tribute on the upland social groups. The inescapable dependence on the canal guaranteed compliance of Babylonian and Assyrian cities with central government.

The Mesopotamian developmental pattern contained five main elements. First, possession by one family/residential group of core land or unusual alluvial or irrigatory potential gave it a greater economic surplus than its peripheral alluvial/irrigating neighbors and offered employment to the latter’s surplus population. Second, all alluvials and irrigators possessed these same advantages over pastoralists, hunters, gatherers, and rain-watered agriculturalists of the further periphery. Third, trade relations between these groups concentrated on particular communications routes, especially navigable rivers, and on marketplaces and storehouses along them. Possession of these fixed locations gave additional advantages, usually to the same core alluvial/irrigating group. Fourth, the leading economic role of the alluvial/irrigating core was seen also in the growth of manufacturing, artisanal trades, and re-export trade concentrated in the same locations. Fifth, trade further expanded into the exchange of agricultural plus manufactured goods from the core in return for precious metals from the mountains of the outer periphery. This gave the core disproportionate control over a relatively generalized means of exchange, over “prestige goods” for displaying status, and over the production of tools and weapons. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.125.


alluvial region was the only opportunity of commercial exchange; all other non-alluvial groups became progressively more dependent in proportion to the volume of trade.  

**Babylonian Captivity**

Population for a new city was attracted by initial tax and corvée exemptions, but the long-term purpose of a new city was greater tax revenue. A State would forego expansion if there was opportunity for revenue expansion without new conquest. In townless and early Bronze Age civilization, the merchants and artisans depended on the King or Temple for capital; there was no independent capital. What capital existed was concentrated in the King. Consequently the polity had a service aristocracy, and whatever hints of a later middle class existed were palace-servants. The entire society was dependent on the King/temple, the only source of capital. The Jews in Babylon, however, were naturally not dependents of the King because they were an alien group of deportees. They had, moreover, formed their own merchant group with independent capital outside of the disposition of the King.

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322 This negative view of empire has penetrated among the specialist scholars of the ancient Near East, where it has often adopted the language of “core” and “periphery.” They argue that one type of empire, centered on its advanced, urban, manufacturing, irrigated core, exploited the more backward, rural, pastoral, rain-watered periphery in the form of taxes and tribute. The periphery, however, could strike back with its own empire in the form of conquest by marcher lords and so exploit and loot the people and riches of the core. Both types of empire were parasitic. Cf. Mann, Michael, *The Sources of Social Power*, Volume I, Cambridge University Press, 1997, p.147.


324 Alluvial and irrigation agriculture also caged surrounding populations, again inseparably from economic opportunity. Trading relations also caged [though usually to a lesser extent] pastoralists, rain-watered agriculturalists, fishermen, miners, and foresters over the whole region. Relations between the groups were also confined to particular trade routes, marketplaces, and stores. The higher the volume of trade, the more territorially and socially fixed these became. Cf. Mann, Michael, *The Sources of Social Power*, Volume I, Cambridge University Press, 1997, p.124.

325 Wars were fought by Babylon and Assur -especially the latter, an aggressive imperialist state -primarily with one objective: to conquer subjects who would dig a new canal for a new city. Then these new subjects were settled in the new city, granted temporary privileges with regard to taxes and labor services, and so contributed to the increase of the royal income and power. Cf. Weber, Max; *The Agrarian Sociology of Ancient Civilizations*, Verso, London, 1988, p.84.
The release of the Jews from the Babylonian Captivity was a non-sentimental reflection that the liberated Jews would rebuild a populous city that would render greater tax revenue than confinement of the same Jews in Babylon.

The release from the Babylonian Captivity is an astonishing event. The Jews had been deported from Judea in order to weaken them, yet they were released from the captivity by reason of their potential power. Lending creates wealth, but borrowers eventually become an underclass. By virtually prohibiting Jews from borrowing, the Jewish priesthood prevented their impoverishment vis-à-vis the Gentiles. This might be the key to the survival of the Jews. The Jews in Babylon had embedded usury in divine command, so that their own moral authority for lending at interest was piety.\textsuperscript{327} Yahweh was quoted to have ordered the Jews in captivity to lend money to other people, but never to each other.\textsuperscript{328} The consequence of this one-sided lending strategy was to have made the Jews, within and during the Babylonian Captivity, very wealthy by comparison with their captors, the Babylonians living in Babylonia.\textsuperscript{329} At the time of the release from captivity, the Jews were superlatively equipped to finance the erection of a city.\textsuperscript{330}

Supposing the paramountcy of tax revenue, an internal colony, dispensing with the expense of foreign conquest, may be more lucrative. The allowance to rebuild Jerusalem would produce more revenue than a conquered territory. Not all Jews made the exodus from the Babylonian captivity. An individual identifies with his country or race only when his

\textsuperscript{326} In the townless civilizations traders, craftsmen, and their customers had lacked capital except in very rare cases, and were unable to exist without considerable agrarian activity. Now the merchant was endowed with the capital which he needed by the Kings, temples, and large owners. The craftsmen found employment and customers from the large moneyed class and also got loans with the help of which they could expand their businesses. The Kings had furthermore the capital to pay the expenses for their luxury courts, to pay for their considerable armed forces and the bureaucratic machine which kept their empire together and conducted its political and social affairs in accordance with their will and that of their advisers. In addition the whole of the upper stratum of society employed numerous servants. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.161.


\textsuperscript{328} Cf. Cambridge Ancient History, v.3, p.390.

\textsuperscript{329} Sarton, Geo; Introduction to the History of Science, v.1, Baltimore, 1930, p.58.
nation is the conduit to his own well-being; otherwise his self-identity will emerge from some other superstructure more instrumental thereto. The wealthier Jews did not leave Babylon to rebuild Jerusalem because they had discovered something more “identical” with themselves than being Jewish. Nationality, race, and family are contingent sources of identity.\(^{331}\)

National self-identity invariably emerges from self-interest, as may be exemplified from another Jewish episode in the Hellenistic era. The Jews had been a source of tax revenue for the Hellenistic tyrant Antiochus. The Jews nevertheless supported Antiochus, not his enemy, the Egyptians, because they had more reliable prospects under Antiochus than if they came under the domination of Egypt. The Jews enabled Antiochus to win the war; Antiochus in gratitude suspended taxation of the Jews for three years. The tax-exemption was a disadvantage to the Jews, who, not paying Antiochus the tax, were no longer useful to Antiochus; he promptly gave Judah to Egypt as a wedding present upon his daughter’s marriage to Ptolemy, the Hellenistic tyrant of Egypt. The Jews, who had saved Antiochus from possible conquest by Egypt because they feared Egyptian subjugation, were now made subjects of Egypt for having won the war.\(^{332}\)

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330 There was no coinage at the time of the Captivity, but gold and silver, weighed in each transaction, became a medium of exchange, and bankers appeared in great numbers to finance commerce and enterprise. It was not strange that these money lenders should use the courts of the Temple; it was a custom general in the Near East, and survives there in many places to this day. Yahveh beamed upon the growing power of the Hebrew financiers; “thou shalt lend unto many nations,” he said, “thou shalt not borrow”-a generous philosophy that has made great fortunes, though it has not seemed in our century to be divinely inspired. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 337.

331 The directive to the Jews to return to Jerusalem was not the result of loving kindness. Cyrus was an astute Taxman. If he could induce the Jews to rebuild Jerusalem, he could possibly anticipate adding a thriving, taxable asset to his realm. Not all Jews were keen on returning, certainly not the rich and prosperous. Only a fourth of the 150,000 members of the Jewish community returned. Cf. Adams, Charles; For Good and Evil. The Impact of Taxes on the Course of Civilization, Madison Books, London, 1993, p. 37.
Investiture

Realty was an uncertain concept in Babylonia. Since all land belonged to God, the individual did not have personal property in land. The intermediate reasoning by which property disputes could be settled was tenuous; land was considered to be the “property” of an individual insofar as he fulfilled the obligations attached to the land.\textsuperscript{333} Plowing, for instance, was a qualification for claiming ownership.\textsuperscript{334} This conception of land ownership conveyed that ownership of land is equivalent to rent-payment on the land (the property of God); anyone who cultivates and pays rent to the priesthood from the harvest is the prima facie owner. Tax revenue from this land was accordingly stored not in a secular building, but in a Temple. The tax (rent), also being due to God, was the property of King and priesthood by proxy.

The priesthood had made lavish use of what we call annuities to amass social power. An individual could make regular payments, or alternatively assign his life-savings, to a Temple. This revenue was separate from taxation and from royal administration. In return the Temple would guarantee the individual’s old age; the Temple would provide him with

\textsuperscript{332} Jewish troops came to the aid of Antiochus and helped to defeat the Egyptians. Antiochus granted the Jews immunity from tax for three years. This remarkable moment for tax freedom did not last. With tax immunity, Judah was of no value to Antiochus. When his beautiful daughter Cleopatra married Ptolemy following a peace treaty, Antiochus gave Judah to Ptolemy as a wedding present. As a result of this clever maneuver, the Jews lost their tax immunity. Ptolemy was free to write his own bill for his newly acquired territory. For the Jews this was a sad moment. The anticipated freedom and reduction of heavy tribute that had bound them for 500 years was a fleeting illusion—the Jews were now back in the fold of the oppressed. Cf. Adams, Charles; \textit{For Good and Evil, The Impact of Taxes on the Course of Civilization}, Madison Books, London, 1993, p. 40.

\textsuperscript{333} In Babylon royal ownership seems to have been expressed in terms of divine possession of the land. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.93.

\textsuperscript{334} In the period of the fully developed labor service monarchy of early times the rule seems to have been that a parcel of land belonged to the man who fulfilled the obligations connected with it. Nor did this apply only to soldiers’ land; it was a general rule, and indeed Old Babylonian law acknowledged performance of plowing duty as proof of ownership. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.91.
food and clothing. The King paid “benefices” into the Temple from the state treasury, which were used to provide for the annuitants. A market in annuities, bought and sold, developed in both Mesopotamia and Egypt. In addition the King’s redistribution of wealth in time of dearth was distributed through the temples.\(^{335}\) The priesthood achieved dominant power.

The investiture of the king was therefore in the hands of the priesthood. If the King did not receive his religious inauguration, he could not be the property-holder of the tax revenue, which ultimately had to belong to God. The State expropriated so mercilessly that the demos concealed its assets, refused to exhibit them at markets, withheld from investment, and horded.\(^{336}\) A community quickly degenerated into stagnation whenever its trust in government descended yet further.\(^{337}\) This tax evasion in turn necessitated hieratic hoopla to stimulate the community to comply with taxation.\(^{338}\) The Kingship could not be asserted from the Law or from lineage; the individual could be king only as the appointed agent of God. Taxation was possible because it was not ultimately the King who demanded tax payment, but God.\(^{339}\) The King’s legitimate derivation from God had to be attested

\[335\] There were heavy religious obligations of the Kings also, which had to be paid regularly or irregularly for specified sacrifices, for the upkeep of the temples, and the service of the gods. Benefices, that is to say payments made directly and indirectly in money and kind from the state treasure houses were permanently ear-marked for these purposes. These benefices were frequently sold to other persons in Egypt as well as in the cuneiform regions by those entitled to the original benefit according to fixed agreements. Furthermore we find irregular, but considerable royal presents and gifts to temples and private persons, and privileges which were partly responsible for the increasing political power wielded by the priests and nobles in certain periods and enabled these classes of the population to gain a considerable influence on royal and state affairs. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.180.


\[338\] States, especially imperial states, coerce and expropriate to such a level that their subjects keep goods away from the markets, restrain their investment, hoard, and generally participate in economic and social stagnation. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.147.

by means of hieratic ceremonies before the demos regarded him as King.\textsuperscript{340} Given the reluctance to pay taxes, the demos would use any pretext to withhold tax payment; thus the King was abjectly dependent on the priests for investiture.

Although the Code of Hammurabi was eminently secular, acceptance could not be obtained except by a theocratic process. Religion seems to function as the ground for demotic support of government.\textsuperscript{341} In the extreme, religion is more vital to preservation of a group than the State; thus the Jews, astoundingly, survived as an ethnic group despite the destruction of their State and their dispersal. The Jewish law deriving from their First Commandment is remarkable; one is obliged to kill even one’s spouse, parents, or children if the individual is guilty of heresy.\textsuperscript{342} A state government of whatever form would never succeed in asserting precedence over the most intimate ties of family or kin, and if a State made the attempt, it would run a high risk of collapse.\textsuperscript{343} Several religions did overrule the most natural bondage between family members, without discrediting the religion.\textsuperscript{344}

The function of religion in sanctifying wealth formed the conditions under which a king might be submerged by his theocracy; the king’s own bureaucracy (priesthood) was far

\textsuperscript{340} The power of the King was limited not only by the law and the aristocracy, but by the clergy. Technically the King was merely the agent of the city God. Taxation was in the name of the God, and found its way directly or deviously into the Temple treasuries. The King was not really the king in the eyes of the people until he was invested with royal authority by the priests. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 232.

\textsuperscript{341} Hammurabi did not claim to make the laws; he received them from God. From the patesis or priest-governors of Sumeria to the religious coronation of Nebuchadrezzar, Babylonia remained a theocratic State, “under the thumb of the priests.” Cf. Cambridge Ancient History. Volume III, p.237.

\textsuperscript{342} Cf. Leviticus xxiv, 11-16.

\textsuperscript{343} Cf. Deuteronomy vii, xiii, xvii, 2-5.

\textsuperscript{344} The Hebrew state was dead, but the Temple remained; the priests of Judea, like the Popes of Rome, would try to restore what the Kings failed to save. Hence the explicitness and reiteration of the First Commandment: heresy or blasphemy must be punished with death, even if the heretic should be one’s closest kin. The priestly authors of the Code, like the pious Inquisitors, believed that religious unity was an indispensable condition of social organization and solidarity. It was this intolerance, and their racial pride, that embroiled and preserved the Jews. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 331.
more dangerous to the king than his external enemies.\textsuperscript{345} In the case of any theocratic ritual, the most essential factor of the ritual was payment to the priest,\textsuperscript{346} in which the valor of the ritual would depend on how generous the payment was.\textsuperscript{347} Spoils of war were given to the temple; if the booty had been transferred into private property, without disguise, cynicism would have subverted national stability. If the King took immediate advantage of his wealth he would appear profane; dedication of war spoils, captives (slaves), tax revenue, or other wealth to God seemed to purge the spoils of personal interest, like an ancient money-launder. The King and the priests freely used the Temple treasury as the proxies of God, but the impersonal storage of the wealth gave a disinterested appearance to the use of wealth. Tax revenue stored in the Sumerian Temples was used to extend loans on interest; the divinity of Temple storage served to disguise expropriation. If loans could have been obtained anywhere else, the power of religion would have correspondingly diminished. The ferocious extermination of other religions maintained the Temple’s financial monopoly.\textsuperscript{348}

\textbf{Tax Revenue Extortion}

The superstitious fear of death moved commoners to bequeath extravagant gifts to the Temple,\textsuperscript{349} religion was by far the best way to extract surplus wealth from the population.\textsuperscript{350} Religion served to finance secular infrastructure.\textsuperscript{351} Construction of religious edifices enabled Hammurabi to persuade his people that their tax payments, used for police, courts, etc.,

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\item \textsuperscript{345} Winternitz, M.; \textit{History of Indian Literature}, v.1, Calcutta, 1927, p. 147.
\item \textsuperscript{346} Cf. Monier-Williams, Sir M.; \textit{Indian Wisdom}, London 1893, p. 236.
\item \textsuperscript{347} The most important element in any sacrifice to the gods was the fee paid to the minister and priests; the highest summit of piety was largess in such fees. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 485.
\item \textsuperscript{348} One of the most important sources of state power was control of the Temple treasuries, mainly because funds from these treasuries could be used for loans. This remained true throughout the ancient Near Eastern and Hellenistic periods. As early as the Sumerian-Akkadian monarchy, the state regulated these treasuries, fixing the temples’ perquisites, and marriage fees (especially); rivals („magicians“) and heretics were persecuted in order to maintain the official cult’s monopoly position. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.86.
\item \textsuperscript{349} Cf. Cambridge Ancient History, v. 3, p.237.
\end{itemize}
were payments due to the gods; popular cooperation arose from the confusion of religious and secular tax expenditure.\(^{352}\) The Temple thus prevented the emergence of what might anachronistically be called class struggle, favoritism, etc; it was preventive in that there was no private, personal ownership within the religious organization. The code of Hammurabi fixed prices, wages, and employment with the purpose of stifling economic growth separate from royal control.\(^{353}\) Non-clerical land holdings were obligated to pay annual tributes of their harvest to the Temple, and when such payment failed, the priests confiscated the land and made it into clerical property. Since the foreclosed land did not become the personal property of any particular priest, but anonymously the property of God, the commoner could not generate resentment for deprivation of what had never been his property. The King gave exorbitant gifts of money, land, etc. to the Temple, which reaffirmed his piety, but the King had at his disposal the Temple wealth whenever he wished.

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350 The wealth of the temples grew from generation to generation, as the uneasy rich shared their dividends with the gods. The Kings, feeling the special needs of divine forgiveness, built the temples, equipped them with furniture, food and slaves, deeded to them great areas of land, and assigned to them an annual income from the state. When the army won a battle, the first share of the captives and the spoils went to the temples. When any special good fortune befell the King, extraordinary gifts were dedicated to the gods. Certain lands were required to pay to the temples a yearly tribute of dates, corn, or fruit; if they failed, the temples could foreclose on them; and in this way the lands usually came into possession by the priests. Poor as well as rich turned over to the temples as much as they thought profitable of their earthly gains. Gold, silver, copper, lapis lazuli, gems and precious woods accumulated in the sacred treasury. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 233.

351 Cf. Dawson, Christopher; Enquiries into Religion and Culture, New York, 1933, p. 107.

352 Despite the secular quality of his laws, Hammurabi was clever enough to gild his authority with the approval of the gods. He built temples as well as forts, and coddled the clergy by constructing at Babylon a gigantic sanctuary for Marduk and his wife (the national deities), and a massive granary to store up wheat for gods and priests. These and similar gifts were an astute investment, from which he expected steady returns in the awed obedience of the people. From their taxes he financed the forces of law and order, and had enough left over to beautify his capital. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 221.

353 It is significant that Hammurabi had a tariff, too, in his legal code which fixed prices, wages, and the hire of men and animals. His mighty roiling economy aimed at reducing and controlling the free play of economic forces, as we have mentioned already, and we can reasonably suppose that his efforts were successful to a large extent. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.185.
The King however undertook to protect the peasants from the rapacity of tax collection. Why would a king protect his people from the tax extortions of priests? The King was the ultimate authority, but the priest was closest to the taxpayer; the priests and nobles wanted to extract as much benefit as possible from the demos, using reference to the King but not transferring the revenue to the king. The common man would overpay, and the priest would contend against the King for class supremacy. A first impression of the king’s intercession might come from the premise that tax extortion alienated the common people, without enriching the king. It seems incoherent that religion could be a rival to the State of which it was the main support, because the State disposed over an army, while the religion did not. The asymmetry is not quite as compelling as it appears; religion was instrumental to acquisition of tax revenue, only payment made the army reliable to the State, and funds for payment accumulated only in the Temple.

Popular resentment did not threaten the king. When a state matured it developed a highly complicated and populous bureaucracy accompanied by large numbers of lesser dependants. The greater the institutional distance between the king (Pharaoh) and demos, the less popular disturbance could impinge on the Pharaoh. Even the highest ministers of state did not meet the Pharaoh face to face; communication between the Pharaoh and his ministers was mediated by a third person. The priesthood, a numerically small class, could overturn the King, but the common people, a massive number, could not. The impersonality of the priesthood gave them a power similar to that of bureaucracy; since there was no private

354 There was a permanent social and economical conflict in existence between the main body of the inhabitants of the Ancient Oriental empires and the particularist priests and nobles who wanted to exploit everybody in their spheres of influence. Only strong power and contentious royal protection measures could prevent such disastrous subjection of the little man. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.171.
355 As a result the temples gained great stores of precious metals and of supplies, and soon had large landed possessions as well. In fostering this development the monarchies gave the Temple-priests a source of power which could be dangerous, and indeed eventually occurred in nearly every state: conflicts of priests versus secular lords and bureaucrats for control of the throne and the profits of power. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.86.
property, but only collective property, in the priesthood, the policies of the priesthood never
changed on the occasion of a priest’s death.\textsuperscript{357} The power of the King was, comparatively,
broken and sporadic because his policies changed upon the occasion of the King’s death.
The priesthood, being corporate, did not vary with the vicissitudes of the King.\textsuperscript{358}

The King was divine, the priests were his assistants, and the money collected was the
king’s own tax revenue.\textsuperscript{359} The priesthood however might either depose the king or make
him into a puppet.\textsuperscript{360} The King used legislation to protect himself against his priests; wages,
prices, interest rates were all legislated, and their intent was to protect the common people
from the priests and nobles. As early as 2300 B.C. the Sumerian King Urukagina introduced
laws that sheltered farmers, etc. from the extortions of priests. The much later Sumerian
King Gudea repeated legislation against financial extortion of slaves and women; new laws
against high interest rates were introduced. Seisachtheiai were frequently used to stem debt

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\textsuperscript{356} Mit dem Entstehen fortgeschrittener hortikultureller Gesellschaften, zumindest jener, deren
Herrschaftsinstitutionen komplizierter werden und deren Könige und Häuptlinge eine grosse Zahl
von Gefolgsleuten haben, verändert sich die Situtation. Die Führer können nun Traditionen und
Rechte ihres Volkes missachten und mittels Gewalt herrschen. Cf. Lenski, Gerhard; \textit{Macht und
Privileg. Eine Theorie der sozialen Schichtung}, Suhrkamp Taschenbuch, Frankfurt am Main, 1977,
p.250.


\textsuperscript{358} Their influence with the people was alternately greater than that of the King, and they might
in most cases depose him if they set their combined wits and powers to this end. They had also the
advantage of permanence; the king died, but the God lived on; the Council of priests, free from
the fortunes of elections, illnesses, assassinations and wars, had a corporate perpetuity that made
possible long-term and patient policies, such as characterize great religious organizations. The
supremacy of the priests under these conditions was inevitable. Cf. Durant, Will; \textit{Our Oriental

\textsuperscript{359} Urukagina rose like a Luther against the exactions of the clergy, denounced them for their
voracity, accused them of taking bribes in their administration of the law, and charged that they
were levying such taxes upon farmers and fishermen as to rob them of the fruits of their toil. He
swept the courts clear for a time of these corrupt officials, established laws regulating the taxes and
fees paid to the temples, protecting the helpless against extortion, and providing against the violent
alienation of funds or property. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York,
1963, p. 128.

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slavery.\footnote{In addition to all this the kingdoms of the Ancient Orient attempted something which proves to us that their economic planning power was real. They tried to influence and control as well as to regulate most social relationships by legal rulings, fixing wages, prices, and the rate of interest payable on loans, a development which begins as early as in the third millennium B.C. The Sumerian king Urukagina of slightly before 2300 B.C. promulgated laws protecting farmers, shepherds, fishermen, sailors, widows, and orphans from economic oppression by priests, and nobles, and officials. Another Neo-Sumerian King, Gudea, passed laws against extortionate use being made of women and slaves. Quite often there were regular seisachthiai, cancellations of debts. Interest was limited also, but not with the same efficiency and thoroughness as in the fields of prices and wages, and leaving a wide margin for profits still. Legal distinctions between an upper and a lower class were fixed in law and were effective both in Egypt and the Asiatic Middle East. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p. 184.}

Embezzlement by the agent was ever-present, irremediable, and more threatening than external enemies.\footnote{A classic document of Hindu statecraft advises Kings of Mauryan India in the third century before Christ to maintain personal control of government finances in order to protect themselves from treachery: “internal troubles are more serious than external troubles, which are like the danger arising from a lurking snake. Troubles due to a minister are more serious than other kinds of internal troubles. Hence the King should keep under his own control the powers of finance.” Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 62.} In the first scenario, the underlings of a tax bureaucracy of many levels will embezzle from their supervisors, so that a supervisor may underreport the tax revenue to the king even if he himself has not cheated. Two possibilities ensue. First, one may hold the agent responsible for his inferiors even if he is not personally culpable. The agent is responsible exactly as if he had himself embezzled; the agent will take very seriously his power to assure the honesty of his underlings. A hierarchy holds together against the liabilities of embezzlement because the superior is formally liable for any misstep of his subordinates. This solution prevents the agent from protecting himself by pleading ignorance; an agent who colludes with his subordinate to embezzle will always use this defense, shifting culpability and punishment to his subordinate. In the case that the subordinate had indeed embezzled without collusion, the agent is nevertheless culpable for having failed to detect the malfeasance. The superior is motivated to vigilance over his
inferiors because he will personally pay for any malfeasance that fails to be located and identified.  

In the second scenario, enrichment from tax revenue might enable the priesthood to usurp the King’s apparent powers. Royal strength was a function of whether or not revenue collection was perfidious. This was problematic because enrichment was at the same time the only way to achieve loyalty; without suitably disguised enrichment the King would lose the support of his priesthood. Tax collectors used royal authority for personal purposes, purloined revenue ostensibly collected for the king, and confiscated property for themselves under the disguise of royal confiscation. 

But it was ineluctable that delegated power which enabled these tendencies be conferred. Extensive national territory necessitated that priests or nobles be appointed in proxy to local government. Distance reduced familiarity, which in consequence made personal rather than royal interest prevail in the proxy government. Elaborate infrastructure would be necessary to counteract the centrifugal effects of delegated power.

The monarch of a theocracy had no alternative but to share the benefits with his priests. If the monarch tried to purge peculation and corruption, he jeopardized his monarchy. The monarch’s attempt to suppress embezzlement could not be thorough because the priests

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363 Kautilya advised the King to set aside time every day to confer with ministers and examine their accounts. Each minister was required to produce a surplus; if not, he was fined. By this means the King aimed to force men at the top to assume personal responsibility for what went on below, because so many levels of authority multiplied the chances of fraud. To circumvent collusion or conspiracy, Kautilya admonished the King to see the district accountants separately when they convened to report the chief to the chief auditor, and to make each one wait in a different place. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 64.

364 Where the priestly clans gained power they behaved in a manner similar to that of the city aristocracies in archaic Greece. Hence in the period before Hammurabi the old city kingdoms had to take steps to check excessive Temple fees and to prevent the priests from seizing the lands of poor peasants who owed them debts. At the same time the monarchies had to prevent abuses by officials such as: (1) exploiting labor services for their own advantage; (2) reducing payments due for fulfillment of labor services; (3) pressuring peasants to buy products from them at high prices and sell at low prices. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.86.
could dethrone him. The only stable solution was to share the benefits of power with the priests.\textsuperscript{365} The monarch was considered to be the owner of all land, managed by his devoted servitors, the priests, because the monarch was the son of God; land was otherwise not the property of anyone.

**Assyria**

The Assyrian State, the final metamorphosis of the near eastern theocracies, overrode the control of the priestly class; as Assyria was a conglomeration of several different and previously rooted Mesopotamian religions and cultures, the specifically Assyrian version of religion perforce surrendered its primacy within Assyrian government. The invention of iron made it possible for the Assyrians to achieve control over neighboring ethnic groups; the surplus gained from plunder financed further expansion. Consequently the Assyrians were the first group in history to compose an empire of very diverse ethnic groups, united solely in a common political system.\textsuperscript{366} However, without the totalitarian incumbency of the priest the Assyrians could control only by military force and,\textsuperscript{367} since there was no religious sanction to repress the people, revolts were frequent.\textsuperscript{368}

A unitary, natural religion would have sustained the Assyrian Empire; here “natural” connotes a religion endemic rather than forced on the people. The Assyrians did not try

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\item \textsuperscript{365} There are also cases where land and bondsmen were granted as fiefs to reward officials, royal donations of land, and also cases of tax-free transmission to an official of his father’s fief. These phenomena occurred over a long period in Babylon as well as Assyria. Normally however, a royal official as well as the Temple official was supported by payment in kind from warehouses and by fees. Cf. Weber, Max; *The Agrarian Sociology of Ancient Civilizations*, Verso, London, 1988, p.93.
\item \textsuperscript{367} Cf. Cambridge Ancient History, v.3, p.100.
\end{itemize}
to convert their conquered ethnic groups to the Assyrian religion; such a tactic would not have worked. Thus Assyria forewent the best possibility of social coherence. To maintain social order without a universally accepted ideology was too expensive; a military state could not accumulate enough revenue to support incessant military intervention. It would become impossible either to encourage productivity from a subjugated people or to obtain an inexpensive cooperation to pay taxes or to reveal their assets. Usually if a people were brutally subjugated they would stop producing and not bring what they had produced to the market, in order to shelter themselves from taxation. It was improbable for the Assyrians to have achieved an empire, because of the theocratic deficit; an empire comprised by military power alone will be economically unproductive.

The Assyrian Empire materialized because the Assyrians were the first warrior tribe to use iron. Bronze weapons were just as good as iron ones, but iron was much cheaper; the Hittite and Assyrian Kings could produce numerically larger armies than their rivals. The Assyrian army was paid wages, and was paid as a standing army even in times of peace. In times of war the payment of soldiers was extracted directly from spoliation, whereas this source of wage payment was unavailable when there was no war. The Assyrian Kings

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368 The army was therefore the most vital part of the government. Assyria recognized frankly that government is the nationalization of force. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 270.


370 Iron weapons, it is true, were not yet better than those made from bronze. But iron was already so much cheaper than bronze that much larger armies could be equipped and supplied by the Hittite Kings with ease than their enemies were able to maintain. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.195.
therefore sought to start unnecessary wars in order to pay their soldiers with the war booty.\textsuperscript{371} Less dubiously than in modern history, warfare was a positive source of revenue for the theocratic state, and most especially the Assyrians. The Hittites, the New Kingdom of Egypt, and the Assyrians deliberately used war to amass the greater part of their wealth; they seized the treasury of a foreign nation, and made tens of thousands of the vanquished into slaves, sold for profit. Whole ethnic groups would be deported from their homeland to supply labor for the development of other regions.\textsuperscript{372}

This partially explains the quick growth of the Assyrian Empire, but also explains why, so far as empires go, the prospects of the Assyrian Empire were particularly poor; the treadmill inertia of military conquest tended to exhaust the financial resources for keeping a state. Militarism is a highly disadvantageous solution to the costs of conquest. If tribute was not adopted, installation of garrisons would entail extermination of the elite class of the conquered territory, since they failed to conduct the subjugated infrastructure. Without the conquered elite, there was no infrastructure, which would have to be replaced entirely by the conquering nation.\textsuperscript{373} The military occupation involved greater expense to supply the military garrisons, secure supply and communication, etc.\textsuperscript{374}

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\textsuperscript{371} A wage was paid to the Assyrian army even in peacetime. But during the war the booty which could be made had mainly to support the armies. Therefore it always was a great temptation for Ancient Oriental Kings to begin a war in the interests of their budgets. This was particularly true for the Assyrian campaigns and more than often explains the politics of the robber state. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.182.

\textsuperscript{372} Another irregular, but important source of profit for an Ancient Oriental state was warfare. The New Kingdom in Egypt, the Hittite and especially the Assyrian kingdoms were true robber states, and gained a large proportion of their wealth from wars and conquests. The treasures of foreign princes, the possessions of whole nations were taken as booty and the strength of thousands of serfs, laborers, and dependent farmers was acquired in this way. Ten thousands and perhaps occasionally hundred thousands of subjected enemies were regularly compelled to take up residence at a large distance from their homes, to wipe out any chances for a future rebellion and to increase the prosperity and wealth of the victorious King. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.178.

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Assyria adopted the tactic of Sumeria and Babylonia; all edicts, laws, taxes, and wars were conducted in the name of Ashur, the Assyrian god, and the King was presented as a god. In this respect Assyria was patrimonial and, therefore, consistently theocratic. The inherited culture of Sumeria and Babylonia within the Assyrian social system seems to have reconciled the conquered territories: Sumerians, Libyans, Ethiopians, Negroes, Elamites, Acadians, Hittites, Mitanni, Chaldeans, Armenian and Cossaean tribes, Mycenaean Greeks, etc. abandoned village civilization for the benefits of the Assyrian legacy.

The King of a feudal society is quite different from that of a theocracy. The warlord vassals of a feudal king virtually preexist him, create the king by contract, and recognize him as king on a collective agreement of respective rights and duties. The king is an equal

374 The second strategy was to rule directly through the army- to base the state on militarism. This dispersed lieutenants and troops in strategic fortresses and towns. It presupposed greater initial slaughter of the enemy elite than the first strategy. It also required greater surpluses from the conquered agriculturalists to build up the professional troops dispersed in small units, and to build and maintain the military/governmental infrastructure of fortresses communications routes, and supplies. Cf. Mann, Michael, *The Sources of Social Power*, Volume I, Cambridge University Press, 1997, p.143.


376 Next to the army the chief reliance of the monarch was upon the Church, and he paid lavishly for the support of the priests. The formal head of the state was by concerted fiction the God Ashur; all pronouncements were in his name, all laws for edicts of his divine will, all taxes were collected for his treasury, all campaigns were fought to furnish him (or, occasionally, another deity) with the spoils and glory. The King had himself described as a God, usually Shamash, the Sun. The religion of Assyria, like its language, its science and arts, was imported from Sumeria and Babylonia with the occasional adaptations to the needs of a military state. Cf. Durant, Will; *Our Oriental Heritage*, MJF Books, New York, 1963, p. 271.


378 In fact Sumerians, Libyans, Ethiopians, Negroes, Elamites, Acadians, Hittites, Mitanni, Chaldeans, Armenian and Cossaean tribes, Mycenaean Greeks, and the whole kaleidoscope of smaller races in Asia Minor in Syria had been assimilated without any great difficulty. The economic and social system which these peoples came up against was still so superior to their earlier way of life that even conservative elements among the newcomers had to adopt it. Abandoning the political and social forms of primitive village civilization, city civilizations, kingdoms, and empires were established which all showed traces of the same Ancient Oriental traditions in their fundamentals. Cf. Heichelheim, Fritz; *An Ancient Economic History*, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.204.
member of such warlords, and may be more powerful than the others, but, unlike Zeus, he could not pull all of the warlords over if all of them pulled on the opposite end of a rope. His power is consequently precarious, so that the solidification of an absolute monarchy is an ordeal that takes centuries. The patrimonial king of theocracy on the contrary forms the government by appointing the members of his own household to the essential positions; this formation derives immediately from the prehistoric authority of the patriarch of the family or clan.\(^{379}\) The King’s power is autocratic, not limited by the opinions of other magnates in the State.\(^{380}\)

The advantage in the specifically Assyrian approach had been that in allowing each conquered territory to retain its previous gods and culture, Assyria was adopting a lenient tribute policy. The ravages of the first Iron Age had devastated the earlier states, but the people, now living in a village economy and conquered by the Assyrians, could transmit the former high civilization to Assyrian practice.\(^{381}\) Local autonomy allowed the different


\(^{380}\) Weber distinguished patrimonialism and feudalism as the predominant types of political regime in preindustrial civilized societies. Patrimonialism adapts an earlier, simpler form of patriarchal authority within the household to the conditions of larger empires. Under it, government offices originate in the ruler’s own household. This continues to provide the model even where the official function has little connection with the household. For example, the cavalry commander is often given a title, like “marshal,” which originally denoted supervision of the ruler’s stables. Similarly the patrimonial ruler shows a preference for appointing members of his own household, kinsmen or dependents, as government officers. The ensuing rule is autocratic: The ruler’s authoritative commands assign rights and duties to other persons and households. Sometimes associations of persons and households are designated by the ruler as collectively responsible for rights and duties. By contrast, feudalism expresses a contract between near equals. Independent, aristocratic warriors freely agree to exchange rights and duties. The contract assigns one of the parties overall political rule, but he is restrained by the terms of the contract and he is no autocrat. Weber distinguishes these two forms of rule as ideal types and then proceeds in his characteristic fashion to elaborate the logical consequences and subdivisions of each. But he also notes that in reality ideal types become blurred and transform one into the other. In particular he acknowledged the logistical impossibility in pre-industrial conditions of a “pure” patrimonialism. The extension of patrimonial rule necessarily decentralizes it and sets in motion a continuous struggle between the ruler and his agents, now become local notables with an autonomous power base. Cf. Mann, Michael, *The Sources of Social Power*, Volume I, Cambridge University Press, 1997, p.171.
localities to acquiesce to Assyrian rule; if instead the Assyrians had tried to evacuate previous religions by forcefully imposing only their own religion, the Assyrian Empire could not have materialized. Assyria of course was interested solely in the tribute or tax return, although taxation was stripped of its holy purposes; so long as local culture would not impede this payment, Assyria could not be interested in local culture.\textsuperscript{382} The advantage of the Assyrian tactic was that a subjugated group might easily reconcile itself to the overlord\textsuperscript{383} if it is allowed to keep its own culture, especially if the burden of taxation etc. is not worse than what its own upper class would demand.\textsuperscript{384}

Cultural pluralism in empire carries a disadvantage;\textsuperscript{385} local religion generates pretexts to rebel against central authority, because the religion is the primary force which sustains in the conquered people a sense of their separateness from the people who conquered them, and hence sustains the residual belief in the fundamental wrongness of their amalgamation in

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    \item Dependent and crushed as they were, these natives remained in most regions as settlers in changing numbers and in special strength in the near East. They proved to be very useful and necessary to their conquerors as the only remaining link with an earlier high civilization, and were therefore allowed to survive and finally to assimilate themselves to their masters. They remained for a long time alien bodies in what was now practically a village civilization belonging to the dependent classes of the conquered. Their fusion with the ruling nations took place, if at all, under the strongest political and social pressure only. Noble families or whole overlord tribes usually expected tribute from their earnings in trade or craft on the account of which they had been permitted to survive originally. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.206.
    \item Cf. Rawlinson, Geo; \textit{Five Great Monarchies of the Ancient Eastern World}, v.1, New York, 1887, p v.3, p.427.
    \item Cf. Maspero, G.; \textit{The Passing of the Empires}, London, 1900, p.690f.
    \item The same arrangement was continued in the subsequent Persian Empire. Durant: The cruelty and dissipation of the later monarchs, the occasional barbarism of the laws, and the heavy burdens of taxation were balanced, as human governments go, by such order and peace as made the provinces rich despite these levies, and by such liberty as only the most enlightened empires have accorded to subject states. Each region retained its own language, laws, customs, morals, religion and coinage, and sometimes its native dynasty of Kings. Many of the tributary nations, like Babylonia, Phoenicia, and Palestine, were well satisfied with the situation, and suspected that their own generals and tax-gatherers would have plucked them even more ferociously. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 363.
    \item Cf. Cambridge Ancient History, v.4, p.19f.
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the new society. Military violence initially achieves a sort of cooperation, but alienates the subjugated from the ideology of the oppressor; the new regime will never be secure unless the majority does recognize the elite society’s ideals as their own. Consequently a victor’s first act may be to exterminate the elite of the area they have conquered, so that they may gain a margin with which to win the tolerance of the demos by persuasion.386

The previous Babylonian city-states benefited by having depended on corvée to constitute their armies; the advantage of corvée army was that the soldier was a citizen, equally ranking in this respect with all other members in the army. Esprit de Corps developed from the commonality of the soldiers, which improved fighting ability and readiness to cooperate. Assyria however was the last oriental theocracy, and it was an indifferent mixture of many ethnicities. Diversity of military techniques furthermore impeded the possibility of simply drafting pagani into the army, because specialized training was involved; it was more economical to use mercenaries instead of corvée. Mercenaries were equipped with specialized training and experience, but of course lacked everything except a pecuniary dependence on their employer. This indifference was helpful to the Assyrian King in that the army felt no compunction in suppressing a peasant rebellion, consisting of groups of which they were not themselves members. The mercenary army thus constituted an advantage in regard to internal rebellion, and a disadvantage in regard to external war. Recourse to mercenary armies isolated the King from the demos, as the people were not personally involved in the wars and politics of the King, and as reliance on the mercenary

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gave the King a stronger authoritarian character. The alienation of the King from the demos would therefore be a constant temptation to the leaders of the mercenary army to execute a putsch.\textsuperscript{387} The demos would be apathetic, while the putsch would succeed from a very minor operation of murdering the King and a few of his henchmen.\textsuperscript{388}

Violence can repress a single instance, but in the case of government it cannot terminate repeated insurrections, and the cost of further repressive measures consumes whatever profit there was in having seized ascendancy. Although violence is the ultimate condition of social inequality, it must be concealed as thoroughly as possible so that more amenable devices of control might be inserted.\textsuperscript{389} The Assyrians dealt with internal ethnic recalcitrance by deportation or dispersal.\textsuperscript{390} They attenuated communication within an ethnic group by dispersing them to many different parts of the Empire; in such a case the failure of communication amounts to the instantaneous death of ethnic consciousness. This resembles the Jewish Diaspora of Roman times; instead of exterminating a population it was preferred to extinguish their mentality by dissipating them in a larger culture.\textsuperscript{391} Mesopotamia divided into the north, occupied by the Assyrians, and the south, occupied by a Babylonia not adequate to resist the Assyrians. However, virtually the whole of the Assyrian Empire was composed of alien client states, held together only by military force, all of whom would rejoice at the death of Assyria; Nineveh fell from the combined revolt of all Assyrian client

\textsuperscript{388} The city-states had either been democracies or relatively benign oligarchies, and this showed in their military tactics. Cohesion and morale, faith in the man next to you, was essential for infantry. Yet an increase in costs, in professionalism, and in diversity of forces, weakened the contribution of the ordinary member of the community. Either the state turned to mercenaries or foreign auxiliaries or it turned to the rich, able to turn out heavily armored soldiers. This weakened social cohesion. The state became less embedded in the military and economic lives of the masses, more differentiated as an authoritarian center, and more associated with steep social stratification between classes. The state was more vulnerable to capture. One swift campaign to capture the capital, and kill the ruler but spare part of his staff, and the conquest was complete. The masses did not require participation for they were not involved in this turn of events. The state was more dependent upon professional soldiers, on both central praetorian guards and on provincial lords—more vulnerable to their ambitions, and therefore to endemic civil war. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.163.
states in 612 B.C.\footnote{392}

**Eclecticism**

Eclecticism was the centripetal force that preserved theocracy against the priestly exploitation of the King. The possession by each locality of its own gods tended to disaggregative contention between the different localities for the unique primacy of their local god. Local priests might use local gods to assert precedence over royal edict, proposing


\footnote{390 Cf. Rawlinson, George: *Five Great Monarchies of the Ancient Eastern World*, v. 2, New York, 1887, p.235.}

\footnote{391 In some ways Assyria was a liberal empire; its larger cities retained considerable local economy, and each nation in it was left its own religion, law, and ruler, provided it paid tribute promptly. In so loose an organization every weakening of the central power was bound to produce rebellions, or, at the best, a certain tributary negligence, so that the subject states had to be conquered again and again. To avoid these recurrent rebellions Tiglath-Pileser III established the characteristic Assyrian policy of deporting conquered populations to alien habitats, where, mingling with the natives, they might lose their unity and identity, and have less opportunity to rebel. Cf. Durant, Will; *Our Oriental Heritage*, MJF Books, New York, 1963, p. 270.}

\footnote{392 Of other regions Mesopotamia was now, for centuries, the scene of a struggle in which the dominant force of Assyria in the North was opposed in vain by that of Babylonia in the South, until almost the whole world rose against the despoiling Assyrian robber state and Nineveh was destroyed in 612 B.C. Both Mesopotamia and Egypt grew in strength during the centuries following the great migrations, both preserving the basis of their Ancient Oriental traditions for the time being, and gradually recovering from their weak position at the beginnings of the Iron Age so well that they finally became rivals of the young nations. Cf. Heichelheim, Fritz; *An Ancient Economic History*, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.207.}
that the precedence of their ethnic god over the god of the State. Divine lineage was essential to royal authority, but it ipso facto afforded the best priestly method to undermine the sovereign. The priests, being acolytes of different gods, might use their god to derogate the god on whom the king’s authority was based. Each city had its own gods, and the king did not try to expunge these gods; instead, the capital city amalgamated them to its highest God, which was a god of the court. The King depended on a claim of authoritative power that overruled the particularistic priorities of diverse districts. This authoritative power would seem less authoritarian, and therefore more effective, if authority could refer to common features of each locality. The King’s God would therefore show a propensity to be the father of other gods, who might be revered in ethnic localities of the State.

Pre-civilized sanctions on human behavior issue from religion; they are based upon customary ancestral behavior. The proclivity of human freedom to deviate from communal ways is suppressed by conveying ancestral customs as the will of God. The Sumerian King Ur-Engur instituted his laws in behalf of the god Shamash, thereby legitimating his claims to tax revenue. Being very effective, every little city and every little guild etc. established some god or other to patronize taxation. The Sumerian King presented himself as a priest whose despotism was authorized by God; this achieved control without coercion. However, commerce expands; a local king could control what would happen within his jurisdiction, but not what happens between his jurisdiction and the next. The earlier, Sumerian cities were not unified in the happy feeling of being Sumerian. Severe physical limitation on travel made feudalism the only possible social order, and each feudal estate established its own God. In the case of successful war the King annexed

394 The four aspects of compulsory cooperation discussed so far have involved authoritative power, a highly organized, logistical base providing a bridge between local particularisms. But much of this organization would be unnecessary if similar ways of life and similar culture could be diffused throughout a population, breaking down local particularisms, forcing local identities into a broader one. Early Sumerian culture diffused throughout the alluvium and its immediate periphery, resulting in more extensive collective power than that of the authoritative city-state. Cf. Mann, Michael, *The Sources of Social Power*, Volume I, Cambridge University Press, 1997, p.152.
the neighboring city by awarding the conquered estates thereof to his vassals. Such awards were exempted from taxes, so that the vassal would be strongly motivated to keep the King in power. Fiscal revenue was also stored in the land of the King’s vassalage.400 Fiscal revenue, being of natural kind, could not be transported without loss of value. Consequently revenue in kind was kept in royal storehouses on location.401 To maintain that such locally stored wealth remained royal rather than local, the King would have to be authoritative for all things transpiring between his demesne and the lands of his vassalage; this built up a constant pressure from henotheism towards monotheism. A small king was legitimized by appeal to God. It would be incoherent for a greater king to assert authority over a minor king, unless some God came in play that somehow absorbed the god on whom the authority

396 When to this natural basis of custom a supernatural sanction is headed by religion, and the ways of one’s ancestors are also the will of the gods, then custom becomes stronger than law, and subtracts substantially from primitive freedom. To violate law is to win the admiration of the populace, who secretly envy anyone who can outwit this ancient enemy; to violate custom is to incur almost universal hostility. For custom rises out of the people, whereas law is forced upon them from above; law is usually a decree of the master, but custom is the natural selection of those modes of action that have been found most convenient in the experience of the group. Law partly replaces custom when the state replaces the natural order of the family, the clan, the tribe, and the village community; it more fully replaces custom when writing appears, and laws graduate from a code carried down in the memory of elders and priests into a system of legislation proclaimed in written tables. But the replacement is never complete; in the determination and judgment of human conduct, custom remains in the end the force behind the law, the power behind the throne, the last magistrate of men’s lives. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 27.
398 King Ur-Engur proclaimed his code of laws in the name of the great God Shamash, for government had so soon discovered the political utility of heaven. Having been found useful, the gods became innumerable; every city and state, every human activity, and some inspiring and disciplinary divinity. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 127.
399 Briffault, Robert; The Mothers, v.1, New York, 1927, pp.219-21.
401 After a successful war the ruler gave tracts of land to his valiant chieftains, and exempted such estates from taxation; these men kept order in their territories, and provided soldiers and supplies for the exploits of the King. The finances of the government were obtained by taxes in kind, stored in royal warehouses, and distributed to officials and employees of the state. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 126.
FISCAL REVENUE OF ORIENTAL THEOCRACIES

of the minor king was established. The ineluctability of commercial growth would entail a parallel invention of a supreme god.

By paring down the reality of a provincial god to a minor aspect or a lesser relative of a greater God, the prestige of a local priest might be kept subordinate to that of the sovereign. For as long as the priests would receive more emolument from the king than they would separately, they would cooperate in the subordination of their gods to the King’s god.

Similarly in the Roman Empire, conquered territories were conciliated to the Empire by asserting that local gods, though different in name, were the same as the Roman gods; Roman eclecticism maintained concord throughout the Empire. The Roman approach is a continuation of the Babylonian practice.

Theocracy has to be hierarchical because monarchy is precarious; the priority of theocracy cannot be wealth, but the stability of a social structure which is inherently unstable. A market economy decides on the basis of what returns will be greatest, and will adopt excessive social inequality if that is a concomitant of the greatest economic gain. A socialistic tax regime prioritizes maximum social equality as a condition of stability, and will sacrifice total economic gain for the sake of social equality. Hierarchical taxation is not, like market economy, devoted to the greatest economic gain, but sees in an assigned social inequality the only means to social stability. Again the ancient Chinese culture seems

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403 Each city, as long as it could, maintained a jealous independence, and indulged itself in a private King. It called him Priest-King, indicating by the very word that government was bound up with religion. By 2800 B.C. the growth of trade made such municipal separatism [he means the separation of one town-kingdom from the next] impossible, and generated „empires“ in which some dominating personality subjected the cities and their patesis [priest-kings] to his power, and wove them into an economic and political unity. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 126.
406 Gradually the number of the gods was lessened by interpreting the minor ones as forms or attributes of the major deities. In these ways the God of Babylon, Marduk, originally a Sun God, became sovereign of all Babylonian divinities. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 235.
to have been the first to recognize the social necessity of price stability, and the necessity of government to achieve it.\textsuperscript{408} Ancient China deliberately prevented profit windfalls for capitalists by nationalizing all mines, stabilizing grain prices by an agricultural bank, making national monopolies of key commodities, and securing mass employment by public projects.\textsuperscript{409}

Although the Monarch is indissolubly the head of the priesthood, the priests are nevertheless divided in their own interest from that of the monarch. The King can maintain loyalty from his immediate servants only if the benefits he shares with them exceed what an alternate sovereign would award. If assets could not satisfy the concupiscence of his bureaucracy, the king would fall. The Egyptian Pharaoh Akhenaton had reduced taxation by

\textsuperscript{407} Each political culture generates its characteristic of budgetary objectives-productivity in market regimes, redistribution in sects, and detailed procedures in hierarchies. Under exploitative budgeting in a fatalistic regime, rulers seek to maximize the surplus of revenue produced by their fatalist subjects. In productivity budgeting within a market regime, it is the ability of money to make more money, or to spend the least for a given objective, that counts in decision-making. Redistributive budgeting in the sectarian regimes aims not at a substantial outcome, but at the equalization of society's goods. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 30.

\textsuperscript{408} Cf. Granet, Marcel: Chinese Civilization, New York, 1930, p. 113.

\textsuperscript{409} Wu Ti (140-87 B.C. Han Emperor) experimented with socialism by establishing national ownership of natural resources, to prevent private individuals from „reserving to their sole use the riches of the mountains and the sea in order to gain a fortune, and from putting the lower classes into subjection to themselves.“ The production of salts and iron, and the manufacture and sale of fermented drinks, were made state monopolies. To break the power of middlemen and speculators–“those who buy on credit and make loans, those who buy to heap up in the towns, those who accumulate all sorts of commodities“ Wu Ti established a national system of transport and exchange, and sought to control trade in such a way as to prevent sudden variations in price. State working men made all the means of transportation and delivery in the empire.’ The state stored surplus goods, selling them when prices were rising too rapidly, buying them when prices were falling; in this way, „the rich merchants and large shopkeepers would be prevented from making big profits, and prices would be regulated throughout the empire.“ All incomes had to be registered with the government, and had to pay an annual tax of 5%. In order to facilitate the purchase and consumption of commodities the Emperor enlarged the supply of currency by issuing coins of silver alloyed with tin. Great public works were undertaken in order to provide employment for the millions owned private industry had failed to maintain. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 699.
half, and changed Egyptian religion to monotheism; he was dethroned. By reducing taxes to half, he was reducing the emoluments of the priesthood to half. By introducing monotheism, he was eliminating the authority on which the priests rested their prestige. The primary reason for exorbitant taxes was not war, but the need to employ adjutants numerous enough to control society from corner to corner. If the bureaucracy, priesthood, nobility etc. were not large enough, control of the population would fail; if the adjutants were sufficient, but insufficiently recompensed, there would be a palace revolution. War became a major cause of heavy taxation insofar as war would provide more employment and quicker promotions, thus giving the aristocracy more remuneration than in time of peace.⁴¹⁰

Although revenues extracted by taxation or otherwise were collected in the Temple, the wealth had to be re-distributed in such a way that internal turbulence would not jeopardize the hierarchical structure. Members of each class had to receive emoluments such that their continued social position relative to the members of society would remain undamaged. Social revolution is alluring when the individual has no chance of vertical advancement, but a chance of ascent in the event of social revolution. One pacification is to impress on the individual that he will gain advancement within society by ordinary ambition, but this was impossible in Egyptian or Mesopotamian society, in which one remained in the same position one’s whole life. The only alternative was to guarantee that the individual’s well-being would be catastrophically worse, if he stepped out of his assigned position.

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⁴¹⁰ Another economic institution also developed—the benefice. State and, in particular, Temple benefices were already known to the law of the First Babylonian Empire as objects of exchange, mortgage, and dowry. An established trade in benefices developed, and investing capital in them was the ancient equivalent of buying interest-bearing public bonds. Benefice holders were in theory deputies entitled to payment in kind. This could take the form of the right to dine at the priests’ table and receive free room and board from Temple funds, or else the right to land allocated to officials; out of these rights then developed payments in kind which became inheritable and later transferable. Cf. Weber, Max; *The Agrarian Sociology of Ancient Civilizations*, Verso, London, 1988, p.103.
Criminal law

A theocracy depended upon emotional inflation; no oriental god-king could be as strong as he projected himself to be, and no god-king could remain in power if this illusion were perforated. Criminal Law was prominent in projecting this impression. Punishment was grandly inadequate to the offense; to wit, punishment would be far more horrible than the crime it corrected. The weaker the king was, the more horrible the punishments would become. Government was far too weak to apprehend crime reliably; by an odd use of logic, if crime were detected one out of ten times, the crime would be punished ten times worse than if all of the crimes had been detected. The extreme punishment would have a deterrent effect, and, perhaps more importantly, it would project the awesome power of the king. If government was too weak to apprehend crime reliably, dread of extreme punishment might avert the temptation to risk crime.

Punishment is a form of institutionalized force. The largest difference between punishment and violence is that punishment is on the whole socially approved, whereas violence is not. Violence takes direct reference to the motivations of the person who exerts it, so that violence can be condemned through condemnation of the motive or character trait imputed to the agent. The apparent impersonality and impartiality of punishment makes it impossible to condemn punishment by exposing the bad character of the agent; the agent’s act is not his own act, but one delegated by the authority of Law. Whenever there is a power seizure, the agent tries to shelter his personal motivations from criticism by casting his violence as a higher act of lawful punishment. It is important to formulate law in such a way that special interests will not be apparent. Theocracy typically presents a very broad array of punishable crime because it disguises as crime any act that is detrimental to theocracy.

In ancient theocracies law was posterior to religion; in Jewish Law for instance the taking of an oath supposed that God was the witness, following which perjury or other delinquency was conceived to be primarily an offense against god before it is an offense to the victim. The inherent ambiguity of Law is the supposition of its impartiality, although inevitably the law is created only by human beings, who cherish partialities. To defend the presumed
justice of a law it is necessary to deny any advantage or profit accruing to the social class that instituted it. This has to be accomplished by some form of propaganda, since the audience concerned is the whole population.

Laws are made to appear innocuous by their formulation in universal terms. Their promulgation in a formal, impersonal tone should convey that their validity cannot be denigrated by questioning the motive or character of those who framed the law. Nevertheless, this impermeability shelters the interests of the ruling class as opposed to the lower classes.\footnote{412} God is the most perfect reference for this propaganda, since of course God cannot have a personal interest, in the sense of a profit-oriented bias, in anything. Priests are the class most naturally adapted to presenting a law as if it were not specially interested in the welfare of a specific social class.\footnote{413} The manner in which the oath converted a presumed social offense into blasphemy against God enabled the legal organization to impose drastic punishment; all of the ancient oriental societies suffused law with reference to God.\footnote{414} All law was religious law; any disputant who refused the judgment of the priests, the direct

\footnote{411} Institutionalisierte Macht unterscheidet sich von Gewalt in mehrerelei Hinsicht; wir wollen kurz darauf eingehen. Erstens ist sie eine gesellschaftlich akzeptable Form von Macht; was heist, dass diejenigen, die sie ausüben, weniger Kritik und mehr Unterstützung beim Volk finden als jene, die Gewalt anwenden. Zweitens ist institutionalisierte Macht viel unpersönlicher. Einzelne beanspruchen die Vorteile institutionalisierter Macht nicht aufgrund ihrer persönlichen Qualitäten oder Leistungen, in denen sie leicht zu kritisieren wären, sondern einfach aufgrund dessen, dass sie ein bestimmtes Amt, eine bestimmte Funktion innehaben oder ein gewisses Mass an Besitz ihr eigen nennen. Sicher wird häufig davon ausgegangen, dass jene, die die Vorteile institutionalisierter Macht haben, ein Anrecht darauf hätten aufgrund ihrer höheren Leistungen oder persönlichen Qualitäten; dies ist jedoch nicht der entscheidende Punkt und ein Amtsinhaber braucht nichts von alledem zu demonstrieren. Eine Funktion oder ein Amt innezuhaben oder Besitzer von Eigentum zu sein, ist bereits ausreichend. Institutionalisierte Macht garantiert, dass die damit verbundenen Vorteile automatisch an die entsprechenden Personen fallen, ohne Ansehen ihrer persönlichen Qualitäten oder Leistungen. Hier liegt natürlich der Hauptgrund dafür, warum alle, die mit Hilfe von Gewalt an die Macht kommen, so sehr bestrebt sind, eben diese Gewalt in institutionalisierte Macht umzuwandeln. Cf. Lenski, Gerhard; \textit{Macht und Privileg}, Eine Theorie der sozialen Schichtung, Suhrkamp Taschenbuch, Frankfurt am Main, 1977, p.88.

\footnote{412} Gesetze können so abgefasst sein, dass sie durchaus die Interessen der Elite schützen und doch in allgemeinen, universalistischen Termini daherkommen. Cf. Lenski, Gerhard; \textit{Macht und Privileg}, Eine Theorie der sozialen Schichtung, Suhrkamp Taschenbuch, Frankfurt am Main, 1977, p.82.
representatives of God, was to be executed. The law courts were operated by priests, and Babylonian law courts were located inside the temples.

Through the courts priests could meticulously control distribution of wealth. The ancient oriental societies confiscated the entire property of a decedent without an heir, and confiscated all the property of any person who was either intestate or convicted of a crime. The State acquired a large revenue from the operations of the court; the convicted defendant was made to pay the legal fees, his property was confiscated, and was given into slavery. The priests also performed as notaries to contract and wills, kept government records, and recorded commercial transactions. These operations carried legal fees.

413 Auf lange Sicht liegt die Hauptintention der Propaganda jedoch in der Verbreitung einer Ideologie zur moralischen Rechtfertigung der Machtausübung durch das Regime. Gaetano Mosca schreibt:

“Herrschende Klassen legitimieren ihre Macht nicht ausschliesslich durch die Tatsache ihrer Ausübung, sondern versuchen, ihr eine moralische und gesetzliche Basis zu verschaffen, indem sie sie als logische und notwendige Konsequenz von Lehren und Überzeugungen präsentieren, welche generell anerkannt und akzeptiert sind.” Cf. Lenski, Gerhard; Macht und Privileg, Eine Theorie der sozialen Schichtung, Suhrkamp Taschenbuch, Frankfurt am Main, 1977, p.83.

414 Cf. Deuteronomy xvii, 8-12.

415 The Nine Commandments, by demanding absolute honesty of witnesses, put the problem of religion under the whole structure of Jewish law. An oath was to be a religious ceremony: not merely was a man, in swearing, to place his hand on the genitals of him to whom he swore, as in the old custom; he was now to be taking God himself as his witness and his judge. False witnesses, according to the code, were to receive the same punishment that their testimony had sought to bring upon their victims. Religious law was the sole law of Israel; the priests and the temples were the judges and court; and those who refused to accept the decision of the priests were to be put to death. Cf. Durante, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 338.

416 Ancient governments also had several nontax revenue sources. If a man died without an heir, the ruler confiscated his property, as he did if a man was convicted of a crime. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 73.


418 If a dead person had had no natural heir, it was customary that the inheritance went to the crown. Furthermore the Ancient Oriental State reaped no little profit from its courts and legal dealings. For it was a usual verdict that the offender should pay fines, that his property should be confiscated, or that he should give compulsory labor service to the state. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.178.
Priests performed in a variety of things not usually associated with religion, but which aggrandized the wealth of the priesthood. The priests conducted a business in something similar to annuities: the benefice. An individual would pay his assets into a Temple, and in return the Temple would provide food and clothing, etc. to the benefice holder in his old age; this arrangement engendered an additional tax on the farmers to maintain supply for the benefice holders. Priests invested in commerce, manufacturing, and agriculture, and carried out the greater part of external trade.

The core of ancient criminal justice was the lex talionis, which appears prima facie to be egalitarian. But it functioned to strengthen the hierarchical structure of society; on the principle of equivalence of punishment with offense, it was reasoned that a person should be punished more for an offense against a person of a higher social rank than the same offense against a person of lower social rank. Gradation of punishment for the same crime supported the hierarchical structure. The lex talionis was par excellence the law given

419 As the priests could not directly use or consume this wealth, they turned it into productive or investment capital, and became the greatest agriculturalists, manufacturers and financiers of the nation. Not only did they hold vast tracts of land; they owned a great number of slaves, or controlled hundreds of laborers, who were hired out to other employers, or worked for the temples in their diverse trades from the playing of music to brewing beer. The priests were also the greatest merchants and financiers of Babylonia; they sold the varied products of the Temple shops, and handled a large proportion of the country's trade; they had a reputation for wise investment, and many persons entrusted their savings to them, confident of a modest but reliable return. They made loans on more lenient terms than the private money lenders; sometimes they lent to the sick or the poor without interest, merely asking for a return of the principal until Marduk should smile upon the borrower again. Finally, they performed many legal functions: they served as notaries, attesting and signing contracts, and making wills; they heard and decided suits and trials, kept official records, and recorded commercial transactions. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 233.

420 We find frequent mention in the documents of lands which had to pay the Temple's various dues in kind on certain days of the month, either because of endowments made to the Temple or because the land had originally belonged to the Temple and had been granted on condition of paying the dues. From these and other revenues accruing to the Temple were paid the meat, bread, beer, clothing and other supplies to benefice holders. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.103.


422 Hammurabi’s Code, § 202-4.
from God.

The Elite, having power, can compose the law to be convenient to their interests; the law originated from the interests of the ruling class. But there is a constraint; law is respected as law only when it appears to be just and unbiased. Because laws are formulated in an impersonal and universal language, they give a first impression of being just. Since the law preexists the event to which it applies, it seems impartial. The elite class therefore has to compose laws that seem completely remote from self-interest, but which in the long term satisfy the objectives of the elite. 124 If a society took either a plutocratic or a democratic direction, the law courts would not be operated by the priesthood, and the distribution of wealth would fail to maintain class organization as it had previously been; therefore a theocracy precluded any but priests from operating the law courts. 125

423 If the house collapsed and killed the purchaser, the architect or builder must die; if the accident killed the buyer’s son, the son of the architect or builder must die; if the man struck a girl and killed her, not he, but his daughter, must suffer the penalty of death. Gradually these punishments in kind were replaced by awards of damages; a payment of money was permitted as an alternative to physical retaliation, and later the fine became the sole punishment. So the eye of a commoner might be knocked out for 60 shekels of silver, and the eye of the slave might be knocked out for 30. For the penalty varied not merely with the gravity of the offense, but with the rank of the offender and the victim. A member of the aristocracy was subject to more severe penalties for the same crime than a man of the people, but an offense against such an aristocrat was a costly extravagance. A plebeian striking a plebeian was fined 10 shekels; to strike a person of title or property cost six times more. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 231.

Money

Commerce was highly impeded throughout the period of theocratic civilization partially because the earliest means of commerce, barter, was cumbersome; to obtain y in exchange for x one needed to find someone who had y, and wanted x. The most primitive form of barter, exclusive barter, was a trade in which A having x exchanged x for y, with B, who had y and wanted x. If B had the desired y, but did not want x, barter could not take place. Exclusive barter minimized trade. Starting from the Paleolithic Age, commerce sought for a fluent trading condition in which A could exchange x for y, in which B, the holder of y, did not desire x. One had to discover an x which the other person would want, or, alternatively would take in exchange anyway, due to certainty that other people would exchange for x. This was mitigated barter, in which B would take x, which B did not want, in exchange for y. The x would need to be a nearly universal object of desire, or an object that would almost universally exchange for whatever was desired. Several generations of the medium of exchange would perhaps graduate from cows to bags of seed to metal ingots; the barter was qualified by consideration of what x would be most conveniently exchangeable and acceptable to most candidates for an exchange. The final reduction to the most universal medium of exchange, e.g. ingots, would then resolve into money exchange, i.e. a uniform material of exchange accurately regulated in units of valuation.\textsuperscript{426} Thus the medium of exchange sought for a commodity so universal that most people would want it.\textsuperscript{427}

Any commodity whatever could be used as money; whether a certain material was preferred for exchange or not depended on the accuracy of its value of conversion with other

\textsuperscript{425} Towards the end of the Babylonian Empire, secular courts responsible only to government, not priesthood, were set up, but this was highly antagonistic to the theocratic scheme. Cf. Cambridge Ancient History, Volume I, pp.517-18.

\textsuperscript{426} If we further take into account the measure of valuation which is generally used, we can distinguish between exclusive barter, if there is no preference at all for a specialized measure of value and means of exchange; barter mitigated by preferences for certain means of valuation and exchange; and finally money trade, where there are used legally recognized and customary means of exchange and measures of valuation, for the territory and type of trade in question. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.86.
commodities. Although any commodity whatever could be used as a medium of exchange, i.e. as money, the use of a given commodity as money depended on how well it would form a fixed rate of exchange.428 The evolution of money in consequence tended to depart from commodities which were quite useful and universally valuable, but which varied diachronically with their degree of perishability. An exchange would ensue more easily if the commodity would not decrease in value. Wheat or rice, evidently useful, might function as exchangeable money, yet exchange would tend towards a preference for silver or gold, despite their evident inutility, because they were not subject to deterioration.429

Exchange with silver, gold, etc. was late to develop because it was counterintuitive; “tool money” anteceded exchange in bullion.430 In the Neolithic and Bronze Ages things which

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427 Pure barter entailed a long search until the trader found goods of which his partner could make use. Consequently, society very soon began, perhaps as early as in the Paleolithic stage, to give preference to certain wares, which were desirable to all from religious or economical reasons. These are the beginnings of money, that is, according to the definition of “Classical Economics”, of means of valuation and exchange which was generally recognized as standards for certain fields of economic activity. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.53.

428 A custom which was peculiar to the Ancient Orient was that, at this primitive stage of city development, this capital was used as money in all its forms and to the fullest extent, that is, that all capital was used as a technical means of valuation in exchange, with a definite rate of exchange. This practice was the complete antithesis to the barter systems of the townless cultures and similarly also to the coin capitalism of the first Iron Age civilizations. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.106.

429 It is quite true that every “exchangeable” article or material which was used by these peoples was, in law, negotiable as money. Of course, we learn from our sources that, according to region and period, different wares could attain to a temporary preference for loans, and that not all of them were considered equally desirable or used as money. Some goods were more common in loans in the Ancient Oriental account books than others. It is easy to understand that materials were liked especially which were not easily perishable and could be used by everybody, particularly gold, silver, copper, lead, cereals, and dates. But yet no other “exchangeable” material was completely excluded in principle. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.106.

430 The most outstanding and common forms of tool money in the time of Homer and in early archaic Greece were however not rings and jewelry, but basins, tripods, and various genuine utensils. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.213.
had evident utility, such as a fish hook, tripod or ax, were antecedent forms of exchange medium. The obvious utility of the item served as security that the money would be honored in subsequent exchange. Very interestingly, however, the items of tool money became symbolic, before the invention of money currency. A tool money axe could no longer be useful as an axe, but its symbolic value enabled the axe to continue to function as an exchange medium.  

“Tool money” however could not be lent out at interest; the cumbersomeness of tool money impeded usury. “Food money” was implemented to make lending at interest more practicable. The use of food as money did not persist in any of the Bronze Age civilizations; it seems to have existed ca. 5000 B.C. in the townless civilizations. Animals were also used as money, for exchange, penalty, sacrifice, and tribute. Its special feature was the suggestion of interest payment; one could lend an animal, and take as interest some of the animals born subsequently.

431 “Tool money” should be mentioned here also. In its case we find that certain tools used by every individual, including jewel tools and jewelry, serve as money, in a fixed area. With them wages are paid and goods are bought, sold, and valued. The character of such tool money was not constituted by the quantity or quality of the material used, but rather by its traditional form, an important economic innovation, from which later Greek coin money, the old Chinese coinage, and even modern European coin forms have developed. Tool money was characteristic for Neolithic and Bronze Age Europe in the village stage. We know of Japanese stone arrow heads, often made from semi-precious stones, which are thought to have originated in the Neolithic Age. There are fish hooks of mother-of-pearl from the South Sea and stone axes from new Guinea which were used as money as late as the 19th century. Some scholars have even surmised with great probability that there were certain decorative stone axes from the Neolithic Age, metal rings, wheels, and axes from the Bronze Age in Europe which must be interpreted as money, because they are too flimsy to have ever been used as tools. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.54.

432 All the forms of money which have been mentioned so far differ from the forms of money we use today, because they could not be lent out for interest. Money lending only occurs as an exception (fish hooks) in townless civilizations as far as these types of money are concerned. The most ancient forms of money which were lent out on interest were “food money”. If we make use of etymology and of ethnological parallels, we find that this type of money was unknown to the original Indo-Germanic, Semito-Hamitic, Ural-Altaic, and Sumerian nations, and lead back, in this way, to the period near 5000 B.C., if not earlier. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.54.
These forms of money exchange favored the wealthy over the poor, because the cumbersomeness limited exchange to relatively large transactions, available only to the wealthy, while those not wealthy were subsequently dependent on those who had made the big exchanges; the usual profit-taking ensued. Some of the theocracies tried to stem this form of exploitation by publicizing permissible rates of exchange for commodities likely to be exchanged; theocracies fixed prices, wages, and cost of living so as to prevent profiteering, but without much success. In this regard the totalitarian nature of the theocratic state was perhaps ineluctable. Not having a means to transact exchange conveniently, the theocratic state had to obviate the need for exchange. Central state planning controlled every domain of human activity, and the total social production was divided, ahead of realization, to provide by centralized redistribution the remuneration of all individuals and preempt as much as possible any need to seek exchange. Town civilization naturally engendered a much greater exchange of capital than had been possible in the previous townless civilization, and likewise could not have functioned well by the exchange of cows and goats. No later than

433 “Animal money “ should be included here also. It was used not only for definite trade transactions, or for penalties, sacrifices, and tribute, but animals could be borrowed too for a fixed time limit, the loan being repaid according to a fixed percentage from the young animals born subsequently. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.55.

434 The still rather involved and often clumsy money system of the Ancient Orient helped the rich against the poor and had therefore its social dangers. It compelled the states to make some attempt at stabilizing definite rates of exchange for all exchangeable goods to evade political difficulties. In that way, for long periods, the prices, wages, and the cost-of-living for all classes of the population were fixed as far as possible, a principle which not always succeeded. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.111.

435 Prominent was a tendency to central state direction of human labor in all Ancient Oriental civilizations. Good use was made of planning to increase and to divide fairly the production of a society which was unable yet to refine working technique, and to improve the social organization inherited from the peasant cultures to a large extent. Only from the eighth century B.C. onwards the Archaic and Classical periods of Iron Age civilization were to be able to attempt for the first time to refine and to intensify the production of small economic units on a city level in place of the clumsy, practically omnipotent, planned state economy of the Ancient Orient. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.115.
2000 B.C. Mesopotamia had developed banking instruments of bills and checks, payable to either the creditor or the bearer.\textsuperscript{436}

**Coinage**

There is a very strong connection between jewelry and money. Jewelry suited a primary criterion of money: portability. By the end of the Paleolithic period jewelry was used as a medium of exchange.\textsuperscript{437} This signifies the arrival of symbolic value; carrying two cows around rather than a ring would retard exchange, but as long as there is agreement on the symbolic value of the ring, the exchange can be transacted and the receiver of the ring can then resolve the symbolic into concrete value whenever he likes. Coin money was not native to Egypt or Mesopotamia, and was not consonant with theocracy. The first coin money in the Near East had drifted in from Greece.\textsuperscript{438}

The Orient finally had a native tradition of exchange in metal; these were usually ingots or powder. This money needed to be weighed at every transaction, the inconvenience of which also impeded commerce. The entry of the Iron Age led to engraving on the ingots that were to be used as money; the Greeks had discovered that iron tools for the purpose made

\begin{itemize}
\item \textsuperscript{436} The money system of the Ancient Orient had, from its very nature, the possibility to develop a more intensive traffic in money and capital than in the townless civilizations, at least within limited sectors of the new economic system. A refinement of money economy was the consequence which occasionally appears surprisingly modern. Mesopotamia even had, from as early as the second millennium B.C., something similar to our negotiable exchange bills and checks. These instruments were drawn up in the form of loans payable either to the original creditor or to any bearer on demand at a fixed date. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.111.
\item \textsuperscript{437} After the end of the Paleolithic and food-gatherer period, materials which were sought after as jewelry were used, at the same time, as money. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.53.
\item \textsuperscript{438} But in addition we now find new money forms which were widely used outside Mesopotamia and Egypt and had nothing to do with ancient Oriental tradition. This money had survived from the village civilizations of the European Bronze Age and was to be of the greatest importance for the economic history of all later millennia because the Greek coin money finally developed out of it. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.212.
\end{itemize}
engraving possible. Exchange value of ingot-money was still measured by weight; in the theocratic states exchange was still predominantly weighed out in units of grain or metal. Metal bars were now cut to exact weights, so as to expedite the measuring of exchange, but metal weight was still determinative.

The Greeks eventually invented coins in place of ingots. The nominal value of the coin was made to be the same as its intrinsic metal value, in this respect the same as the ingot money. Both sides of the coin were stamped; exchange became more fluid because the cumbersome process of weighing and measuring could be dispensed with. Coinage, newly invented in the 7th and 8th centuries B.C., was confined to units suitable only for large transactions; barter or tool money continued in retail commerce.

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439 Improved iron tools had made the work of engraving gold and silver much easier, more customary, and cheaper than in the Bronze Age, so that the bar now began to take on an engraved form from which it developed to coins as soon as Hellenic thought had mastered the principle of this technique and the possibilities of its application. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.214.

440 Transactions were still completed by means of metal, grain, and similar materials, which were weighed and measured out, but these forms of money only survived unchallenged in Egypt, Syria, and Babylonia. Even in these areas the metal bars were now more carefully cut and standardized owing to the invention of hardened iron tools which made the punching of metal inexpensive for the first time in the technical history of the world. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.212.

441 The new coin money had an intrinsic value like metal bars which was established by the fact that it was molded from costly metals, and not only because it had exchange value as had been the case with tool money. Claims could now be accepted generally without much checking in the same way as the less valuable tool money of the village civilizations had been accepted earlier, only in smaller areas than the coins. The untouched obverse and reverse stamps of the new money guaranteed the weight and fineness of its metal content, as everybody knew, a marked simplification in the methods of money transactions and trade. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.215.

442 There were still as yet no pieces of small denominations in existence which were suitable for daily use on the town markets and shops. Here tool money and fragments of bars had still to be relied on as far as such local trade had not to be left to barter pure and simple. We may safely conclude from this state of affairs that the growing issues of the Greek poleis and of Lydia during the eighth and early seventh centuries B.C. were only intended for exchange into valuable objects and for paying large sums. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.216.
Market Exchange

The market was heavily advantageous to the upper class. Barter was cumbersome; coinage was denominated for use in wholesale trade. Market prices were not repressed by virtue of competition; foreign merchants were unable to distribute in the retail market because there was no currency appropriate for small transaction. Smallholders could not engage in retail markets because of the encumbrance of barter; to vent their goods they had to sell to the large landowners in money exchange. In Israel the wealthy quickly exploited this anomaly to extract surcharges from the poor retail purchasers, and this scheme was ubiquitous in the theocratic societies. Barter was the only possibility, but barter exchange was doubly inconvenient for the foreign merchant. Retail trade was wholly in control of the upper class, who, without competition, were the only purchasers of foreign goods. Consequently there were no middlemen in the markets of theocratic states, and the nobles could arbitrarily dictate retail prices for commodities. As there were no middlemen, retail trade ensued directly between wholesaler and customer, either by house-to-house peddling or village market.

443 Clumsy barter (i.e. trade without coinage) made such transactions (local trade) difficult for the small owners, and made them dependent on large estates which were able to market the larger quantities of their surplus products against proper money payments. In Israel full advantage was taken by rich men of the opportunities offered for exploiting the poor, which were inherent in the still Ancient Oriental system of local trade in Palestine. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.252.

444 In the cities of the Ancient Orient market trade remained comparatively primitive also. Foreign merchants could not sell much to the man in the street on local markets because the Ancient Oriental money system made transactions in small amounts of merchandise difficult without barter. The big and wealthy owners and institutions in these cities were practically the only potential buyers of imported goods. Therefore middlemen and agents who intensified turnover and took some of the producers’ risks on their own shoulders do not seem to have had any prominent share in Ancient Oriental market trade. Even vocational traders and craftsmen usually brought their wares themselves to the places in which they intended to sell them. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.126.

445 Local traders and peddlers went from house to house following a primitive pattern also. There was no room in this type of trade for too many middlemen yet. Both peddlers and market traders found it more profitable to contact the final consumer as they had done in the townless civilizations than to accelerate trading operations by the use of middlemen. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.127.
The multiplication of professions or classes was very repugnant to theocracy. Middlemen were not wanted in such a society; his existence would help to dislocate the theocratic order of society. Production was concentrated in a small area but commerce is usually highly extensive. Because exchange is remote from production, the merchant discovers opportunities that he does not need to narrate to his producer; the producer is incapable of controlling distribution. Eventually the discrepancies between production cost and price will give the merchant domineering power over the producer; the producer had no time to sell directly in the market, and he was unable to find another merchant in the event that he could not vent to his usual merchant. The producers were monopolized by the merchants. Those to benefit from the subjection of the producers were not, however, the merchants, who were completely dependent on the capital and assignment of the king or temple to venture on any commerce. The nobility and priesthood financed the merchant’s commercial ventures, on money lent on interest. All capital for trade was borrowed; the merchant did not have enough wealth to trade independently on his own account.

446 The fact that there were rarely local middlemen in existence even for trade across vast distances, meant according to economic law, that the merchant, in his buying capacity, was much more superior to the producer than at any later time. The producer was not easily able to sell wares, which had been rejected by a merchant once, to competitors or to find other quick and profitable use for these products. Under these circumstances Ancient Oriental foreign merchants had sometimes what almost amounted to a monopoly in the case of producers, who were especially dependent upon them. But this handicap of the producers, both great and small, did not really help the merchant. For he could only dispose of his wares again after long, risky, and very expensive journeys. The Ancient Oriental merchant required for this more capital than was normally at his own disposal or could be saved from his profits in the course of time, especially as his turnover was necessarily slow. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.127.

447 This is a reason why the foreign merchants of the Ancient Orient were almost completely dependent of royal courts and states, temples, and nobles who alone could lend them sufficient capital against interest for their trade transactions. Furthermore it was rather risky to undertake a trade journey over long distances during these millennia. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.128.
Tamkarum

Commerce, especially international, was conceived and designed according to the oikos economy: an oxymoron; instead of mutual dependence and exchange, even international trade was organized within the idea of a self-sufficient, internal economy. The theocratic state suppressed anything that might infringe on its power or upset the balance of society. The State was the real owner of all capital used in commerce; the Assyrian or Babylonian merchant, the tamkarum, did not conduct independent business; he was instead a temple serf. Ownership of a ship for trade was confined to the State; in Egypt it was plausible for a merchant to use his own ship for commerce only in times of governmental breakdown. A caravan or a ship transported the tamkarum and his goods usually to the royal court or temple of a neighboring country; commercial transactions were not negotiated prior to arrival of the goods. Likewise in Egypt, ships for domestic and external commerce were almost universally in the ownership of the Pharaoh.

448 It became practically the rule for merchants of the Ancient Orient to follow their trade mainly in using borrowed capital and only to a small extent their own possessions. They retired as soon as they had enough capital to live at home. Trade on the merchants’ own exclusive risk was the exception, except in the townless civilizations of the Bronze Age where the Neolithic pattern was not changed in this respect. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.128.

449 Another important factor in Ancient Oriental commerce was that the trading capital was usually owned by state, that is to say, by the King’s oikos, or by temples under the supervision of the state, so that the foreign merchant, e.g. the Assyrian and Babylonian tamkarum, depended directly and more or less completely upon his state. In Egypt, and possibly under the Minoan rule of priest Kings also, the merchant even was originally a temple serf and in any case he always had to be considered as a servant of the King to all intents and purposes, whether directly or indirectly. For rich individuals to possess their own ships for the purpose of carrying on trade and supplying the needs of their own households was a very rare event in the Nile country and only happened in times of weakness of the Kings. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.128.

450 Business was conducted with individuals, either privately or in the open market, but preferably, with a royal treasury and the large estates of temples and nobles. The commodities were taken in large caravans and naval convoys, to the country of destination directly, at first to its main center as a rule. Only thereafter the wares were sent to the different smaller centers of the region or state. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.129.
the King might dispatch a military force to accompany the *tamkarum*, and this intensified the merchant’s abject dependence on the King.\textsuperscript{452} The *tamkarum* received a fixed salary, not a profit. Upon return from his commercial venture he had to pay the full capital and full profit back to the King or Temple; if he returned without having made a profit, he had to return twice the capital that had been extended.\textsuperscript{453} Hammurabi’s Code, article §7, stipulated that every commercial transaction etc. had to be recorded in writing; any omission entailed capital punishment.\textsuperscript{454}

**International Trade Conventions**

The fundamental principle of commerce, unsurprisingly, was to raise revenue exclusively for the State; the merchant was repressed as much as he was to prevent leakage of commercial profits into private funds. Foreign merchants were not allowed to sojourn or reside within the city; they were encamped outside the main gates for as long as they conducted trade. Fear of palatial intrigue or of any foreign influence motivated the city to keep foreign merchants segregated from the native inhabitants. The taxation and segregation

\textsuperscript{451} There was a similar system in existence for shipping on the Nile. But it came much more completely under the control of the Egyptian kings than foreign trade outside of Egypt. Even here private trading voyages were the exception. Cf. Heichelheim, Fritz; *An Ancient Economic History*, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.129.

\textsuperscript{452} The royal treasuries often sent a caravan or and naval convoy and a campaigning military force in the same direction, another circumstance which strengthened the merchant’s dependence on state and King. Cf. Heichelheim, Fritz; *An Ancient Economic History*, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.129.

\textsuperscript{453} This dependent tamkarum was entitled to all commercial transactions, had a fixed salary, and perhaps an additional bonus, but had to return both capital and profit to the creditor-tamkarum as soon as he came home. If such an agent failed in this duty he was liable to heavy punishment according to the Hammurabi Code. Even if he asserted that he had made no profit, he still had to return twice the capital which had been advanced to him. Cf. Heichelheim, Fritz; *An Ancient Economic History*, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.128.

\textsuperscript{454} Instructive in the same connection is the rule laid down in §7 of Hammurabi’s Code that every transaction of sale or deposit must be recorded in writing and could not just be conducted orally. The punishment for failure to comply with this law was the same as for thief, that is, death. Cf. Heichelheim, Fritz; *An Ancient Economic History*, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.131.
of foreign merchants did not stem from a desire to protect native production, as the contempt for merchants obstructed any concern for their happiness or of their beneficence to the State.\textsuperscript{455} Even when trade was profitable, the overarching friction between states, and the pervasive contempt and mistrust of any form of commerce, retarded the progress of trade. A State often refused a trader even permission to bivouac outside the main gates.\textsuperscript{456}

Given the hostile attitude towards commerce and especially international commerce, foreign retail trade did not overcome its obstacles. By 3000 B.C. the Mesopotamian banks provided a full array of financial services, which were beneficial only for large-scale wholesale trade. The bank changed currencies for an agio, a small percent for the service. Payments could be made by the giro, a transfer of sums from one account to another, and the inkasso allowed merchants to make or withdraw payment.\textsuperscript{457} The bank lent money at an interest charge proportionate to the risk of the specific loan, discounted exchange bills, and issued banknotes.\textsuperscript{458}

Money in the theocratic states were highly denominated, facilitating large wholesale transaction between states, but high denomination made money and bank services quite

\textsuperscript{455} In the cuneiform lands of the Middle East, for example in Kueltepe in Cappadocia, guilds of Caravan merchants had similarly to take quarters in fixed localities near the city gates of the foreign towns which they visited, but enjoyed here a certain amount of autonomy. By all these means attempts were made to increase the wealth of the states as much as possible and to prevent political fifth column work. On the other hand mercantile considerations for the protection of home industries do not seem to have been the purpose of these taxes and regulations in any way, at least not before the beginnings of the Hellenistic age. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.176.

\textsuperscript{456} Furthermore trade was still hampered by inter-state relations which discouraged commercial intercourse. Goods traffic was even difficult and open to delay between states which were friendly to each other. Not every overland merchant or sea trader was granted permission to take temporary residence and to trade as a matter of course. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.225

\textsuperscript{457} Secondly there was the changing of monies in which different currencies and monies were exchanged against payment of an agio, a small fee for the banker. Furthermore there was the business of transferring sums from one account to another without further money payments, the so-called giro. There also was the so-called inkasso, the paying out or taking in of money amounts for a customer with or without requiring a previous money deposit. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.133.
useless for retail commerce. Without coinage, the indispensable process of weighing and measuring equivalent values in metal was too cumbersome for cheap retail goods. The law of the Hammurabi Code requiring written documentation for every transaction did not extend to retail trade, which was categorized as exchange rather than as legal sale. Small retail was conducted by barter with money valuation; that is, A exchanged x for y from B, and B did not desire x; the exchange was possible because x could function as money; B was secure that he could get an equivalent value for y by exchanging x for something he did want. Oddly, ordinary retail trade therefore fell out of the scope of capitalist technique. Only a much larger circulation of money, which was impossible as long as money denominations were high, would have enabled capitalist conversion of the retail market.

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458 There was furthermore the credit business proper, the lending out of money without any special security, but against an interest compatible with the risks incurred, finally the discounting of exchange bills and the distribution of banknotes. Almost all of these forms of banking business existed already as early as during the Ancient Oriental third millennium B.C. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.133.

459 Actually the monies of Ancient Oriental type were not very suitable for the exchange of small quantities of cheap goods. For the measuring and weighing of exchangeable goods, which usually formed a necessary part of the procedure and Ancient Oriental money payments, was neither profitable nor worthwhile in such cases. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.132.

460 In Mesopotamia transactions of this kind (petty barter) were not considered as legal sales, merely as exchanges, and therefore the law did not provide for the recording of such a change of ownership in writing. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.132.

461 But barter with money valuation was already more common here than the paying out of actual money. In retail trade primitive forms of barter continued unchanged. The merchants were completely dependent on the capital furnished, and the legal protection given to them by the royal palace, the temple estates, and the large landowners. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.138.

462 But the trade forms themselves had not changed in any way. The sale of small quantities of cheap articles remained basically rather pure and simple, and so was not open to capitalist methods of production and sale. Only a wider basis of foreign and local money trade, which was not yet possible in our period, could have been a foundation for a similar capitalist refinement as we find in Greece in the sixth century B.C. or so onwards. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.132.
FISCAL REVENUE OF ORIENTAL THEOCRACIES

Homeric Greece

Greek Coinage

Lack of a capitalist management of retail trade stemmed long distance commerce in non-agricultural goods until the 7th century B.C. In consequence such commodities were distributed from piracy, plunder, and gifts rather than from commerce. The oikos economy dictated otherwise: that whatever was available by trade but could be manufactured at home should be home produced to preserve autarchy. By the 6th century the Greeks had established coinage of small denomination in Greece; the kapelos (native local retail trader) became an independent and self-sufficient calling, for the first time in ancient history. The ascent of small retail trade was highly beneficial to the demos; it severed the dependence of the paganus on the nobility that had been due to the noble’s exclusive control of money, when coinage was only in large denominations; in manifold ways the use of small denominations released the pagani from exploitation derivative from large denomination money.

The Greek demos was subject to pay to the King two main taxes in this period, the
themistes and the dotinai. The themistes was a regular harvest tax, like the tithe; this resembled “the King’s harvest” in Israel of the same time. The dotinai was literally gift money, and was irregular. Both taxes were relatively primitive; the exaction of the themistes and the dotinai took no consideration of the capacity of the individual taxpayer, whereas the tithe was adjusted to each individual’s capacity. In the period of kings there was also a market tax in Greece; the alien merchant was obligated to pay the king a “gift” for the opportunity to sell in the local market.\textsuperscript{466} There was no distinct merchant class; if someone participated in trade, he would also need to have some other occupation, because trading would not provide a living by itself, and the King was entirely indifferent to commerce.\textsuperscript{467}

Commerce had not been the motive of the Greek colonization of the 8\textsuperscript{th} and 7\textsuperscript{th} centuries B.C.;

\textsuperscript{465} Herodotus reports about the invention of the coin in the appearance of this new profession (kapelos: resident local trader) in the same passages simultaneously, probably intending to link both phenomena together. In fact the new coin economy must have brought with it an increased intensity and refinement in this sector of local trade very quickly, so that a professional kapelos could find his full livelihood in this field for the first time. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.251.

\textsuperscript{466} The King’s subjects had to pay two kinds of direct tax, themistes, a customary regular payment with which the so-called “King’s harvest” in Israel at harvest time is to be connected also; and dotinai which again were not only found in Greece alone, but correspond to Latin and Hebrew terms for “gifts”. The latter tax consisted in fact of occasional payments to the Kings which are mentioned in the Bible. Both taxes were much more primitive than the direct taxes of the Ancient Orient. For they had not been adjusted to the changing individual income, but were paid by whole areas and clans in traditional amounts. Solomon was the first King in Israel to go over to the Ancient Oriental system of tithe, centrally planned royal granaries, storage houses, and villeinage, the change bringing no benefit to people or state in the long run. The market tax was one of the indirect taxes in Homeric Greece, levied in Israel from before the time of King Solomon also. That is to say, foreign merchants bought here the King’s permission to trade within the state by offering him valuable gifts of a traditionally fixed amount. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.276.

\textsuperscript{467} In Homeric times accordingly commerce was obviously not yet a separate form of occupation, and this period was, in fact, hardly above the level of that of the village communities of Europe during the Bronze and the earliest Iron Ages. Hesiod similarly does not yet mention professional naval trade, but only occasional trade, in which the peasant was compelled by necessity, especially in years of bad harvests, to make trade voyages carrying home foreign produce for sale. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.245.
it had originally developed from agriculture, fishing, and piracy, all characteristic pursuits of the Greek nobility.\textsuperscript{468} There was as yet no Greek commerce, and a fortiori could not influence the course of events.

The market was held in the agora, the town square. It appeared most frequently in coastal towns and was under the protection of some god.\textsuperscript{469} Commerce gained in power, as the Greek noble lost his, from the invention of coinage. The introduction of small denominations of money had immediately stimulated both local and foreign trade; retail trade indirectly gave the pagani the first credible means to oppose the nobles.\textsuperscript{470} Coin money had enabled the producers and merchants to bypass the nobility or priesthood in its efforts to conduct commercial exchange. Small coinage enabled the producers and merchants to forgo the loan of capital provided by the lords, and build separate workshops; it was in Greece

\begin{footnotesize}
\textsuperscript{468} The Greek polis colonization of the eighth and seventh centuries B.C. developed nevertheless in no way from active trade yet. Rather did it begin, as we can establish with great certainty, from agrarian settlements, fishing stations, the castles of political overlords, the strongholds of pirates, or from mining outposts. Only a not too prominent factor in the development of Greek colonization was the occasional active trading indulged in by the citizens as a supplementary activity, especially in lean years when fishing, farming, piracy, or wars did not produce enough for their living. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.239.

\textsuperscript{469} Originally markets were held, as we have seen already, in the agora, a free place destined for political gatherings and religious festivals of the polis by ancient traditions. The Odyssey already describes, for the agora of the Phaeacians, economic and non-economic use in a probably late passage. Markets were of course most frequent in coastal towns and were often connected with some Temple, the God of which was to guarantee the peace during market gatherings. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.248.

\textsuperscript{470} We have, therefore, no reason to ascribe it to mere chance that the peasant classes of the seventh and sixth centuries B.C. were now able to wage a much more successful class war against their overlords with lasting success than they had ever contrived before, albeit they were not to achieve this yet in the less economically advanced poleis of the same time. Their success followed almost immediately upon the introduction of coin money and the resultant impetus given to foreign and local trade, principally in the Isthmus area from Attica to Corinth and Sicyon, where the greatest changes in the social and economic pattern of the Greek poleis were first made successfully. These economic tendencies, in my opinion, were furthered considerably by the coin money and the retail trade facilitated by it. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.253.
\end{footnotesize}
for the first time in history that the artisans and merchants could prosecute their activities without reliance on capital from the nobility or priesthood. It was during this period that the priests disappeared as a distinct class and became nobles. This independent entrepreneurial commercial activity proved to be far more productive than the totalitarian corvée practices of the theocratic states.\footnote{The craftsmen, merchants, and traders of this period had made a beginning in building up independent occupations and permanent workshops in which to conduct their work breaking away from the former economic dependence on the royal, Temple, and aristocratic estates, and becoming the eventually more effective in society and economic life than the most powerful collective undertakings of the Ancient Oriental Bronze Age. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.272.} The Greek proletariat strengthened from the introduction of commerce; the different functionaries of commerce, the naukleros, emporos, and kapelos, banking, and artisanship employed freemen who were not possessed of land. This was a threat to Greek aristocracy, whose strength depended on the condition that land ownership was the only dimension of wealth. The expansion of wealth in the demos made them an important political force courted by tyrants, aristocrats, and democratic formations.\footnote{The groups of the free landless proletariat were also able to improve their status to a certain extent during our period, with the aid of the improved circulation of goods in commerce which made it possible for landless citizens to achieve a steadier existence, especially as naukleros, emporos, kapelos, independent craftsmen, and in banking business. The members of this class had more opportunities here to amass wealth than had existed before the commencement of polis and coin economy for them. Actually however political and social factors brought the main changes for the landless free citizens during the second half of the sixth century B.C. and even later, a development which will be discussed in detail in Chapter 6. But as early as during the seventh and the earlier sixth century B.C. the landless free citizens of many Greek poleis had become knit into a fairly united class which was sought after as an ally by the aristocrats, the tyrants, and especially the Democratic factions of small farmers at this time. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.280.}

In 594 B.C. Solon admitted bourgeois members of the proletariat into the highest offices and allowed them to sit in juries. The Greek aristocracy was still prevalent through the first half of the 6\textsuperscript{th} century B.C. The new office holders were qualified by wealth. This was a violation of tradition; aristocracy meant more than land wealth, although landed wealth was essential; it signified that a person’s social status was immovably established by birth. This reform of Solon adumbrated the political ascendency of the demos.\footnote{The aristocracy had}
maintained personal dependence of the demos on the kings and aristocracy had been built on oikos economy and landed wealth.

Money exchange had given the demos freedom from a social structure that had been built on different premises, and the conversion of this social relation into the new conditions of usury created a critical condition, to become manifest in the emergence of the tyrant. Great numbers of smallholders lost their farms due to usury; the land went to the aristocrats and the original holders became hektemoroi. The term hektemoroi meant literally one sixth, but in reality these dispossessed farmers became enserfed to the nobility by an obligation to pay an exorbitant part of the harvest to the nobility.

It should be recalled that the tyrannos was not aristocratic. The Greek aristocracy was of course agricultural; the king in the aristocracy was the Basileus, and was overthrown by the tyrannos. The tyrannos was of middle class commercial heritage, and helped to modernize Greece into a commercial economy. The term tyrant derives its strongly negative connotation from the resentment of the aristocracy; to the middle classes, the “tyrant” was a reformer of the corruption and abuses of the aristocracy. The tyrant prospered by the favor

473 That Solon, in 594 B.C., admitted the members of this class to the highest offices in the modified highest orders of Athens, if they only had enough income, that he gave the vote to all of them, and in addition the right to sit in the Athenian juries is very significant for this social and economic change. Aristocracy was still powerful during the first half of the sixth century B.C. when our period ended. But that the future belonged to the lower orders of small farmers and landless free citizens could be understood by a few intelligent politicians at that time already. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.280.

474 Exchange of money and capital transactions began to influence the class structure of a large minority of the Attic population. The earlier economic conditions of individual dependence which had been established under domestic economy and primitive money economy became a pressing burden when they were translated from the pattern of the prehistoric village civilizations into legal obligations of the period of coin economy and usury. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.281.

475 A large proportion of the small free farmers lost their homesteads owing to such debt obligations, and became so-called hektemoroi, dependent farmers of the nobility who were almost serfs and had to pay annually an impossibly high percentage from their harvests. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.282.
of the pagani, against the aristocratic landowners, who disavowed the tyrant because he had not come into his position by the congenital affinities of the Basileus.

The tyrant introduced small denomination coinage wherever he came to power, in the favor of the pagani. Where there was small coinage, the paganus would be able to create a savings; where there was no small denomination coinage, no small capital accumulation would materialize. Without small coinage the paganus was unable to sell his surplus for money; the surplus would get consumed instead of saved. Coinage enabled the paganus to achieve small annual savings and social ascension. Lack of coinage had forced the oriental pagani into some form of dependence on the wealthy to unload his surplus, which inevitably complicated the paganus with rent, tax, or debt obligation. The Greek paganus had broken through this circuit. Without small coinage, reliance on the financial backing of the aristocrat invited interference and various stratagems of extortionate taxation. The aristocrats hated the tyrant, who stabilized the independence of the pagani by centralized distribution of goods, provision of public loans, and employment of the pagani in public construction. The Greek coinage had effects outside of Greece. It amplified trade conducted by Greek

476 After 700 B.C. or so the introduction of coin economy, small silver coins, and of proper retail markets in the small policy areas, meant that the small landowner had come into his own. Now he could sell easily his small annual surplus for money which meant an opportunity for him, for the first time in world history, of making permanent savings, of climbing up the social scale, and of improving his lot economically for good. He was no longer compelled by inevitable economic burdens and structural obstacles, as had been the case in the Ancient Orient, to give up the struggle after a comparatively short time and to sink back into dependence again. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.280.

477 The tyrants were often compelled to introduce the coin economy pattern into the area over which they ruled or at least to promote its development officially in order to gain the upper hand over their enemies. They had to keep the favor of the small peasants. Therefore they promoted the new economy which was always potentially beneficial to the small landowner as we have seen earlier. To stabilize the position of the peasantry on the land and to expand and rebuild state economy a central distribution of money and goods in kind, partly directly to mercenaries, bodyguards, and various political friends, and partly indirectly to the masses of poor people in the form of wages paid for extensive building operations and improvements, is characteristic for tyrant economy. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.290.
merchants in the Mediterranean and Black Sea.\textsuperscript{478} The Greek coin had not suffused the economies of the theocratic states, but the efficiency of coin amplified the volume and turnover of trade in the harbors of Asia Minor, and thereby accelerated the inland trade of the oriental states.\textsuperscript{479}

**Politai**

The collectivism of the old theocratic states was strongly undermined by coin economy; in Greece the Basileus never attained the supremacy that the King possessed in the oriental states. The King lost the power over the centralized structures to his nobles, who, in uncontrolled rivalry, occasioned the disappearance of a centralized state; since the Greeks equated a giant centralized state with universal slavery, they did not deplore the loss of a national government.\textsuperscript{480} The nobles had first demoted the king by their own rivalry with him, until there was no central government as there was in Mesopotamia; Greece had become a particulated collection of aristocratic domains, without central control, somewhat like the vassalage of medieval Europe.\textsuperscript{481} The aristocratic landlords took economic and political

\textsuperscript{478} On the whole the introduction of coin economy had a clearly invigorating effect at least on the majority of cargoes handled by the Greek merchants and traders, especially on the Mediterranean and the Black Seas. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.243.

\textsuperscript{479} Clearly the new coins were not yet regularly used in foreign trade, but must have influenced this economic sphere indirectly to a considerable extent by facilitating speedier trade exchange within the import harbors of Asia Minor and the Isthmus region than during the preceding primitive times of barter. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.244.

\textsuperscript{480} The Homeric King still had formed a certain focus for society, similar to the kings of the Ancient Orient, in spite of the reduced extent of his power and crown possessions. The King could interfere in the passing of laws although that was mainly a prerogative of the people. But the nobles began to increase in power and to weaken further the few central and traditional state institutions which still remained. The rise of the aristocracy to the supreme power brought often real destruction and chaos to the state, finally the nobles controlling everything both theoretically and in fact. All the literary sources for this time agree on this point, Hesiod, the lyric poets, and the historians. Thus came the end of the economic system of the primitive Greek states. Individual and egotistical use of the situation by competing noble clans followed. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.281.
powers away from kings, organized for war and piracy, but their rivalry against each other did not provide stability for this configuration.  

The agon legitimized robbery as part of an honorable, ritualized practice of war; robbery was more common than trade in the distribution of goods. Because the Greeks had refused the centralizing public finance of the theocratic pattern, the Greek Kings in the period of Homer financed themselves by piracy and war, which had from their routine practice by kings become regarded as honorable. However, whereas everywhere in oriental civilization the farmers were nothing more than unpropertied serfs, the innovation of coinage made the Greek smallholders of the 7th and 6th centuries B.C. into an independent class; the capacity of a poor freeman to amass a small capital, possible with coin economy

481 Gradually the nobles increased in power although the Kings were so near to them, and finally they became equals in social stature to the kings themselves, the royal clan, if it survived, being reduced to the rank of other aristocratic families. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.279.

482 The new aristocratic clans took the place of the Kings in most Greek areas, appropriating various legal rights for themselves. They governed the still agricultural states contending with each other in constant clan rivalry. They embarked in their own ships and on their own responsibility to seek adventure, conquest, piracy, to found colonies or occasionally to trade. Their semi-collective organizations took over in varying degree the political and economic functions of the Kings. But the supremacy of the nobles was only a transitory stage in the history of Greek social and constitutional development. The noble clans were much too particularistic to be able to maintain a permanent rule. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.279.

483 Even in peace times the early Greeks considered contests and robbery as morally permissible if they only were conducted under certain ritual rules, those of the so-called agon which continued into the Classical period. Hesiod knew robbery as quite a useful and common method of acquisition of property, even if he rejected it in favor of gifts. In the fourth century B.C. Aristotle still held robbery both by land and sea to be quite legitimate. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.260.

484 In Homeric Greece, on the other hand, as opposed to Israel and Iran, an assimilation of the royal office and the public finances to an Ancient Oriental pattern was inconceivable in post-Mycenaean Greece from economic, social, and political grounds. The Greek kings were therefore compelled to keep up their economic strength by taking continuous recourse to robbery and war, this feature not being lacking in the development of Israel, Iran, and Rome either. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.277.
but impossible otherwise, had prepared the possibility for a democratic society. \textsuperscript{485}

Starting from the 8\textsuperscript{th} century B.C. the smallholders had begun to metamorphose into a political class; their success had depended on the hoplite soldier, i.e. the infantry. The Greek phalanx consisted of heavily armed hoplites; this organization, essential for military success, was dependent on the will of the infantry soldiers, i.e. the demos. The demos was able to make demands and, since the aristocracy could not win its wars without them, concessions perforce were made; this was the stem of Greek democracy. \textsuperscript{486} The hoplite armor was affordable to the paganus, and the state needed the infantry service of the paganus. In consequence of the preeminent importance of infantry, in the seventh and sixth centuries B.C. the great landlords, the smallholders, and the landless freemen united indifferently into one political class: the politai. \textsuperscript{487}

\textbf{Solon}

The seisachtheia was the innovation of Solon. The aristocracy was diminishing in

\textsuperscript{485} A newly and generally individual economy gained power for the first time since the end of the hunter and food gatherer period. The economic balance which was established during the first half of the first millennium B.C. was to remain fairly steady during the next three millennia, with very few exceptions. What remained of collective economy and collective institutions was modified, and in fact certain periods freed themselves almost entirely from these remains of the past. As early as during the seventh and early sixth centuries B.C. the small landowners in Greece began to acquire their later independence, most markedly and not by chance in the Isthmus cities of the Greek motherland, our evidence for this development being especially instructive in the cases of Megara and Athens. This change-over was to have a tremendous effect politically and economically on class distinction, a question to be discussed in the next section, and was responsible for bringing the class of free small landowners to their civic prominence as polis citizens in the Democratic states of the Classical Age. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.272.

\textsuperscript{486} From the eighth century B.C. onwards the free Hellenic small landowners, the next class after the nobles, began, under these circumstances, their steady climb upwards in many of the various states of Greece. Political concessions were first made to this class because their fighting strength had become an essential for the beginning Greek phalanx warfare, the phalanx being a unique type of heavily armed infantry formation of perhaps Assyrian or Urartaic origin, the Greek and Macedonian versions of which finally conquered the world under the leadership of Alexander the Great. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.279.
power; it had reacted by putting most of the demos into debt and serfdom. The demos, suffering from this oppression, was on the very edge of civil war against the aristocracy. Solon transcended the jeopardy of civil war by the seisachtheia; all mortgages and debts were retroactively cancelled. The demos who had fallen into slavery or serfdom due to debt default were freed, and for the most part received the smallholdings which they had previously lost to debt. Those in debt slavery who had been sold into foreign societies were repurchased, freed, and returned to their homes.  

Solon made it illegal to make a mortgage using the person of the debtor as security. The State was now bound to take care of the families of those who died in war, so that the family would not lose its property and social status soon after the death of the soldier. It was made illegal for an individual who had real estate of a certain size to purchase more land. This had the effect of lowering land prices and of enabling common people to acquire land. A legal limit was placed on the amount of money that could be borrowed using land as security. Large landowners were allowed to keep their giant estates intact, and Solon’s law allowed them to bequeath their estates to whomever they wished, an important innovation in the case of a childless decedent. A large estate would be confiscated by the state if the owner...
failed to cultivate it, or if he were guilty of political transgression. If a large estate became ownerless, it was to be divided into small parts and sold to individuals without land. Although Solon’s law protected large landholdings, by attrition over a hundred years Attic land was possessed only by smallholders.

The seisachtheia reacted upon the credit market. It canceled all public and private debts, not only for agriculture but for artisans and small traders. Land prices sank in consequence of the new legislation; the wealthy landlords shifted their investment away from real estate credit, which was no longer lucrative, into commerce and industry. No maximum had been imposed on interest; especially public building increased greatly because of the new disposition of capital. The legislation favored the urban poor by forbidding the export of

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489 Mortgages with the person of the debtor as a security were outlawed entirely. In the same sense the burdens of wars which had oppressed the peasants more heavily than the nobles were made lighter for them. For the state undertook to care for all war orphans until they were 18 years old and then to provide suitably for them. Death for the country, consequently, did not in future mean the almost automatic loss of a peasant’s property by his family. Another Solonic decision forbade to sell land to any individual who had already an estate beyond a certain maximum size. The fully economic implications of this law have not yet been realized by all scholars. For it made the sale of further land to the Attic large landowners impossible, and restricted the real estate market for the benefit of the small farmers, younger sons of farmers, and the landless Athenians. The real estate prices in Attica were permanently reduced by this well thought out and very interesting law, as were the capital amounts which could be reasonably borrowed from money lenders from landed property as a security, a very wise economic provision. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.283.

490 The large owners of Solon’s time were for the most part members of old, distinguished, and well known families. If they wanted it so, they were now able to keep their large estates for their children and their grandchildren. Childless estate owners, as all other childless Athenians, could even now will their land and effects to whomever they chose in bulk, one of the legal innovations of Solon’s reforms. But, under Solon’s new land law, the estate owners were only allowed to keep their estate if it was well and profitably conducted and if the owner remained a law-abiding citizen in spite of all political inducements to transgressions. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.284.

491 As soon as a large estate came under the hammer, whether from economic or political reasons, Solon’s law demanded that it be parcelled out and sold to small landowners and landless citizens. After a century full of revolutionary changes both political and economic, during which this law of Solon had remained in force, we find practically only small peasant holdings in Attica. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.284.
agricultural produce, thus lowering market prices. The seisachtheia removed the debts of
the small traders and craftsmen, canceling all public and private debts whatsoever according to
our sources. The capital owners of the rich upper class, in addition, preferred now productive
loans in commerce and industry more for investment than before Solon’s legislation because
mortgages upon the person remained illegal, and real estate credit was less profitable. The per-
mission to take an unlimited amount of interest must also have meant that capital loans for
home enterprises, the normal way to make a living, were forthcoming easier. Cf. Heichelheim,

Finally, Solon’s legislation forbidding the export of wheat and all other agricultural
produce apart from olive oil must have proved advantageous for even the poorest city dwell-
er because it brought lower food prices and improved the quantity and quality of food offered on
the home market. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s

The law about market trade which we discussed earlier shows that foreigners, different from
Athenians, were not allowed to sell on the Athenian markets without paying special dues. The
restricting of the Athenian food exports affected many wares which had been bought formerly by
foreign traders. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s

But even as relatively early as this, rich owners must have given out their surplus stocks
regularly to poorer farmers and herdsmen, and gained interest in kind. They had to demand a
higher return in view of possible losses from bad harvests or animal diseases. Loans with a rate
of interest in kind were certainly well known among the early Sumerian, Indo-Germanic, and Semito-
Hamitic races, and occur in documents from the earliest known periods of the town civilizations of
Mesopotamia, Syria, Asia Minor, and Egypt onwards. Cf. Heichelheim, Fritz; An Ancient Economic
calves could not have been rationalized into a dynamic means of capital growth. Once town civilization emerged, interest loans were not confined to animals; they could extend to seeds, agricultural produce, and inanimate things such as metal. The subsequent theocratic states acknowledged lending at interest, which was first applied to industrial and agrarian development.

Agriculture anteceded towns: townless civilization. If sedentary agriculture was thus possible without towns and villages, what was it, besides agriculture, that motivated the erection of towns? Prior to town civilization a small elite maintained enough rent to maintain itself without labor. The invention of the plough greatly expanded the areas and possibilities of cultivation, and therefore greater varieties of rent and interest payment. Some of the elite became affiliated with tax collection; others developed employments that had now become cleanly separate from agricultural production. It was the development of viable functions that did not entail agricultural labor, but which presupposed agriculture, which led to the development of towns.

Later Currency and Credit

The Neo-Sumerian King Singashid published a list of maximum prices for commodities

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496 A more general use could therefore not be contemplated at this time, that is to say, one in which there was a clearer, or more continuous economic advance, by means of increased and increasing long term investment of capital on the part of many rich owners or the whole community. So that the possibilities of this form of capital investment even if they were exploited to the full and not restricted by social and religious taboos as they often were in fact, reached their limit fairly quickly. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.55.

497 From the earlier periods of the Ancient Oriental civilizations onwards, we find that not only animals and seeds, which were measured out and used as money from prehistoric times, but even metals and other inanimate materials, which could be valued according to weight and measure, could now be loaned out, legally, against interest, after the model of the two earliest forms of usury money. The Ancient Oriental states accepted this convention in the legal systems which they upheld. Thus for the first time a small completely capitalist economic sector, in the modern sense, was formed which provided for the transactions connected with the luxury trade and for a considerable part of agrarian and industrial investment. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.56.
in equivalence to silver. It had been a typical strategy of the nobles and priests to exploit the demos’ inaccurate knowledge of equivalent values, so that they would pay more. This sort of aggression of the nobility was incorrigible for as long as money values were unstable. The use of this form of exploitation would benefit the wealthy and, insofar as it instilled uncertainty and mistrust of the market, debilitated commerce, which was also a desideratum of the landed nobility. Commerce would benefit King Singashid, or any other oriental king, for as long as commerce was a state preserve rather than an independent organism.\textsuperscript{499} Prior to the Hammurabi dynasty (1830-1530 B.C.), that is, before the invention of money, bills of exchange were used to extend time-fixed loans, and these bills of exchange were not restricted to the original creditor, but payable to the bearer.\textsuperscript{500} Hammurabi’s Code exerted itself to facilitate commerce. On the other hand, a balance had to be found for benefit to the State and leakage due to all kinds of malfeasance;\textsuperscript{501} Babylonian exchange bills were accepted in payment only if the State or Temple that issued the bill could guarantee against the liability that a defaulting debtor might flee; credit was therefore almost wholly the

\textsuperscript{498} Only a small upper class had been able in townless civilizations, to assure itself of enough rents to keep up its dignity and position, from enforced labor, taxes, and serfdom. But in some regions, before and after the plough had been introduced, there grew up, with the wider use of the new money and capital forms, an additional class of private rent capitalists and state functionaries who received emoluments from communal property. The latter collected the taxes and passed capital on to merchants and craftsmen, whose jobs were now, at last, completely separated from primary production. A new movement to settle in cities began in consequence, with all its possibilities for the development of a higher form of civilization, in the Middle East after 3600 B.C. or so. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.56.

\textsuperscript{499} King Singashid from Uruk was the first Neo-Sumerian King who promulgated, according to our present evidence, a maximum price list in silver for the most common wares of his time, grain, wool, copper, and oil. Early in the second millennium B.C. he attempted in this way to stabilize the most important money forms of this time, as well as he could. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.184.

\textsuperscript{500} Loans over fixed amounts in the form of exchange bills were known in Mesopotamia from the time of the Hammurabi dynasty onwards (1830-1530 B.C.), if not somewhat earlier. Such exchange bills were used for all exchangeable goods, not only metals, and the name of the original creditor could be omitted completely. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.112.

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business of the State. Babylonia reconciled its theocratic structure with commerce by absorbing almost all commerce within the prerogative of the State.

Sumer / Babylonia, depredated by the upland tribes, also incurred consistent piracy if Mesopotamian surplus passed on a trade route through upland territory. If the upland society was prevalent, it would charge protection money for the passage of the merchandise. If the alluvial lowlands succeeded in defeating the less organized marauding upland tribes, the victor would attempt to establish a trade circuit between the uplands and lowlands; trade would integrate the upland population and discourage its propensity for depredation. Commercial growth is an irrepressible trope that can be deliberately impeded, for instance, by the mandates of theocracy, but it reemerges interminably; it

502 They (Babylonian exchange bills) were only accepted as far as the state authority, a Temple, or occasionally a wealthy individual who were creditors, were considered strong enough to get hold of the debtor in case of default. For they seem only to have had legal validity and were accepted as far as the power of the state, of temples, and of a few aristocratic private individuals was able to prevent the debtor’s vanishing in the nameless mass of the Ancient Oriental population. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.112.

503 It was essentially a commercial civilization. Most of the documents that have come down from Babylonia are of a business character -sales, loans, contracts, partnerships, commissions, exchanges, bequests, agreements, promissory notes, etc. They find in these tablets abundant evidence of wealth, and a certain materialistic spirit that managed, like some later civilizations, to reconcile piety with greed. We see in the literature many signs of a busy and prosperous life, but we also find, at every turn, reminders of the slavery that underlies all cultures. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 229.


507 The “comparative net advantage” in efficient production of manufactured goods lay with Sumer. But this would be irrelevant if some other group could actually prevent goods reaching them and so charge “protection rent” over trade routes. Such a group could be led by anything from a rival, organized near-literate state, to a tribal chieftain, to an adventurer and his band. Thus either organized war/diplomacy or “Mafia-type” violence could threaten the stability of Sumer’s vital supplies. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.132.


persisted through every metamorphosis of the Mesopotamian theocracy.\textsuperscript{511}

The Code of Hammurabi allowed land conveyance, except for inherited land; under this conception not the paterfamilias, but the entire clan was the owner of inherited land, which therefore could not be sold except by decision of the clan members as a whole. Ownership in a clan or kinship structure operated by remote control; the paterfamilias was the apparent owner of the land, the apparent autocrat of his family, but the ultimate owner and decision-maker was the clan. Similarly to the English law of entailment, the clan had to consider the liability that the manifest owner might exploit his progeny by putting the estate at risk for his own advantage within his lifetime. The kinship system prevented this potential abuse by reserving ultimate ownership to the clan rather than the paterfamilias. Since the paterfamilias was not allowed to alienate his land, credit operations were correspondingly restricted until more individual rights emerged.

At the period of the Israelite period of Kings, mutatis mutandis the Greek period of Hesiod, as kinship broke down so did this custom; families began to be devastated by the reckless decisions of their moribund paterfamilias.\textsuperscript{512} Commercial expansion tended to diminish the pater potestas, the patriarchal power authority of the father; property in

\textsuperscript{510} But between each, and between these and upland areas, ran trade exchanges. These were also partially organized by the former political authorities- in the valleys, the redistributive central place; in the hills, decentralized lords. The conqueror would want to intensify production and exchange relations across his domains. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.146.

\textsuperscript{511} The Mesopotamian economy remained much the same throughout its long history, the differences being essentially to the degree to which a commercial economy (the term money economy is only conditionally applicable here) became dominant and ebbed. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.91.

\textsuperscript{512} Tribes and clans had a right of remote control over the individual landed property of members, unwritten laws and customs, which were the foundation of early Israeliite, Greek, and probably Roman family ownership of real estate. The tribal and clan heads had to see to it that the individual kleros of a family member was not harmed and spoiled for his heirs by unjustified sales transactions, mismanagement, and waste. In Israel from the period of the Kings onwards, in Greece from that of Hesiod this social and economic principle began to lose power and was undermined legally with devastating results, threatening many small farmers and their families with complete disownment. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.249.
this oscillation tended to be conceived as the property of the whole family, rather than the
property of the pater familias. An adopted child was guaranteed by law to an appropriate
inheritance, rather than to depend solely on patriarchal whim.\footnote{513} Any land that was
purchased (not inherited), however, could be sold.\footnote{514} If a person died without natural
heir, the King received the inheritance.\footnote{515} For as long as the kinship system mixed in the
theocratic economy, land could not easily be used as loan collateral.

In Sumeria,\footnote{516} the predecessor of the Babylonian Empire, gold and silver in the form
of ingots were used for exchange; although they were not minted as coins,\footnote{517} they were

\footnote{513}{As in medieval Italy the development of commerce and expanded opportunities for private
profit caused a change in the status of family property; from being entirely under patriarchal control
it came to be regarded as the joint capital of all family members. The father’s paternal authority
remained in force, but his sons now counted as partners in a certain sense. Thus when a child was
adopted, which involved buying the child from his parents, written stipulation was made guaranteeing
the child a right to his adopted parents’ property, especially in case the child was sent back. Adoption
itself meant simply that a purchased child assumed the status of a son rather than of a slave. It was a
primitive form by which a family operation expanded its workforce. Adoption of slaves, marriage with
slave women, and the like all contributed to diminish the distinction between free and unfree within
the family group. One can compare this with the situation in medieval commercial family operations,
in which sons of the family were treated in the same manner as agents and apprentices. Inheritance
law allowed the transfer of property to children with retention of income by the parent, and from this
there gradually developed division of property among children by will. Cf. Weber, Max; The Agrarian
Sociology of Ancient Civilizations, Verso, London, 1988, p.95.}

\footnote{514}{The legislation of the theocratic monarchies tended to promote private commerce. If there
were restrictions on land ownership they were essentially liturgic in character, but in historical
times states’ interests did not oppose the free transfer of lands other than those granted as benefices
to officeholders. Thus the Code of Hammurabi expressly assumes that purchased land can be freely
sold. Inherited land, however, remained planned property for the benefit of all clan members.
Documents indicate that originally such land could not be alienated; later it could be sold, but every
member of the clan, including the seller himself, could reverse the transaction provided he paid
the buyer the purchase price plus interest. Cf. Weber, Max; The Agrarian Sociology of Ancient
Civilizations, Verso, London, 1988, p.92.}

\footnote{515}{If a dead person had had no natural heir, it was customary that the inheritance went to the
crown. Furthermore the Ancient Oriental State reaped no little profit from its courts and legal
dealings. For it was a usual verdict that the offender should pay fines, that his property should be
confiscated, or that he should give compulsory labor service to the state. Cf. Heichelheim, Fritz; An
Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958,
p.178.}

\footnote{516}{Cf. Woolley, C. Leonard; The Sumerians, Oxford, 1928, p. 117-18.}
used prevalently as standards of value. Why were gold and silver used as standards of value, though not as exchange in coinage? The same problem appears in the case of paper currency; why should one trust that one can exchange in (useless) gold as easily as in the (useful) commodity for which one had exchanged it? Usually this problem starts with a contrast between paper money and metal coin, but it is validly problematical for the difference of useless metal and useful barter-commodity. How did gold and silver, which by utilitarian criteria are worthless, come to be accepted as the highest values? This is an economic version of the ontological argument; anything that would serve as a final standard of exchange had, logically, to be accounted intrinsically more valuable than anything else, for otherwise the more valuable entity would supersede x or y (e.g. gold or silver) as the standard for exchange of x and y. The logicality of making the most valuable item the standard of value is compelling; but why should things such as gold, silver, and diamonds, which have no utility, take this position regarding all other things, which have value only because they have utility?

Gold and silver had to be accepted as both the highest values, and as relative values. If gold and silver were the highest but not quantitative values, they would not be able to function as standards of value for exchangeable commodities because they themselves would not be exchangeable. As standards of value, they would have to have the highest value, but also be capable equivalence with quantities of things of lesser value. Any entity of lesser value would be capable of equivalence with quantities of another substance, and hence a candidate as a standard of value, but would be suboptimal as a standard of value because of its vulnerability to fluctuations of relative value. Presumably the intrinsic value of an entity that has no utility would not fluctuate in sympathy with fluctuations of commodities that are valued for their utility. An imaginary “money of account” would fulfill

518 There was no coinage yet, and trade was normally by barter; but gold and silver were already in use as standards of value, and were often accepted in exchange for goods -sometimes in the form of ingots and rings of definite worth, but generally in quantities measured by weight in each transaction. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 125.
the immunity of price fluctuation better, but a money of account could not have served as a medium of exchange.

The possibility of value fluctuation in the exchange circuit probably accounts for why gold and silver appeared as standards of value before they became a medium of exchange. The inutility of gold aided in the conception of gold as the standard of value because gold, uniquely, could not be assessed in terms of the useful things gold could do. Since the value of gold could not vary with its present utility, its value was stable, as a pure exchange value. Other commodities of an exchange could always be equivalent in value with whatever its real use would produce. The disjunction from utilitarian value is part of what gave gold its stability. While gold could not vary according to utility, it did vary according to availability. Ca. 2000 B.C. the silver-gold ratio was 8/1; Egyptian gold imports afterwards changed the ratio to 10/1, and availability afterwards raised the ratio to 7/1. During the reign of Hammurabi the ratio descended to 6/1, and temporarily 3/1.519 Gold was uniquely useful as an exchange medium because it was otherwise useless. Relative value made gold useful as a medium of exchange because exchangeability with other things is what gave gold the function as the basis for the relative value of all other things to each other.

A gigantic determinant of a future culture hovering between theocracy or commerce consisted in the decision whether to allow or suppress usury. Both lending at interest, or not, had highly destructive and constructive effects; either alternative may be justified, but either choice also has long-term harmful economic consequences. Ancient theocracies were aware of the destructiveness of lending and interest on the peasant classes, in particular of its instrumentality in conveying land from the peasant to the great landowner.520 As

519 For example gold was valued against silver at 8:1 under the dynasty of Akkad in Babylonia somewhat before 2000 B.C. Then it rose, probably owing to increased imports into Mesopotamia, under the third dynasty of Ur, slightly before and after 2000 B.C. to 10:1, but fell quickly and again to 7:1. In the time of Hammurabi (1728-1686 B.C.) gold compared with silver had fallen to the ratio of 6:1 and even 3:1. This drop in the value of gold can be explained by the increased trade between Mesopotamia and Egypt, the latter being especially rich in gold deposits. In the Old Kingdom of Egypt silver had been more precious than gold in consequence. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.197.
mentioned, this was a wild-fire phenomenon; since slave ownership was the surest means of social ascent, anyone who possibly could, would try to acquire a slave. The Hebrew Law established that debts between Jews be rescinded once every seven years and, failing in practice, established a fifty-year “Jubilee,” at which time debts were to be absolved and slaves liberated.\footnote{Cf. Exodus xxi, 2.} The juxtaposition was not fortuitous; the Jews discovered that interest payment on debt generated slavery.\footnote{Cf. Deuteronomy, xv, 12-14.} Contemporary India had already embedded its imperative never to cause harm (ahimsa), according to which the Indians of the time refrained from contract, collateral, and interest payment. To countervail the ill effects of forbearance from a credit system built upon interest payment, India did not allow any debt obligation to go defunct by bankruptcy; down to the sixth generation the descendants of a debtor were obligated to repay the debt. But debt slavery was not allowed.

Like the Catholic Church, the Brahmans forbade the people to lend money, but the irrepresible device gradually asserted itself. Coins were minted, but the copper, gold, and silver content were kept equivalent to the nominal value of the coin.\footnote{Cf. Monier-Williams, Sir M.; \textit{Indian Wisdom}, London, 1893, p.264.} The superior stability of its currency, and the inextinguishability of unpaid debt, compensated somewhat for the incapacity to lend at interest, but Indian states did not guarantee their minted coins by law until the fourth century B.C.\footnote{Cf. Barnett, L. H.; \textit{The Heart of India}, London, 1924, pp.211-15.} State sponsorship against the deleterious effects of usury had the negative effect of asphyxiating economic growth.\footnote{Cf. Dubois, Abbé J. A.; \textit{Hindu Manners, Customs and Ceremonies}. Oxford, 1928, p.657.} Hoarding, the alternative to investment, is dead money;\footnote{Cf. Macdonell, A.; \textit{India’s Past}. Oxford, 1927, pp.265-70.} it is accumulated wealth that impedes economic growth by withholding unused wealth from constructive purpose.\footnote{Cf. Macdonell, A.; \textit{India’s Past}, Oxford, 1927, pp.265-70.}
Croesus (570-546 B.C.) succeeded in building an empire partially due to his conversion from silver and gold weights to official coinage. In this process it was of primary importance that the ruler convey that the gods of a given locality favor oneself; Croesus acquired the neighboring states primarily by religion. He acquired the loyalty of subjugated populations by devoting extravagant contributions to their local gods. He subsequently minted gold and silver coins of the highest quality and reliability, whose nominal value he guaranteed; this strongly reduced the cost of commercial credibility. The use of coin liberated transaction from cumbersome and slow recourse to measuring scales. In consequence of the convenience of coin, commercial volume throughout the Mediterranean increased.

Gresham’s Law might confuse this episode, since it posits that bad currency drives out good. Instead, the superiority of Croesus’ currency drove other currency and measure out of the market, so as to give centrality to the society that issued the better coinage. There is no inconsistency; Gresham’s law refers to currency debasement within a society of one uniform currency, whereas Croesus’ currency was not in competition with a counterfeit of itself, but

527 In Buddha’s days, rough rectangular coins were issued by various economic and political authorities; but it was not until the 4th century before Christ that India, under the influence of Persia and Greece, arrived at a coinage guaranteed by the state. Sher Shah issued well designed pieces of copper, silver and gold, and established the rupee as the basic coin of the realm. Under Akbar and Jehangir the coinage of India was superior, in artistic execution and purity of metal, to that of any modern European state. As in medieval Europe, so in medieval India, the growth of industry and commerce was impeded by a religious antipathy to the taking of interest. “The Indians,” says Megasthenes, “neither put out money in usury”, and “nor know how to borrow. It is contrary to established usage for an Indian either to do or to suffer wrong; and therefore they neither make contracts nor require securities.” When the Hindu could not invest his savings in his own economic enterprises he preferred to hide them, or to buy jewelry as conveniently hoardable wealth. Perhaps this failure to develop a facile credit system aided the Industrial Revolution to establish the European domination of Asia. Slowly, however, despite the hostility of the Brahmans, money lending grew. The rates varied, according to the caste of the borrower, from 12% to 60%, usually ranging at about 20%. Bankruptcy was not permitted as a liquidation of debts; if the debtor died insolvent his descendents down to the sixth generation continued to be responsible for his obligations. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 480.


with other mediums of exchange that were not guaranteed by government. Merchants prefer
to exchange on one currency rather than less trustworthy currencies; presumably a merchant
would refuse to trade unless payment was to be made in Croesus’ currency.

The coin economy and interest constituted a complete break from the foundations of
the theocratic states. The emergence of the Greek polis, the invention of Greek script,
interest, and minting of coins were synchronic; it was the development of capital on the
basis of minted money that accounts for the distinction of Greek culture from the theocratic
societies.

The Sumerians instituted a system of credit; the annual interest rate varied from 15% to
33%. An economy is stable when interest rates are low; when interest rates are high, as in
the Sumerian case, confidence in price stability is low. The creditor lends at low interest
rates because the higher the volume of his lending, the more he will earn; when a creditor

530 By generous bribes to local politicians, Croesus (570-546 B.C.) brought one after another
of the petty states that surrounded him into subjection to Lydia, and by pious and unprecedented
hecatombs to local deities he placated these subject peoples and persuaded them that he was the
darling of their gods. Croesus further distinguished himself by issuing gold and silver coins of
admirable design, minted and guaranteed at their face value by the state; and though these were not,
as long supposed, the first official coins in history, much less the invention of coinage, nevertheless
they set an example that stimulated trade throughout the Mediterranean world. Men had for
many centuries used various metals as standards of value in exchange; but these, whether copper,
bronze, iron, silver or gold, had in most countries been measured by weight or other tests at each
transaction. It was no small improvement that replaced such cumbersome tokens with a national
currency; by accelerating the passage of goods from those that could best produce them to those
that most effectively demanded them it added to the wealth of the world, and therefore mercantile
civilizations like those of Ionia and Greece. Cf. Durant, Will; Our Oriental Heritage, MJF Books,

531 Coin economy and interest combined formed a novel economic basis and were responsible
for an economic revolution, the beginnings of the Greek poleis as an economic entity, initiating the
glorious centuries of Greek efflorescence. Cf. Heichelheim, Fritz; An Ancient Economic History,
Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.221.

532 The beginnings of Greek polis civilization in the economic sense, the change-over from
Phoenician to Greek script, the introducing of interest, and the first minting of coins, in other
words the creation of the capital and money forms and of their social background which were to be
characteristic for the Classical Age of Greece belong to about the same century. Cf. Heichelheim,
Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden
1958, p.221.
charges high interest rates, he thereby throttles his own business. He raises the interest rate, not for higher profit (he loses profit from the resultant scarcity of transaction), but because he is afraid to risk his capital; the high interest rate is meant to guarantee sufficient return despite the high probabilities of inflation or default. One symptom of economic anxiety is hoarding. Gold functioned like pyramids: a vent for a massive surplus, never intended for final utility. Commercial invigoration brought about contractual transactions, class stratification, private property rights, slavery, and a middle class.

There is an important distinction between ingots and coin. When the metal is unstamped, the money value of the metal is simply the intrinsic value of the metal. Fraud and debasement are impossible. When the ingot is stamped into a coin, the value of the coin supersedes its intrinsic value; it is a fixed value, guaranteed by the authority of the person in whose image it is stamped. On the other hand, once currency is guaranteed by the State, the nominal value of which is secured by law, in principle there should be no necessity for currency to bear intrinsic value. In this case the greatest danger is that the issuing authority itself, out of ignorance of inflation, might issue currency in excess of its backing. Contemporary China had instituted a system of credit and coinage, in which the average rate of interest was 36%; the high interest rates imply market distrust of the stability of the currency.

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533 A system of credit existed by which goods, and gold or silver might be borrowed, interest to be paid in the same material as the loan, and at rates ranging from 15% to 33% per annum. Since the stability of the society may be partly measured by inverse relation with the rate of interest, Sumerian business seems to have lived in an atmosphere of economic and political uncertainty and doubt.


538 The invention of block-printing tempted the government to apply the new art to the making of money, and about 935 A.D. the semi-independent province of Szechuan, and in 970 A.D. the national government of Ch’ang-an began the issuance of paper money. During the Sung Dynasty the fever of printing press inflation ruined many Fortunes. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 779.

From minted coinage arises an element of trust in the money, because there is a possible alterity in the money value; perhaps the intrinsic metal value of the coin is less than its nominal value, according to the stamp; the money-holder in this case is required to trust that the coin retains its attested value rather than its intrinsic metal value. There would be a tendency to make the value of the stamped coin greater than its intrinsic metal value, in order to keep the coin in currency. The ambivalence of conventional and intrinsic value would also open the possibility of debasement and fraud by inflation, a stratagem which did not exist when the metal was exchanged as ingots. Secondly, minted coinage allows the possibility of counterfeiting.

Manipulations could not be effected by currency debasement prior to coinage, but Babylonia was able to exploit through lending. A 20% interest rate was standard for money loans, but a 33% interest rate attached to loans in kind. This is rather mysterious. Since there was no coin, it was impossible to debase either money or natural kind payments. An interest rate would not be necessary to protect oneself against unforeseeable inflations, because unstamped money, or kind, was immune to inflation. If fluctuating buying power did not make a loan insecure, what justification could there be for interest charges? The lower, 20% interest rate was considered to be the natural growth of money, and so could be justified as the natural increase in benefit from the wealth if the lender had not alienated it. The 33% interest payment in kind seems unintelligible, because, like money, it was not susceptible to debasement.

Possibly payment by ingot was more reliable because the value of money (ingots) did not vary as quickly in correspondence to harvest fluctuations as the value of natural kind; plausibly the value of a pound of grain could be larger or smaller than a pound of the same grain, according to the abundance or paucity of the seasonal crop. Since one would borrow at a time of scarcity, the real value (buying power) of a pound of grain would be higher at the time of borrowing than the same pound of grain at the time of repayment, when

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540 Trade was facilitated by an ancient system of credit and coinage. Merchants lent to one another at high rates of interest, averaging 36% -though this was no higher than in Greece and Rome. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 779.
presumably the amount of grain on the market would be more abundant. This is assuming that money is always of the same value while commodities vary in value by the constant standard of money. But this is simplistic, in that money value itself fluctuates from the influence of commodities; possibly the same financial naivety influenced this policy as the naivety behind fixed wage and price laws. In addition to the assumption that a pound of fresh grain may be worth less a year later, the money-coin itself, although the same weight, may itself be worth more or less one year later. The Assyrian Empire attempted to circumvent this threat to monetary stability by 1) making the intrinsic and nominal values of the coin the same by infusing the appropriate metal content in the coin, and 2) establishing official coinage ca. 700 B.C. Lending was fixed at 25%. Since 20% was at that time assessed to be the natural growth of money, the credit system seems to have been slightly in favor of the lender, although the first two precautions were meant to safeguard the constant value of the coin.

In the prior Babylonian Empire, the Law of Hammurabi protected the debtor in the instance that the debtor’s seasonal crop was ruined by natural cause; until the next agricultural cycle such a debtor was exonerated from principal and interest payment. On the other hand, the debtor was inescapably responsible for any debt he incurred; the Law did not extend relief from a valid debt. How are these two points to be reconciled? If default on a debt was beyond the debtor’s power, he was excused from normal retributions. It appears that this benefited the community, because it made no economic sense to generate debt-slaves and vacant fields. On the contrary, inasmuch as lending was beneficial to the Babylonian economy, the State had to guarantee the safety of the lender in making a

542 Industry and trade were financed in part by private bankers, the charge 25% for loans. Lead, copper, silver and gold served as currency; at about 700 B.C. Sennacherib minted silver into half shekel pieces -one of our earliest examples of an official coinage. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 274.
544 Cf. Cambridge Ancient History, volume 1, p.545.
545 Cf. Cambridge Ancient History, volume 1, p. 526.
An unconditional obligation on the debtor was necessary to sustain the practice of lending.\footnote{546} Slavery

The theocratic societies needless to say depended on the tithe, in particular the direct taxation of all agriculture, but the absence of minted money encumbered all transactions. Aside from overt taxation there was another form of taxation that compensated against the inefficiency of transaction. All members of a theocratic society were obligated to a special form of slavery: the corvée. There could not be paid labor, a free labor market, because there was no minted currency to finance such an arrangement. Instead, the inhabitants of the state were obligated to work for the state, without pay, in addition to their regular occupations. Of course members of the elite classes were not so obligated, the corvée was otherwise limited to a certain number of days per year, and later in its history the individual could buy...
exemption from the corvée by paying a money equivalent. The corvée was as important to the state finances as the tax revenue, and was an inescapable solution until the whole economy had converted to minted money. Villeinage, tenancy, the fief, vassalage, serfdom, and slavery were variations in the basic condition, that without a currency labor would not materialize voluntarily, although disposable labor remained indispensable to a viable society. When a minted currency appeared the bare possibility of evolution into labor payment by contract was at hand.

Ambiguously, theocratic societies avoided enslavement of members of their own ethnic group, although they had quite vividly understood the benefits of expropriating human labor; one could therefore in good conscience enslave only strangers. The first evasion was the corvée, which was slave labor not named slave labor. The second solution involved a distinction of categories. In this embarrassing situation, one had to convince oneself that those enslaved were ethnically different, or that they were not truly enslaved. Several solutions slithered out of this ambiguity. First of all, any type of belligerence very

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548 Important as the taxes were which were levied by the state on individual production and important as the income from the royal estates was for all Ancient Oriental monarchies there was yet another contribution to the public finances of the Ancient Oriental states which was scarcely inferior as a source of revenue. This was the well-known feudal service on the part of all adult male residents of a kingdom. Each inhabitant had to work for the King a certain number of days annually, unless he paid a certain amount in money instead into the royal treasury or belonged to a privileged group. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.176.

549 Instead the characteristic pattern of work for the Ancient Orient was one of more or less feudal labor. Men gave service to the state or temples and landowners in the forms of villeinage, hired labor, tenant labor, fief, or slavery. Both the introduction of a rational money system and the appearance of the institution of the planning kingdom with its hierarchical sovereign rule tended towards this development, the first to hired and tenant labor, and the second to villeinage, fief tenure, and slavery. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.114.

550 Conquest by one ethnic group of another was the only way to economic betterment involving elaborate labor cooperation. Intensive production methods entailed expropriating the property rights of labor which could be imposed only upon strangers, not upon one’s “fellow-men”. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.54.

quickly erases one’s presumption that the opponent group is ethnically the same as oneself. Conquest will quickly disinhibit the victor’s misgivings about enslaving the opponent, or of disregarding the other as of the same demos. The usual rationalization was that, since the victor had spared the prospective slave’s life at the moment he could have killed him, the prospective slave had already given up his right to life; the victor received the right to do with the other’s life exactly as he pleased. Enslavement would result if the opponent were clearly an external tribe, but the determination remained ambiguous in contention between alluvial and upland groups. If the upland group prevailed, it was likely to reduce the lowland population to slavery, if distinct ethnic difference was asserted, or to underclass serfdom if the genetic affinity of upland and alluvial people was closer. If on the other hand the lowland civilization prevails, the affinity of upland and lowland people is likely to be appreciated, and conquest would result in a more lenient conversion of the vanquished not into slavery, but serfdom. The first alternative is exhibited by the relation of the Hindus to the Dravidians or the Achaeans to the Minoans. In this case the conquering group is not agricultural, and so keeps the vanquished group to do the agricultural work while expropriating the surplus. In the second alternative, the victorious group already has land and agricultural expertise; it places the vanquished group into labor with which the upland people are unfamiliar. Upland people may, for instance, reproduce in greater number than their nomadic existence can support. Two consequences may follow. First, upland people may petition for day-labor in the alluvial agriculture, which may lead with or without violent events to enserfment of these people in the lowland. Second, overpopulation may equip the upland societies to sell its people into slavery to the more civilized lowland society.

The second alternative closes the final part of the ambiguity: ethnic difference may encourage enslavement, and there may be a taboo on enslaving one’s own people, but on the contrary, enslavement may conveniently constitute the perceived ethnic difference. Humans feel affinity with any persons whom they perceive as protecting them; this is why a war or

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FISCAL REVENUE OF ORIENTAL THEOCRACIES

other military event can so quickly attenuate the sense of ethnic solidarity one previously had with one’s opponent. Both conquest, and enslavement, can persuade the victorious group that the defeated group was not the same ethnic group.\textsuperscript{554}

**Debt Slavery**

Before the time of Solon the Greek aristocracy had attempted to preserve its position by force of real estate loans.\textsuperscript{555} The smallholder would forfeit his farm in the case of default. The debtor was certain to go into default, or the noble would have been unwilling to lend the money. Such loans were extended more frequently on the person of the debtor as security; in case of default the debtor became the permanent slave of the creditor, who could sell the debtor in a foreign country to redeem his credit loss. Similar practices pervaded the oriental civilizations, as evidenced from the Bible, the Zend Avesta, and the Veda. Prior to Solon, Greece was on the verge of complete feudalization, the only device by which the nobility could keep their ascendancy.\textsuperscript{556} Throughout the Near East virtual enslavement by this stratagem was used to keep the original order of the social classes.

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\textsuperscript{553} Dominance by a core over a periphery, with attendant patron-client relations- if the core has exclusive possession of fertile land- may lead to more or less voluntary forms of labor subordination. The periphery may experience more population growth than it can support; alternatively, the rations available as wages to landless labor in the core may have provided a more secure standard of living than the periphery. Subordination may be abetted by the chiefs or elders of the periphery- the principal providers of slaves and bonded laborers to more developed societies throughout history. Thus, the origins of stratification become more comprehensible if we abandon an “internal” explanation based on unitary societies. Cf. Mann, Michael, _The Sources of Social Power_, Volume I, Cambridge University Press, 1997, p.84.

\textsuperscript{554} Nowadays we would modify this nineteenth century racist theory to see ethnicity as much a result of such processes as a cause: Forcible conquest and enslavement produced ethnic sentiments. Ethnicity only offers an explanation of the dominance of one whole “people” or “society” over another whole people or society. Cf. Mann, Michael, _The Sources of Social Power_, Volume I, Cambridge University Press, 1997, p.54.

\textsuperscript{555} The state, completely in its genesis essentially and almost completely during the first stages of its existence, is a social institution, forced by a victorious group of men on a defeated group, with the sole purpose of regulating the dominion of the victorious group over the vanquished, and securing itself against revolt from within and attacks from abroad. Cf. Oppenheimer, F.; _The State_, New York, Free Life Editions, 1975, p. 8.
The conditions of Sumerian and Babylonian commercialism reluctantly promoted debt slavery. The Babylonians had solved the problem of asymptotic labor demand either by renting slaves or employing native youths with payment of food and clothing. The labor contract was not used; a free person could sell, or rent himself, and in so doing he became a temporary slave by the terms of the sale. This heritage probably explains why working as hired labor was a disgrace in Greco-Roman culture; in mancipio esse is the Latin term for hired labor, but it signifies temporary enslavement. Temporary slavery was thus the usual resolution of unpaid debt.\footnote{557}

Taxes were collected in kind; in later generations they were adjusted to the land fertility and the status of the taxpayer. Slaves were not taxed, whereas free individuals without property were subject to a poll tax. Taxes were paid on mortgages and purchases; tax default would be resolved with debt slavery.\footnote{558} Babylonian slavery was much less developed than that of Republican Rome, mainly due to the circumstance that war in the theocratic societies never resulted in much land acquisition. Rome was perhaps more intent on territorial

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\footnote{556} Loans based on a mortgage, real estate valuation, and pawning are mentioned in the Bible, the Zend Avesta, and the Veda. They were the favorite investment to which the rich aristocratic land owners gave their surplus capital in Greece after 700 B.C. or so at the latest. The disagreeable practice of lending capital with the person of the borrower being the main security was widespread, and particularly so in Israel and in Greece. If the debtor was unable to pay by the time at which the agreement expired, he had forfeited his own body and became a slave, often badly oppressed or sold abroad. The danger of such mortgages for the social position of the free peasants who had once conquered the land became so considerable in some states that complete feudalization threatened to follow as a result, and there were so many radical reforms introduced which for the most part were themselves the result of revolutionary movements that they might almost be taken as characteristic of our period. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.254.

\footnote{557} The earliest way to expand the workforce temporarily was to hire slaves or domestic youths in return for food, clothing, and rent -the latter paid originally in produce and later in money. Harvest workers in particular were procured in this manner. Out of this developed the practice by which a free man could “rent himself out”, and this was the precursor of the free labor contract. But the original formula shows that the period of work was regarded as temporary slavery; as in the Roman expression in mancipio esse. Furthermore the man who rented himself out needed a patron, who would if need be help him regain his liberty. Of course this temporary self-enslavement could also be enslavement for debt. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.96.
expansion because the land and captives were regularly conferred on private individuals, i.e. under a capitalistic scheme, a wild-fire phenomenon, whereas land, captives, and other spoils of war in Babylon became the property of the King.  

The Babylonian Temples managed slaves and serfs on its estates, and were included in mortgages of such lands, but feudalism was not allowed to develop from priestly debt slavery. The previous hint of debt-slavery in Babylonia suggests that slavery was primarily an economic category of theocracy. All of the slave’s property was automatically the property of the slave-owner; this obliquely suggests that a slave could not buy himself out of slavery, or that the owner could arbitrarily prevent it. The labor of a slave could be used for any investment the owner wanted to make of it. If a slave married a free woman, among the taxes exacted from subjects several were from the first paid in grain. Later they were adjusted according to the legal status and the fertility of the land. Other taxes in kind were also levied, and seem to have been rather onerous; mortgage contracts include mention of them, and fragments of cadasters have survived. A poll tax was also levied on free people, or at least on free women; perhaps originally it was levied on all not fit to fight. In addition there were various taxes levied on commercial transactions, such as sale of land and slaves. Contracts specified that a penalty be paid the state for non-fulfillment, as penalties seem in earlier times to have been the performance of labor services for the King, a remnant of earlier systems. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.87.

If we compare the Roman agricultural economy of Cato the Censor’s time, then we see that the Mesopotamian economy differed in the following respects: (1) agriculture was shaped by irrigation, as is still evident in Hammurabi’s Code; (2) vegetable cultivation was much more extensive; (3) above all, the use of organized slave labor was much less developed. The last aspect is undoubtedly due to the fact that in Rome as a result of her conquests an enormous number of slaves and the great quantity of land were thrown on the market and made available for private exploitation; nothing comparable occurred in the Ancient Near East. Their slave prices were not high, but the number of slaves was clearly not great. Land and population won in war were royal property. The King did, it is true, like the pharaohs, distribute a part of captured livestock, prisoners, and land to his soldiers, but the land was regularly granted either in connection with garrison duty in conquered territories (the inhabitants being transported to Mesopotamia) or else with responsibility for canals and horticulture. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.97.

Although the beginnings of manorialism and feudalism were present in Mesopotamia, the political system did not develop in that direction. The state became essentially bureaucratic, with the trappings of a theocracy. When Temple lands were mortgaged the peasants on these lands were included just as was the livestock. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.93.
upon his death one half of the slave’s assets went to the slave owner, and one half to the slave’s progeny; this seems to be based upon the reasoning that the slave’s child was one half the blood of the slave, one half the blood of the wife.\textsuperscript{561}

Alternatives to debt slavery were thinkable in the conditions of the ancient theocracies. Debt slavery and latifundia could have been prevented by nationalizing latifundia for peasant distribution. Agglomeration of latifundia could have been prevented by forbidding peasant land sales. National monopoly of natural resources could have prevented excessive capitalistic accumulation of wealth.\textsuperscript{562} Agricultural banks could have prevented peasant bankruptcy by national purchase at abundance and national sale at dearth.\textsuperscript{563} All of these tactics had in fact been implemented throughout the Bronze Age, but, oddly, were not particularly successful. Why?

Debt slavery had developed from conquest slavery. Prior to town civilization, there was no minted money, and barter was not adequately quantifiable. The means of borrowing was satisfied by giving one’s person as security, because the amount of labor that might be equivalent to the value of the loan was more quantifiable than any other medium of exchange. Building upon this premise, when theocratic societies materialized, war prisoners were slaughtered. Thus, it could be reasoned, the life of a war prisoner was forfeited, even if it was spared; the war prisoner owed the master his life, because his life was already forfeit, and the only way this debt could be repaid was to make the use of the prisoner the personal property of the one who spared his life.\textsuperscript{564}

\textsuperscript{561} Cf. Latourette, K. S.: The Chinese: Their History and Culture, v.1; New York, 1934, p.121.
\textsuperscript{562} Cf. Legendre, Dr. A. F.: Modern Chinese Civilization, London, 1929, p.23.
\textsuperscript{563} Shocked by the development of slavery on the large estates of China, Wang Mang, at the very outset of his reign, abolished both the slavery and the estates by nationalizing the land. He divided the soil into equal tracts and distributed it among the peasant; and, to prevent the renewed concentration of wealth, he forbade the sale or purchase of land. He continued the state monopolies of salts and iron, and added to them state ownership of mines and state control of the traffic in wine. Like Wu Ti he tried to protect the cultivator and the consumer against the merchant by fixing the prices of commodities. The state bought agricultural surpluses in time of plenty, and sold them in time of dearth. Loans were made by the government, at low rates of interest, for any productive enterprise. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 700.
Originally the theocratic societies prohibited enslavement of members of one’s own society, but debt slavery was exclusively the enslavement of free members of one’s own society. The later distinction between free landowners and landless labor had not existed in the Neolithic/Bronze age theocratic societies, first, because kin were forbidden to exploit kin, and second, land in a kinship system was never in individual ownership, but in the property of the clan. The first appearance of the distinction of free land owner and propertyless laborer, a class distinction, could not form until one ethnic group subjugated an alien ethnic group. Once conquest had infused a large element of slavery into society, however, it became more plausible that one might enslave one’s own people. When labor was separated from the means of production, free people could put their labor on the market. The manner of putting one’s labor on the market was done, however, on the analogy of captive slavery; in taking employment one was selling oneself into temporary slavery. Given that free employment was conceived as selling oneself into slavery for a limited time, quickly the thought developed that ownership of one’s body was, in a last resort, a universal money by which debts could be balanced. A person who found himself unable to pay a debt could use the ownership of his body to dissolve the debt; one rendered oneself as a slave to the debtor for the length of time the value of one’s enslavement would equal the debt.

As Babylonian slavery was not a collective enslavement of a generic group, slavery was probably not regarded as an extraordinary human condition, either by the master or the

564 The Ancient Oriental empires developed their labor service from certain prehistoric principles and obligations which we find as duties imposed upon conquered tribes, or as duties expected from neighbors and townless civilizations. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.176.
566 A distinction between landowners and landless laborers could not emerge spontaneously within a kin or village group because kin are not allowed to exploit kin. Thus, they argued, the distinction must originate by the conquest by one king group of another. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.84.
slave.\textsuperscript{569} It was more like belonging to a lower social class. Babylonian allowance that a slave might work to pay for his manumission anticipates the leniency of Roman slavery, and suggests a possible repugnance of this condition.\textsuperscript{570} Debt slavery did not induce a permanent feudal class order because plutocracy would have disaggregated the theocratic order of social classes.\textsuperscript{571} Theocracy did not allow mercenary classes to use debt slavery to create a service retinue.\textsuperscript{572} Manual labor and taxation were consistently assigned to the lowest classes,\textsuperscript{573} while the higher classes were exempted from both on grounds of dignity;\textsuperscript{574} the strict division of social classes preserved the social régime of theocracy but retarded the development of the totality of labor classes into slavery.\textsuperscript{575} Taxation and slavery in the theocracies were reserved for punitive purposes, in one of two ways: 1) to “reeducate”

\textsuperscript{568} The subordination of labor and its total separation from the means of production usually at first involved dependent, rather than free, labor. Large-scale military conquest extended dependency and slavery. Subsequently, slavery might be extended to members of the same people through debt bondage or through the selling by a chief of his own surplus labor to a more civilized society, but the model for both was conquest slavery. Needless to say, the benefits of such a system did not usually accrue to the slaves themselves. It could also, on occasion, undermine the economy of competing free peasants (as it did much later in the Roman Republic). But the increase in production could benefit the free population as a whole not just slave or serf owners. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.151.

\textsuperscript{569} The slave and all his belongings were his master’s property: he might be sold or pledged for debt; he might be put to death if his master thought him less lucrative alive than dead; if he ran away no one could legally harbor him, and a reward was fixed for his capture. Like the free peasant he was subject to conscription corvée-i.e., forced labor in such public works as cutting roads and digging canals. On the other hand the slave’s master paid doctor’s fees, and kept him moderately alive through illness, slack employment and old age. He might marry a free woman, and his children by her would be free; half his property went on his death to his family. He might be set up in business by his master, and retain part of the profits-with which he might then buy his freedom; or his master might liberate them for exceptional or long and faithful service. But only a few slaves achieved such freedom. The rest consoled themselves with a high birth-rate until they became more numerous than the free. A great slave-class moved like a swelling subterranean river beneath the Babylonian state. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 229.

\textsuperscript{570} Cf. Maspero, G.; \textit{The Passing of the Empires}, London, 1900, p.735.


population, by inducing the population to change theirs minds on a certain position they had taken; or 2) to permanently degrade a foreign group to secure that the different cultural group would never have opportunity to pollute the culture of the dominant race.\textsuperscript{576} The Hindus, for instance, were not originally Indian; they were a northern group from the Caucasus.\textsuperscript{577} The Pariah caste of Hinduism (the untouchables) had been the native Dravidian inhabitants of India, who did not share in Hinduism.\textsuperscript{578} Punishment as the form of inducing a group to change its mind is well exemplified in Islam, which imposed a heavy tax on Jews and Christians until they converted to Islam, and in the plight of the Medieval European Jews, who had been heavily taxed until they converted to Christianity.\textsuperscript{579} In the Babylonian theocracy, taxation was used punitively, not to encourage conversion, but simply to divide the lower class permanently from the higher social classes.\textsuperscript{580}

Plutocracy, making birth irrelevant to social status, also undermined theocracy; it was likely to induce social mobility and to reduce the efficacy of taxation as a means to stabilize class distinctions. Succinctly, theocracy forces wealth distribution to follow natal social position, whereas plutocracy allows wealth to invert given social positions.\textsuperscript{581} A social form such as democracy or free market would ruin the traditional stratification instantly.\textsuperscript{582} Debt

\textsuperscript{575} The people fell into five classes: patricians or nobles; craftsmen or master-artisans, organized in guilds, including the professions as well as the trades; the unskilled but free workmen and peasants of town and village; serfs bound to the soil on great estates, in the manner of medieval Europe; and slaves captured in war or attached for debt, compelled to announce their status by pierced ears and shaven head, and performing most of the menial labor everywhere. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 274.


\textsuperscript{577} Cf. Davids, T.W. Rhys; \textit{Buddhist India}, New York, 1903, p.55.


\textsuperscript{579} Cf. Rawlinson, George; \textit{Five Great Monarchies of the Ancient Eastern World}, v.1, New York, 1887 pp.401-2.

\textsuperscript{580} Below the ruling minorities were the Vaisyas, merchants and freemen hardly distinct as a caste before Buddha, the Shudras, or working-men, who comprised most of the native population; and finally the Outcasts or Pariahs- unconverted native tribes like the Chandalas, war captives, men reduced to slavery as a punishment. Out of this originally small group of casteless men grew the 40 million “Untouchables” of India today. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 399.

slavery, transferring wealth to the priesthood by engendering plantations of debt-slaves in the place of small free holdings, would strengthen the priesthood but increase over-all impoverishment. The Code of Hammurabi (Articles 22-24) restrained progression into debt slavery. One should juxtapose these ordinances with the consideration that the class of people most liable to debt slavery were merchants, not peasants.

One of the articles prescribes that if a merchant is robbed and the state cannot apprehend the robber, the state will compensate the merchant for what he lost. What motivated Babylonia to extend such extravagant protection to the merchant? Throughout most historical periods and most societies, punishment is designed to prevent further crime, not to compensate the victim for his loss. Perhaps the lex talionis, being such an obvious and easily applicable principle, misled early governments into designing punishment for the sake of the victim rather than of the community. Societies quickly revised their concept of punishment when it was appreciated that compensation for damage was unaffordable.

The theocratic ideas of punishment had originated from a concept of adequate revenge;

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582 Such a society never dreamed of democracy; its economic character necessitated a monarchy supported by commercial wealth or feudal privilege, and protected by the judicious distribution of legal violence. A landed aristocracy, gradually displaced by a commercial plutocracy, helped to maintain social control, and served as intermediary between people and King. The latter passes the throne to the one of his choosing, with the result that every son considered himself heir apparent, formed a clique of supporters, and, raised a war of succession if his hopes were unfulfilled. Within the limits of this arbitrary rule the government was carried on by central and local lords or administrators appointed by the King. These were advised and checked by provincial or municipal assemblies of elders or notables, who managed to maintain, even under a spurious nomination, a proud measure of local self-government. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 230.


584 “If a man practice brigandage and be captured, that man shall be put to death. If the brigand be not captured, the man who has been robbed shall, in the presence of the God, make an itemized statement of his loss, the city and Governor within whose province and jurisdiction the robbery was committed shall compensate him for whatever was lost. If it should be a life that was lost, the city and Governor shall pay one mina to the heirs.” Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 232.

revenge as the underlying principle of punishment is however disastrously costly to society as a whole.\textsuperscript{586} Criminal justice evolved to substitute compensation for revenge; compensation was paid by the miscreant, not the society, and in this manner saved society from the harm that would subsequently accrue to society from harm inflicted on the criminal.\textsuperscript{587} The Babylonian promise of State compensation to the victim, however, seems to have intended the preservation of a class of people, the merchants, from another class, the priesthood, which seemed quite likely to eliminate the merchants. The theocratic element was vital because it instilled in the population a willingness to pay taxes and obey laws.\textsuperscript{588}

**EGYPTIAN HIERARCHY**

**Social Stability**

The taxation system of a hierarchical society is one which assumes that the hierarchy constitutes an equilibrium that is indispensable for the bare existence of society; the justificatory principle is not equity, but survival. Whenever there was a breakage in Egyptian dynasticism, the demos underwent famine; Egyptian hierarchy was essential to the demotic survival. Whereas in the Mesopotamian region military force was needed to maintain domestic peace, the Egyptian theocratic monopoly of the Nile achieved a reliable supply of all necessities and kept peace.\textsuperscript{589} Egyptian totalitarianism had no competing network of


\textsuperscript{587} The second step toward law and civilization in the treatment of crime was the substitution of damages for revenge. Very often the chief, to maintain internal harmony, used his power or influence to have the revengeful family content itself with gold or goods instead of blood. Cf. Durant, Will; *Our Oriental Heritage*, MJF Books, New York, 1963, p. 27.

\textsuperscript{588} Even though the King might have his differences with his officials he needed the support of the bureaucracy; despite his struggles with the priests, legitimacy remained indispensable, and such legitimacy could be gained only through apotheosis (in Egypt) or divine confirmation. Military monarchies founded on conquest were able to free themselves from priestly control, as in Assyria, but this was more difficult in the older civilized societies. Thus in Babylonia, where theocracy was much more developed than in the Assyrian military state, the monarch was considered to hold his land as a fief from a God and indeed he went through a ceremony of reinvestiture each year. Cf. Weber, Max; *The Agrarian Sociology of Ancient Civilizations*, Verso, London, 1988, p.87.

power, and had not required a large military.\textsuperscript{590}

Hierarchy prefers a distribution which keeps each social class in its place, instead of a fiscal system which maximizes wealth in toto. This seems slightly illogical. If a society were democratic, the principle of maximum wealth in toto would be acceptable, because to some degree wealth and power would be spread beyond the elite class; when however wealth and power are intentionally confined to an elite class, the interest of wealth in toto might jeopardize the elite monopoly. A position is awarded a maximum of social surplus, 1) if the position is vitally important for society, and 2) if those truly capable of executing the function are scarce. If on the contrary a position is insignificant and the functionary is easily replaceable, remuneration will be very low.\textsuperscript{591} This would seem to be a rational basis of social selection, but it was one that Egypt failed to observe. Egypt preserved a static schedule of payment to preserve the traditional class order rather than to indulge payment according to supply and demand, which would have scattered the religiously ordained class

\textsuperscript{590} The Egyptian state was probably essential to the subsistence of the mass of its population. If the sources are to be believed, its two periods of disintegration brought famine, violent death, and even cannibalism to the land. They also brought regional diversity in pottery styles, lacking in other periods. The state’s physical possession of the Nile communications infrastructure, foreign trade, and precious metals gave it a monopoly of resources essential to its subjects. Unless subjects sought to organize their own trading expeditions or to control the Nile, force need not be used as directly as it was elsewhere in the ancient world. The pharaoh controlled a consolidated “organization chart,” centered on the Nile, uniting economic, political, ideological, and a modicum of military power. There was no alternative power network, cross-cutting this one, in social or territorial space, no system of potential alliances to be built up by the discontented that could enjoy a different power base than the Nile itself. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.113.

\textsuperscript{591} Davis nennt zwei Faktoren als Hauptdeterminanten für die Höhe der Entlohnung in den einzelnen Positionen: (1) ihre funktionale Bedeutung für die Gesellschaft und (2) die relative Knappheit an qualifiziertem Personal. Positionen von extremer Wichtigkeit, für die sich nur schwer jemand findet, sind am höchsten dotiert. Unwichtige Positionen, für die genug qualifiziertes Personal zur Verfügung steht, sind am schlechtesten bezahlt. Da keineswegs alle Positionen die gleiche Bedeutung haben und nicht alle Menschen gleichermaßen für die verantwortungsvolleren Positionen qualifiziert sein können, ist Ungleichheit unvermeidlich. Sie ist aber nicht nur unvermeidlich, sie ist auch der Vorteil aller, wenn Überleben und Wohlergehen jedes einzelnen hängen vom Überleben und Wohlergehen der Gesellschaft ab. Cf. Lenski, Gerhard; Macht und Privileg, Eine Theorie der sozialen Schichtung, Suhrkamp Taschenbuch, Franfurt am Main, 1977, p.35.
The interests of the ruling class and those of the whole of Egyptian society did not coincide, and the interests of the nobility and priesthood took precedence even when the choice was detrimental to Egypt as a whole. Both schemata, the idea of rational selection, and the Egyptian class schema, produced unequal societies. However, if an individual rises to a high position because of superlative ability, all members of society benefit from his elevation; this was prevented by the Egyptian hereditary selection.\textsuperscript{592} Parents wanted their children to inherit their positions; offices multiplied and became class-exclusive in order to promote hereditary succession in office. Specialization of office reduced the need to exhibit personal qualities, and thus allowed a son to take a father’s office on the basis of acquiring a specialty the acquisition of which was denied to individuals of the wrong class.\textsuperscript{593} Very frequently special education or skills are adopted to preclude people of a lower social class.

It was necessary for the theocratic State to be in ownership of almost everything, for it otherwise could not have overborne the losses incurred by having ignored the law of supply and demand. Because the State was the owner of virtually everything, the wage payments of the State were all wage payments tout simple, and thereby controlled all wage and price levels, to everyone’s detriment except God’s, presumably.\textsuperscript{594} Here one might make an analogy from The Selfish Gene; the human physical body is used to protect the status quo of the genes; all physical mutations take place to preserve the genes from any alteration. The world was in constant flux; Egyptian social structure should have changed in


\textsuperscript{593} Eine zweite Entwicklung, welche die Übertragung von einer Generation auf die nächste erleichtert, ist die Zunahme und Spezialisierung offizieller Ämter in allen politisch fortgeschrittenen Hortikulturgesellschaften. Wo Ämter fest etabliert sind, ist die Bedeutung von persönlichen Qualifikationen erheblich reduziert, und es wird für einen mediokren Sohn viel leichter, die Vergünstigungen zu erben, die ein aussergewöhnlicher Vater sich zu verschaffen wusste. Cf. Lenski, Gerhard; \textit{Macht und Privileg}, Eine Theorie der sozialen Schichtung, Suhrkamp Taschenbuch, Frankfurt am Main, 1977, p.248.
correspondence, and the only way to maintain society in its static state was to force artificial change in the outer world to accommodate its own immutability. The State accomplished minimal internal change by bringing all social institutions under government control. Enormous ideological structures radiating from the divinity of the Pharaoh were developed to glorify the status quo.\footnote{595}

Theocracy entailed the highest expenditure of any social system for the basic forms of social organization. Competition is a democratic element; it emerges when economic distribution is unequal; a society develops concern for economic growth under the condition that individuals compete for varied economic distribution. Theocracy constituted a legally bound inequality, and needed to counteract the inevitable emergence of competition. Political participation was prevented by precluding the possibility that groups might share in the vicissitudes of economics; Egypt achieved this by her centralized redistribution. Inheritance of office suppressed competition. If an office is transferred by inheritance,}

\footnote{594 The Ancient Oriental state attempted here to defend the traditional concepts of the present age, with its static and conventional rewards, against those of a more modern wage system, which was closer connected with supply and demand. This was an impossible policy although the state had the greater part of the general economy under its immediate or indirect control. Nevertheless by means of its own wage payments, the political planning centers of the ancient Orient were able (though not always) to apply the their own legal wage tariffs to the payment of a considerable number of state officials and employees, and so to influence the general wage level considerably. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.114.}

the office is a type of property rather than evidence of ability; competence comes into
direct proportionality with office-holding when the method of acquisition is competition.
Stability of the class order on the other hand is protected by hereditary transference of
office, but ends in social sclerosis.\textsuperscript{596} Taxation and rent enabled capitalistic processes
within the government, but were inefficacious because of the absence of private capital
and the inadequacy of provincial rule. Occasionally the King sent his army into a province
to plunder what had not been yielded.\textsuperscript{597} The theocratic societies with strong hierarchy
emphasize collective expenditure, not individual expenditure. The system of centralized
redistribution, while glorifying the bounty of the Pharaoh, minimized need for personal
market exchange. Comprehended in the notion of hierarchy was that each caste should have
pertinent property which serves to signify class position; tax revenue was distributed to
keep each caste possessed of whatever was thought appropriate according to social role for
a caste member. Since roles are assigned from birth, this social organization does not benefit
from the principle that one individual is more capable of doing x than another, so that this
form of society sacrifices substantial economies.\textsuperscript{598}

Egyptian hierarchy was precariously dependent upon whether or not provision was made
for incremental divisions of wealth in the labor classes. As mentioned it was necessary to let

\textsuperscript{596} Wie das Beispiel des Hasinai-Häuptlings zeigt, ist die Wahrscheinlichkeit einer Diskrepanz
zwischen Fähigkeit und Status dann sehr hoch, wenn Ämter quasi als “Eigentum” von einer
Generation auf die nächste übergehen. Unter solchen Verhältnissen dürften die Korrelationen
zwischen Können und Status, zwischen Leistung und Belohnung viel niedriger sein, als wenn ein
Amt in freiem und offenen Wettbewerb allen zugänglich ist. Und selbst in diesem Fall wird sich
eine gewisse Diskrepanz entwickeln, wenn die einzelnen auf lange oder unbeschränkte Zeit im Amt
sind. Kurz, die Entwicklung von Ämtern in Gesellschaften stellt einen wichtigen Schritt in Richtung
Stabilisierung, Erstarrung, und Institutionalisierung von Systemen mit sozialer Ungleichheit
dar. Cf. Lenski, Gerhard; Macht und Privileg. Eine Theorie der sozialen Schichtung, Suhrkamp
Taschenbuch, Franfurt am Main, 1977, p.182.

\textsuperscript{597} Owing to taxes and the income from landed and mining properties the state built up a
capitalistic pattern for taxation and ground rent also. On the other hand these capitalist sectors
should not be overestimated. The King was able to control and limit the feudal estates of his realm
only for short periods. The royal army, it is true, served in the front line to acquire goods for the
King and the ruling classes. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W.
Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.186.
the producer keep something of his production, in order to avert lassitude, but another factor entered. If the totality of under classes were remunerated equally, the ease of mutual identity would make it much easier for the demos to recognize organization in a single principle; they could much more easily unify against the ruling classes. When all chance of advantage or social ascent are precluded, the individual is prone to think of overturning the whole structure that depresses him. If on the other hand there is a wide income distribution among the lower classes, it is too confusing for the individual to think of social revolt in terms of a unifying principle. Instead of a collective approach, as in the case of revolution, envy focuses on the class incrementally above his own instead of on the aristocracy, and devises individualistic ways to rise an increment higher.\footnote{599}

The hierarchical disregard for differences of individual competence aggravated discrepancies between social status and actual ability. If hierarchy pressed too insistently for containment within the natal social class, it would risk motions oriented to social revolution; that is, excessive effort to maintain static social stability would induce instability.\footnote{600} The central planning so characteristic of Egypt and other theocracies was made inevitable from

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\textsuperscript{598} All forms of hierarchy-class and caste, simple and complex-seek glory for the collective, and that costs money. But complex hierarchies, containing distinct strategies for different spheres of life, cost the most because they have more finely graded positions to support. The line-item accounts we impute from the patterns of expenditure give each level its due. Expenditures are difficult to reduce because the status and function of the occupants of each position (and hence their relationships to other occupants and statuses) are simultaneously a product and a measure of what the government spends on them. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 89.

their need to suppress the emergence of a plurality of power centers. Theocracy could maintain power only if all power were concentrated in one place only. Hierarchy protects the assets and inheritability of privileged social classes; it mummifies of wealth distribution at the cost of wealth maximization. Any invention, religious movement, ideology etc. whatever upsets the balance of social classes. The conservative instincts of an aristocratic class are well justified, in that any beneficial, constructive innovation that benefits some social group, or even which benefits society in toto, will attenuate the collection of forces that sustain the aristocracy; consequently an established upper class should be interested in minimizing innovation. Those other social groups that would benefit from the innovation struggle against the upper class to impetrate realization of the innovation.

Somewhat paradoxically, in order to maintain the security of wealth, higher social classes must suppress the increase of wealth that might impel a new distribution. In consequence

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601 From a rather justified sense for self-preservation the kingdom in the Ancient Orient could not allow too much power to exist independently outside its control. If its power for central planning over large territories weakened, it would lose at once all control of the economic, social, and political affairs of the kingdom, in fact the whole political, social, and economic system of Bronze Age city civilization would be shattered and atomized. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p. 167.


603 If a new source of wealth develops in a society, if the practical importance of knowledge grows, if an old religion declines or a new one is born, if a new current of ideas spreads, then, simultaneously, far-reaching dislocations occur in the ruling class. One might say, indeed, that the whole history of civilized mankind comes down to a conflict between the tendency of a dominant element to monopolize political power and transmit possession of it by inheritance and the tendency toward a dislocation of old forces and an insurgence of new forces; and this conflict produces an unending ferment of endosmosis and exosmosis between the upper class and certain portions of the lower. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p. 15.
hierarchical society preserves the ascendancy of its aristocracy, not in the sense of 19th century class exploitation, but because aristocracy is integral to preservation of society as a whole. Perpetuation of the given King and nobility does not raise total wealth to its potential maximum, but class order takes priority over total wealth. It would be anachronistic to suppose that the Early Kingdom could have had a concept of national wealth. Rather, the theocratic premise was that the whole world was alive, and that all things in it were alive and harmonious. The idea of the Pharaoh or King mirrored this premise. Since all things are alive, grow, and reproduce, all things are subjects of taxation and usury. All surplus taken by taxation and usury was the property of the Pharaoh, the god who deigned to live in this world. The God-Pharaoh in his bounty then redistributed the surplus from his storehouses, thus being the provider of life to all his people. 604 The harmony of redistribution depended on maintaining the given social order.

The economic surplus was entirely the possession of the Pharaoh, either in the form of taxation or as rent from predominant State property. The totalization of property in the Pharaoh and the totalization of redistribution was a consequence of the absence of money; other forms of accumulation and distribution would have been too cumbersome without a standard medium of exchange. In consequence the Pharaoh fixed the prices of the entire market. Although there was some private production, it was negligible in comparison to the volume of State provisions. Private production had no effect on market prices because producers could not increase or decrease production according to demand; the State controlled the producer’s supply line, and the private producer depended mostly on his sales to the State. 605

604 With the acceptance, in some townless cultures of Mesopotamia or perhaps Central Asia, of a religion that taught the general harmony of a living world consisting of animate parts exclusively, I think there had to follow a revolutionary economic change in the regions in question, without which the transition to early city life would have been impossible at all. And with this change-over too, there emerged the concepts of a centrally planning world monarchy, which were to be so important for all imperialist development politically and economically right up to modern times, the concepts of a living King as the divine representative and Savior of the whole human race who had the power to organize the welfare of the whole world. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.105.
Prehistoric trade

The oikos economy was a continuation from the townless civilization; all secondary production was executed within the family. Professional craftsmanship therefore concentrated solely on products that were not needed in daily life; luxury articles were the only products not provided from family manufacture. In consequence the skilled artisan was socially lower than the farmer. In townless civilization the artisan had to be nomadic because there was no concentration of potential customers; artisans wandered from tribe to tribe. The town created the possibility for a fixed location, but, since the craftsman, not having farmland, was directly dependent on his customers for his livelihood, the conception of his low social status remained prevalent in the town societies.

Movement from the Paleolithic to the Neolithic altered the oikos economy; settlement

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605  Such a large proportion of the economic surplus of society came as income from state possessions, from taxes, and in other ways into the royal treasure and storehouses and was distributed again from here according to a fixed plan that it was perhaps possible for an ancient Oriental King to fix the price of certain products as if he had a monopoly in them. For supplies of wares from independent merchants and producers were practically negligible compared with the supplies which were directly and indirectly at the disposal of the palace. Such private supplies existed, it is true, but they could not be increased at will to satisfy an increased demand, and could consequently have very little effect on the general price level. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.184.

606  Genuine craftsmanship as a profession in prehistoric townless civilizations, therefore, was generally connected with the production of rare, artistic, and luxury articles only. These were acquired by exchanging goods at a conventional payment. The principal activity in secondary production, preparation of articles which had to be used every day, remained almost completely the affair of domestic industry. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.74.

607  A specialized and exclusive profession of resident craftsmen, with its chances for refinement, was very seldom found, even in very rich peasant regions. Such refinement of secondary production appears fully only in city civilizations with their powerfully enlarged range of consumers. In addition, if the craftsman had no part in primary production of townless civilizations, for the one or other reason, he would be completely dependent on the customers for all his material needs, and so he would be socially inferior to the peasant, as is still the case today in remote regions. From landless craftsmen of this kind there arose very soon a free and more fluctuating landless proletariat who wandered from country to country. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.74.
seems to have impaired autarchic production. Trade seems to have developed as a means to compensate against scarcity of goods which the town family was unable to produce for itself; this might have been due to circumstances of fixed town settlement that affected the capacity to produce, or due to the generation of needs that had not existed previously. Exchange during the Paleolithic was serendipitous, but had already become rather systematic in the Neolithic.\textsuperscript{608}

Conventional trade was late to evolve; gift-giving and robbery seem to have been progenitors. Trade between states was disguised as mutual gift-giving between kings. Silent trade, the earliest form of trade, seems to have originated from spoliation. A leaves goods in a location; B enters stealthily and leaves some other sort of goods, and leaves. A re-enters and adds or subtracts goods, etc. etc. until the balance satisfies both parties.\textsuperscript{609} In “pirate trade,” the same exchange mimicking spoliation is played out; B breaks in, steals the goods left by A, executes token vandalism, but leaves behind payment for the vandalism and stolen goods.\textsuperscript{610} The last form of primitive trade was market exchange, in which goods

\textsuperscript{608} Under trade we understand that type of human production which forms part of the general exchange of goods, and tries to overcome any local scarcity of goods and individual needs for goods which cannot be satisfied by production of an autarchic family unit. While the exchange of goods, in the Paleolithic, had been mainly left to chance meetings, we find, in the Neolithic Age, a particular and planned form of production. Within the general phenomenon of trade we can distinguish, in accordance with the length of the way on which the goods were moved, internal trade or trade between neighbors, which has to do with one particular settlement only, and external or foreign trade, which may affect a large area. Trade between neighbors and external trade were basically different in the prehistoric village civilizations, much more than in city cultures, not only as far as the goods, which were moved, were concerned, but also when one considers the forms which the exchange of goods took. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.86.

\textsuperscript{609} Silent trade is age old and primitive. The contracting parties do not see each other personally. One party lays goods down and hides himself; the other group lays wares of similar value by their side, before retreating. The first party returns and adds or subtracts goods, as appears fair to him. The other contracting party may return also and continue the game, until finally both sides are satisfied. Long use has often established a rigid convention of gifts that must be exchanged, to shorten the proceedings. Silent trade must have developed everywhere where danger to life and limb for the foreigner made direct trade undesirable. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.87.
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were exchanged between tribes at a specified time and place for negotiated prices.\textsuperscript{611} The previously mentioned “gift-giving” derived from an exchange-pattern between individuals in the same tribe. A wants x belonging to B; B gives x to A. A then gives to B something of equivalent value. Apparently straightforward exchange, having its origin in robbery, would be too abrupt; the exchange is disguised as gift-giving in this case to strengthen the internal bonds between individuals of the same group. The gift giving of kings instead of outright trade seems also to have reinforced friendly relations.\textsuperscript{612} Gift-giving seems to have been the original form of trade between alien tribes, similarly because plain exchange would be felt to be a lowering of dignity.\textsuperscript{613} Trade and piracy in Egypt were not distinguishable; a merchant deliberately went to areas where piracy was possible, which was more lucrative

\textsuperscript{610} Pirate trade is another age old conventional trading game. One group of people breaks in by night and takes away the wares they wish to acquire, usually eatables. They destroy certain possessions of the owners, as tradition prescribes. But they leave a fair conventional payment in the place of the goods they have taken away or destroyed. An even more humane and considerate form of trade develops from such games: group trading. Before breaking in, permission to do so is asked for by the group in a ceremonial manner, and they pay a certain indemnity for its permission as well as leaving certain wares in the house in exchange for those taken away. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.87.

\textsuperscript{611} The highest primitive form of external trade between different tribes was finally market trade, which took place between members of contracting societies at a fixed time and on a fixed place. Here a definite price in the modern sense, and not a conventional price, was eventually fixed for the different wares, as soon as their changing value could be established more securely by supply and demand. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.87.

\textsuperscript{612} Inside the village communities themselves, the exchange of goods had a very different pattern from that of external trade. The oldest form of exchange was certainly the well known game of giving and taking presents. One partner gives the other some article which he desires as a present. The second partner replies in a similar way, but does not estimate the value of the gifts exactly, merely giving something which has approximately the same value. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.88.

\textsuperscript{613} Such customs of giving and taking presents soon spread among friendly neighboring tribes also. They became a symbol of the host’s good feeling towards his foreign guests, and developed to become an important form of external and internal trade. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.88.
than exchange.\footnote{Merchants liked to journey to countries where piracy was possible, or to armies on campaigns rather than going after peaceful trade exclusively. Piracy and war offered the best opportunities for quick and considerable gains. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.224.}

**Egyptian trade**

**Nationalized Commerce**

In the third and second millennia B.C. there had been commerce in necessary commodities: tin, copper, and bronze. Now there was external trade only in luxuries. This signified 1) that Egypt was uninterested in the profit deriving from trade and 2) conducted in the guise of ceremonious gift-giving, this international trade in luxuries was mainly to the purpose of maintaining friendly relations with neighboring states.\footnote{A few efficient village smiths could be the equivalent for Ancient Oriental totalitarian organization and bronze armament with the help of imports from alien countries. Foreign trade now only had luxury products to offer, not absolute necessities like tin, copper, and bronze, as had been the case during the Ancient Oriental millennia. The new states of the early Iron Age were therefore not much interested in the economic sphere of foreign trade. But the storms of the beginning Iron Age not only undermined the money system, the system of trade, the strategy, and the political organization of the ancients. They had an even more lasting effect because ancient Oriental kingship itself was now no longer the strongest guarantee for the survival of civilization and lasting political power. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.204.} This explains why there was no development of great commerce; it was not desired. Merchants could not privately finance commercial excursions; no one but the State had disposable capital. By the time of the first Iron Age the State, for instance Egypt, controlled 90% of the total economy.\footnote{For the Ancient Oriental economy was, as we have seen already, by no means free, but perhaps controlled by the state up to 90% of its potential. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.184.} The first Iron Age was a time of great ethnic migrations and the rise of the Assyrian Empire. In the period 1220 - 1193 B.C. Egypt came close to conquest by ethnic groups from Libya and the Near East; Syria and Palestine were overrun by Aramaeans, Israelites, and Philistines; Southern Arabia and Abyssinia were conquered by new Arabian
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tribes. The turmoil was due to the invention of iron, which had given heretofore dormant ethnic groups a sudden access to military power.\textsuperscript{617} Egypt did not carry on commerce in this period because it would be a degradation of dignity. Egypt reacted to the invention of Iron by indulging in conquest or imperialism in the Levant. The State, disposing over the corvée and taxation, could dispense with reliance on a capital market; it could achieve its needs without money. If there were foreign commercial exchanges, where corvée and taxation did not substitute, not the merchant, but the State, provided the capital.\textsuperscript{618} The merchants could conduct such commerce only because of State capital; in the previous town civilization merchants had not been able to conduct such trade because the capital was nowhere available.\textsuperscript{619}

Until the end of the Middle Kingdom Egypt was not jeopardized by internal enemies; the deserts protected Egypt from external invasion, and Egypt had not sought territorial expansion, except internally along the North-South axis of the Nile. The Egyptian army had originally formed out of Neolithic predatory gangs that had sustained themselves by

\textsuperscript{617} Syria and Palestine fell, at the same period, to the Aramaeans, Israelites, and Philistines; Southern Arabia and even Abyssinia to new Arabian invaders. Egypt itself only just managed to survive the period of migrations, and to evade the destruction of the Pharaonic state civilization at the hands of the so-called Sea Nations which came in vast waves from Libya and from Asia, especially near 1220 and 1193 B.C.. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff's Uitgeversmaatschappij N.V., Leiden 1958, p.203.

\textsuperscript{618} There was as yet no finance capitalism possible in the Ancient Oriental kingdoms, that is, the provision of money for great undertakings through the state or on the part of great capitalists with the help of money loans borrowed for this purpose on a free money market with a quickly changing rate of interest. In the case of such projects feudal service was still more practicable for the state and individual landowners. Only in the sphere of foreign trade do we find a few beginnings of great financial Enterprises, but they were practically always directed by the royal economy with the help of dependent merchants and finance from the immediate income of the state. There were not yet sufficient people in existence who possessed financial wealth to produce and maintain finance capitalism. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff's Uitgeversmaatschappij N.V., Leiden 1958, p.189.

\textsuperscript{619} The possibility to use loans to increase the buying power of their own small trade capital was important for the Ancient Oriental merchants who had not been able to do this in the townless civilizations. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.139.
regularly plundering foreign communities. Seizing commodities by piracy or conquest was conceived to be more dignified than commercial exchange; thus the Egyptian army went out on forays of plunder to seize whatever was needed, rather than to obtain the same goods by commercial exchange.

No moral distinction was made between trade and depredation; merchants always practiced piracy and predation rather than trade when conditions allowed. Piracy and war had been more effective in the distribution of goods than trade. Capital had been uniquely available from the State and nowhere else partly due to the confusion of trade and piracy. A trader could not safely venture on external commerce without accompaniment by a navy or army; the state therefore participated very deeply in every commercial transaction and made certain that the profits of any exchange went to the state. In consequence of the indistinction between piracy and trade there rarely emerged any constant trade relation between states. The only trade circuit that had solidified was between Phoenicia and Egypt.

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620 Egypt, being isolated by desert from external enemies, did not need a large army. Territorial expansion had not been the original motivation for army and war in the theocracies. The army had evolved from the Neolithic raiding parties, which went on small excursions to depredate other communities. Throughout the Neolithic and Bronze Ages there was a strong confusion of trade with depredation; even as late as Aristotle, it was thought that piracy and land raids were honorable, and “merchants” indifferently indulged in piracy or trade. Piracy, robbery, and war were an extraordinarily important sector in the circulation of goods both in the Ancient Orient and in early Greece. They were in fact more often effective in transferring masses of goods from one area to another than the more peaceful methods of trade and transport prevailing in theory during later ages. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.260.

621 However, this change was not able to sway the balance between the merchants and the states or temples which provided the capital for most trade transactions and gave the caravan and naval trade a powerful financial and military backing. Under these circumstances trade was extraordinarily strongly controlled by the states, legally as well as organizationally, and on the efficient or inefficient administration of trade matters by the state officials there hung the fate of even the smallest commercial undertaking. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.139.
Artisanship

The Egyptian theocracy depended on the total control of labor, and the total control of distribution. The artisans in Egypt were employees principally of the temples, and they were organized in a society somewhat like a union so that they had to obey the directives of government. The artisans could make their products cheaper than they had been able in the townless situation. The artisan was heavily taxed, and his production depended solely on the finance capital of the state.

Market societies correct the negative efficiency of the economic growth of hierarchical societies. Because of both geographic and personal differences, one human may be able to create a certain item better than others. This variable will not develop if the individual spends his time producing everything that he needs. If he does not produce all that he needs, he may use his energy to produce that in which he is proficient, but in omitting to produce all that he needs he makes himself dependent on others. Dependence per se is not bad, if the individual can trade his production for more of those items he needs than he would have been able to produce by his own agency. The principle of economic autarchy retards economic growth. Because a market society takes wealth maximization as its final ideal, it is intrinsically hostile to social classes and hierarchies insofar as such structures are perceived to impede wealth. An egalitarian, free market regime pushes towards reduction of

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622 It rarely happened that two countries which were separated by the sea were successful in establishing regular and permanent long-term trade for their citizens. Even then only small neighboring areas were concerned, and such trade associations were never established very quickly. The most notable example of such progressive commercial exchange was the long-distance trade between Phoenicia and Egypt. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.225.
624 In spite of obvious drawbacks the craftsmen of the Ancient Oriental civilizations achieved, in this way, to make their products cheaper, in spite of a generally high standard of efficiency, than their perhaps more creative colleagues in the townless civilizations had been able to. Only now, for the first time in world history, a craftsman could live from his professional activities the whole year round although he had to pay interest, as a rule, to the owners of his business capital. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.141.
taxation, in the direction of eliminating class distinction and authority, because removal of
these conditions accelerates exchange. Hierarchy on the other hand loses power of effective
taxation and suffers fiscal deficit from attenuation of authority;\textsuperscript{628} to sustain its authority it
must use it to discourage exchange. Prices in a theocracy therefore remained the same for
years, because all prices were decreed by the King or Pharaoh in complete disregard of the
vicissitudes of supply and demand.\textsuperscript{629}

Centralization

Sibling marriage was a conspicuous aspect of the Egyptian containment of wealth in
the hierarchical social structure. Sibling marriage eliminated partition of the inheritance,
thus concentrating family power.\textsuperscript{630} The use of incestuous marriage among the pharaohs,
ostensibly to protect the purity of blood, functioned to prevent the division of sovereignty

\textsuperscript{626} Since human skills and natural resources are diversely and unequally distributed, people
may be enabled, by the development of specific talents, or by its proximity to needed materials,
to produce certain articles more cheaply than its neighbors. Of such articles it makes more than
it consumes, and offers its surplus to other peoples in exchange for their own; this is the origin of
\textsuperscript{628} Just as an act is socially rational if it supports one’s way of life, budgetary processes are
rational if they maintain the political regimes in which they are embedded. In market regimes,
budgets reflect opportunity for gain by bidding and bargaining. Under hierarchical regimes, budgets
reflect the detailed division of people and their activities by rank and status. Under a sectarian
regime emphasizing purely voluntary organization, budgets are devoted to distributing equal shares.
Hierarchical regimes, which strive to exert authority, spend and tax high in order to maintain each
rank and status. Market regimes, preferring to reduce the need for authority, spend and tax as little
as possible. Egalitarian regimes spend as much as possible to redistribute resources, but their desire
to reject authority leaves them unable to collect sufficient revenues. Cf. Webber and Wildavsky; \textit{A
History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986,
\textsuperscript{629} We have a right to suppose that the prices of many wares in the Ancient Orient did not vary
from day to day, nor even from month to month, but that they were established almost rigidly over
long periods of years. Only when the power of the central government weakened or flaws appeared
in the political and economic structure of the states price fluctuations were stronger. If this surmise
is correct the economic pattern of the Ancient Oriental world was that of a comparatively static
economy with sudden periods of adjusting. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History,
among several aristocratic families.\footnote{631} Egypt was unique among the theocratic societies for its elimination of kinship clans or of any lingering matriarchy.\footnote{632} Probably because the Egyptian population was so perfectly isolated from neighboring populations, it was relatively easy for government to eliminate local deities, i.e. distinct kinship groups, and pound the different groups into a homogeneous paste; Egypt was polytheistic, but the various local gods had been amalgamated so perfectly that any given god was revered equally in every region of Egypt; the god has been detached from his ethnicity.\footnote{633}

King and communal good were made to be synonymous; there could be no allowance that the King’s personal interests were distinguishable from his interests for the community. Egypt did not promote market economy; agricultural and other produce was centrally stored and redistributed.\footnote{634} Central redistribution created the impression that the Pharaoh was the source of life to the whole society.\footnote{635} The Pharaoh’s position derived from the late

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\footnote{630} The names of landed estates in the epitaphs Old Kingdom families of Lower Egypt, if traced through generations, indicate the degree to which possessions could be accumulated through judicious marriages and a dose of incest. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.115.

\footnote{631} In legal matters, women were equal with men in everything pertaining to inheritance, and women could conduct their own enterprises down to Ptolemaic times. Thus as early as the fourth millennium we find in the inscription of Mten that the husband gave his wife property to divide among their children as she wished, and that the son received land from her. Evidently the common practice of sibling marriage served to avoid divisions of the family’s patrimony, in the upper classes as well as the lower classes, in the royal family, and served to maintain purity of blood. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.115.


\footnote{633} A consequence of this extraordinary degree of social and territorial caging was that Egyptian culture seems virtually unitary. We have no evidence for clans or lineage groups- the usual horizontally divided groupings in an agrarian society. Although many gods had local origins, most were worshiped throughout the kingdom as part of a common pantheon. Almost uniquely in an empire of the ancient world before the era of the salvation religions, rulers and masses seem to have worshiped more or less the same gods. Naturally their religious privileges were not equal- peasants were not credited with an afterlife, and may not have been buried- but beliefs and participation in ritual became fairly similar across classes. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.113.

Neolithic, in which the tribal chief was conceived as the holder and distributor of the tribal surplus; in this primeval role, the chief was not conceived to be in personal ownership of the surplus. The conception of the tribal chief as the symbol of tribal unity however obfuscated the point that the surplus, though distributed by the chief, was not the property of the chief; as the authority of the chief strengthened, the surplus was gradually conceived to belong to the chief.636

Famine was a frequent occurrence for the demos; the lower prices of grain released from the royal storehouse then enhanced the charisma of the Pharaoh.637 But such a hierarchical social system entails total surveillance. The individual wants to advance himself, but elimination of market economy by centralization precludes such opportunity. In a hierarchical society personal ambition manifests in careerism, ingratiation, sycophancy, embezzlement, collusion, blackmail, bribery, and other secret malfeasance internal to government, because government is the only access to wealth. Failure to conceal or disguise bureaucratic corruption induces a contrary popular impression that government is an alien entity which must be circumvented.

Circulation of secondary production and the introduction of money currency did not

635 The state imposed a redistributive economy over the whole and thus penetrated everyday life. The pharaoh was the provider of life itself. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.111.
637 The royal granaries and the other storehouses sold from their accumulated surplus to the population as far as it appeared necessary and demand existed, something of the highest importance for all starving people in years of prolonged famine, exactly as the Old Testament informs us. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.188.
correct the prevalence of internal corruption. Central planning, state control of capital, lending on interest, and the corvée accelerated the profitability of covert manipulation.\footnote{638} Loan transactions capitalized by the state monopoly of capital were increasingly employed to siphon wealth from the state to priests, merchants, and government agents, quite regardless of the ostensible purpose of the loan.\footnote{639} In the first Iron Age competition developed between individualistic producers; this competition signified that enough capital had been embezzled from the State that private estates were able to create productions disentangled from the State behemoth.\footnote{640}

**Egyptian Military**

The aristocracy anteceded the State; aristocracies existed when human society was nomadic. Aristocracy was however able to strengthen itself when society assumed fixity in agricultural economy and when society was able to centralize as a benefit of agricultural fixity; throughout history an upper class rises only by making its prestige ride piggy-back on some development which is truly beneficial to the society as a whole.\footnote{641} The entity through which this beneficial centralization is able to develop is the State.\footnote{642} Individuals who

\footnote{638} This (circulation of produced goods and foreign trade) had attained a remarkable intensity through the new economic money system and its potential labor and capital resources which were increased continuously by productive loans on interest and the power of the planned state economy. Cf. Heichelheim, Fritz; *An Ancient Economic History*. Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.116.

\footnote{639} But credits, loan transactions, and money changing had become a particularly important element in providing capital, from wealthy owners, temples, and the royal administration, for the merchants of the period, who were, as a rule, either lacking or at any rate poor in capital. Cf. Heichelheim, Fritz; *An Ancient Economic History*. Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.117.

\footnote{640} Over and above these new methods there was further progress made by local competition and specialization which had its roots in the new individualistic mentality of the early Iron Age. The new agricultural estates, both large and small, freed themselves from the control and supervision by state and tribe, and continued to develop their own individual economy. Cf. Heichelheim, Fritz; *An Ancient Economic History*. Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.271.

attached themselves to the core moving towards civilization had perhaps greater influence by virtue of rank, but they were able to commandeer the aggregate power of society, ostensibly for society rather than personal interest. Such individuals can control the total power of society for the benefit of the whole society, although they fall away at the moment they are seen to use this social power for private interests.\textsuperscript{643} The Egyptian Pharaoh created a State by means of the benefits of centralization required in the formation of an army.

The maintenance of an army in the Middle and New Kingdoms adequate for all the frontiers of Egypt posed a dilemma. Such an army was too expensive to maintain. Especially mercenary armies were too expensive; cost was offset by recourse to military corvée, in which the conscripted soldiers were not paid. It was often undertaken to pay soldiers with land grants on military fiefs, located on conquered territory; this settlement of retired soldiers helped to provide unpaid military defense.\textsuperscript{644} The Pharaoh could delegate the maintenance of armies to nobles, and pay the nobles, or priests, with the award of cities or large territories. That would alleviate the cost of the military requirements. However, such governors then became an internal threat to the integrity of the Pharaoh’s sovereignty.\textsuperscript{645}

\begin{itemize}
\item \textsuperscript{642} States exist because they are functional for social life beyond a fairly simple level. It is more relevant to the present issue that they provide something that is useful to the aristocratic class. This is territorial centralization. A number of activities, such as judicial rule, law making and enforcement, military organization, and economic redistribution, were usually more efficiently performed at this level of historical development if centralized. This central place is the state. Thus any autonomous power that the state can acquire derives from its ability to exploit its centrality. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.170.
\item \textsuperscript{644} Naval and land forces, especially mercenaries, caused further substantial personal and material expenses which were only kept in reasonable levels by the cheaper compulsory military service which was customary in the Ancient Oriental monarchies. Soldiers were often settled on military fief-states instead of receiving pay. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.181.
\item \textsuperscript{645} In many periods of Egypt and the cuneiform states of the Middle East the duty of defending the realm was partly given over to local land owners, fief-lords who received whole cities, villages, and stretches of land as their domains in return. Like the temples which were often similarly provided for, these fief-lords became a constant menace to the power and the influence of the Kings, as soon as the crown lost strength from any reason. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.181.
\end{itemize}
Early tribute arrangements had been organized as grossly unequal commercial exchanges, i.e. the client state rendered great amounts and the patron state remunerated almost nothing. In the Early Kingdom, from the first to the eighth dynasties, Egypt’s only need for a conventional army was domestic, protected as she was by desert from her nearest neighbors. Domestic conquest was extremely simple because it consisted in unidirectional conquest of the Nile; opponents could only retreat further down the Nile, since one could not live at any distance from the river basin.

Territorial military expeditions were a later evolutionary development. A Neolithic or Bronze Age society could not possibly have accumulated enough capital to sustain military occupation of foreign territory. The first uses from the invention of a military were to plunder the surplus of the neighbor, not to subjugate him. In the style of predatory raid, the Egyptian army went on temporary excursions to seize copper, gold, and wood; these expeditions did not expand territory or conquer hostile neighbors. From the first dynasty on the seizures were made the immediate property of the Pharaoh. Taxes were farmed out to provincial notables, and from the Third Dynasty (ca. 2650 B.C.) on, private-property rights seem to have been conceded to such notables.


648 The main military expeditions of the Old Kingdom from the First Dynasty on were to secure copper and gold. They were often led by the pharaoh himself, and the copper (and probably also the gold) mines were under direct pharaonic ownership from the First Dynasty on. At this time there were no expeditions aimed at territorial conquest, only commercial raids ensuring the flow of trade and tribute (the two being often indistinguishable) into Egypt. Problems of control over territorial provincial governors would hardly have arisen over this sphere of activity. Even weak states (e.g. in medieval Europe) exert a measure of control over the two functions implied here, smallish military expeditions and the distribution of precious metals and quasi-coinage. If these core “regalian rights” became critical for social development as a whole, then we would predict a rise in state power. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p. 112.
Militarism

Militarism was a very late phenomenon of Egyptian theocracy, because it is the nemesis of theocracy.\textsuperscript{649} The militarist state does not have its genesis from God, but from war, and hence constitutes a rival regimen of government.\textsuperscript{650} The predatory raids of the Early and Middle Kingdoms, for which the army was used, did not constitute any separation of the religious and secular dimensions of the Pharaoh.\textsuperscript{651} Egyptian armies were devoted to predation rather than to territorial expansion, the formation of a State, or amalgamation of satellites into the State.\textsuperscript{652} The motivations to absorb alien ethnic groups, organize them into a slave class, or amalgamate them into the native population, were not part of Egyptian strategy in the Early and Middle Kingdoms.\textsuperscript{653}

The first Iron Age was a time of great ethnic migrations and the rise of the Assyrian Empire. In the period 1220 - 1193 B.C. Egypt came close to conquest by ethnic groups from Libya and the Near East; Syria and Palestine were overrun by Aramaeans, Israelites, and Philistines; Southern Arabia and Abyssinia were conquered by new Arabian tribes. When the Middle Kingdom did come to an end by the conquest of the Hyksos, it is remarkable that it was the Mediterranean part of Egypt that was overrun; Lower Egypt, then as previously, remained immune to foreign conquest due to its desert borders. The turmoil

\begin{thebibliography}{99}
\bibitem{651} Cf. Oppenheimer, F.; \textit{The State}, New York, Free Life Editions, 1975, p.27.
\bibitem{652} A loose association of raiders transformed itself into a permanent, centralized “state” within a monopoly of physical coercion, “when first the conqueror spared his victim in order permanently to exploit him in productive work.” The early states, Oppenheimer believed, were dominated by one type of conquest, of sedentary agriculturalists by pastoral nomads. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.54.
\bibitem{653} Various states in the history of the state can be distinguished: from robbing and raiding to conquest and the foundation of the state, thence to a permanent means of collecting the surplus of the conquered, thence to the gradual merging of conquerors and conquered into one “people” under one set of state laws. This people and state is continually enlarged or reduced by victory or defeat in war throughout history. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.54.
\end{thebibliography}
had been due to the invention of iron, which had given heretofore dormant ethnic groups an unexpected access to military power.\textsuperscript{654}

Egypt did not carry on commerce in this period because it would be a degradation of dignity. Egypt reacted to the invention of Iron by indulging in conquest or imperialism in the Levant. But the New Kingdom, with its imperialistic annexations and satellites along the Mediterranean coast, induced a new secular ideology that would tighten the social organizations of non-Egyptian client states.\textsuperscript{655} At the moment that Egypt should conquer a state of non-Egyptian culture, reference to God fails to justify its actions, and such reference was in no way sought. Peace is ongoing war after military victory; Egypt still needed to pacify the vanquished group, and could not charm the vanquished nations by vaunting the desires of an alien god. Militarism was strongly agnostic.\textsuperscript{656} The State was not the birth-creation of a god, but a matter of holding a tiger by the tail. The State was the solidification of the military forces that originally took possession. The rationale for the army and for continuing State control is simply that without the organization of a State to hold the antagonistic forces by coercion, the victor would be vanquished by what it had taken. The value gained by conquest could be held only by brute force. This pattern is usually characteristic of the instance in which less civilized, highland, nomadic tribes defeat the river-basin civilizations; the pattern applies to the Egyptian New Kingdom only because of

\textsuperscript{654} Syria and Palestine fell, at the same period, to the Aramaeans, Israelites, and Philistines; Southern Arabia and even Abyssinia to new Arabian invaders. Egypt itself only just managed to survive the period of migrations, and to evade the destruction of the Pharaonic state civilization at the hands of the so-called Sea Nations which came in vast waves from Libya and from Asia, especially near 1220 and 1193 B.C.. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.203.

\textsuperscript{655} Militarism clearly came later, building on top of existing forms of regional organization. In all cases ideological power had a privileged role in solidifying regional organizations. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.126.

\textsuperscript{656} The State, completely in its genesis essentially and almost completely during the first stages of its existence, is a social institution, forced by a victorious group of men on a defeated group, with the sole purpose of regulating the dominion of the victorious group over the vanquished, and securing itself against revolt from within and attacks from abroad. Cf. Oppenheimer, F.; \textit{The State}, New York, Free Life Editions, 1975, p.8.
degeneracy in the Egyptian theocracy.

**Embezzlement**

Assuming that the King has successfully overcome evasion and received payment from his taxpayers, the major obstacle to tax revenue is the embezzlement by his tax collectors. The commoners might be impressed by the religious aura of tax-duty, but the collectors who use the theocratic device are not impressed because they are familiar with the handling of the revenue after it has been collected. Taxation usually fails more because of embezzlement by the tax collectors than because of evasion. Bureaucracies originate from distrust; the king appoints an agent to supervise his agent, and then another agent to look over that agent. Quis custodiet cutodem? If however a king duplicated tax agents in order to prevent embezzlement by mutual spying, the cost of duplicating every office makes tax collection too expensive, so that what is gained by suppressing embezzlement is lost in the cost of paying excessive bureaucracy. The tax system may grow too inefficient from excessive control; either the interference from surveillance obstructs the tax collector’s capability, or the expense of surveillance cancels fiscal gain.657

As territorial expansion increased and bureaucratic relations became more impersonal, the minister went into a highly personal relation with the king, which is to say that any failing in the minister’s department would count as a betrayal of personal trust. This in effect made the minister responsible for any failure of his inferiors. The agent was guilty (liable) for any failing his subordinate committed, so that the agent would always be prevented from collusion with his subordinate in embezzlement; the agent would have to compensate any

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657 Kings need trustworthy men as tax collectors. A tax collector’s very function tempts him to cheat. Therefore ancient kings developed complex devices for assuring honesty in their officials-mechanisms that also might make it hard for honest men to perform their task expeditiously. To check administrative excess, King might multiply officials to watch over one another. The result could be an unwieldy bureaucracy-with a spirit of its own resisting the royal will-so large and complex that the King has difficulty understanding what is going on. The extent to which he governs it or it governs him becomes problematic. Cf. Webber and Wildavsky; *A History of Taxation and Expenditure in the Western World*, Simon and Schuster, New York, 1986, p. 39.
deicit resulting from the subordinate’s embezzlement, if not worse. This perhaps underlies the king’s logic in prescribing how much tax revenue should be paid; in fact the principal had no means to accurately know how much his taxation should yield, so that, strictly considered, the king should not be entitled to prescribe how much revenue he should receive. However, prescription was a good tactic, because the agent knew what final limits there were to his attempt at embezzlement.

Control by personal accountability for one’s subordinates was inadequate when the agent and subordinate were remote from the principal. When it was difficult for the principal to stick his nose into local affairs, to that degree it was possible for agent and subordinate to collude. Suppose that the superior was not held responsible for the errors of his inferior in the following senses: 1) He is not personally liable for a fraud detected in his department that cannot be traced to its author, or 2) he is not liable for a fraud committed by his inferior; the inferior may be punishable, but the superior may not. Given this leniency, it becomes very easy for the superior to use the inferior as a cat’s paw. The superior uses his considerable array of pressures to force his employee to embezzle, for instance. The employee will not betray the superior either because of shared profits, or retaliations on himself in case of discovery; the inferior understands that his superior will escape exposure, and that he the inferior will be punished exactly as if the malfeasance had been entirely his own. The superior maintains his safety because he does nothing concretely wrong that can be exhibited, so that if the fraud is disclosed, only the inferior is implicated. If there cannot in this instance be any evidence against the superior, he will remain safe, while the inferior is punished. This sort of leniency was however inefficacious; most organizational frauds are organized by superordinate figures, almost never by subordinates acting on their own, and if the miscreant discovered is an inferior figure, punishment avails nothing against the harm done. The superior, remaining unscathed and in his original position, remains able to repeat the same collusion with another subordinate.

The rule that the minister is “personally responsible” to the King ought to vacate these liabilities. Here there are two possibilities: 1) The superordinate figure is immune if there is no proof that he was implicated in the fraud. 2) The superordinate figure is liable even if
it is clear he was not involved, and was not aware, on the ground that, as supervisor, part of his inalienable duty is to discover and prevent fraud committed by his subordinates. #1 conveys the risk that the King will not be compensated for fraud, inasmuch as no miscreant is identified. In this case, the loss for the king is absolute, and the minister gains. However, #2 conveys that, quite regardless of whether the minister was implicated in the fraud, he is guilty by virtue of a higher injunction; to deliver to the King whatever he promised; the minister must pay for the difficulties in his department, not the king. This immunizes the sovereign from the vicissitudes of transaction; the sovereign’s receipt does not come under the influence of the relative scarcity or difficulty of obtaining it.\textsuperscript{658}

One motivation of government centralization had been that if all tax revenue were centrally accumulated, the king could verify whether the taxes had been collected and surrendered. “Pharaoh” means “great house,” signifying the Pharaoh as the central storage of all wealth; the redistribution system seems to have raised the living standard and sustained domestic peace. The idea of central storage and redistribution was however embedded in perennial struggle with an equally powerful contender, the idea of private property. Throughout history in a plurality of patterns taxation is evidence of contentious bargaining between the sovereign and nobility.

The early Egyptian taxation may not be properly termed taxation at all, since all property was ultimately the incontestable property of the Pharaoh. Starting from the Old Kingdom Egypt took a nationwide census of animals, land, and gold, because without an accurate census it would be unable to control tax evasion. As early as 3000 B.C. taxpayers from

\textsuperscript{658} To serve the King in an administrative capacity was a highly personal act in ancient governments. An appointed official was equally responsible to the King for performing or failing to perform assigned duties adequately. Higher officials were accountable for subordinates’ actions. Yet as imperial expansion extended the territory of the ancient kingdoms of Egypt, China, and India, appointed officials were unable personally to answer to the King. Primitive transportation and communication networks impeded contact. By what strategies could a king insure an honest and reliable administration? To supplement incentives for honest administration, ancient rulers devised a system of controls to protect themselves against embezzlement. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 84.
industry, agriculture, and commerce were required to declare their property holdings. The requirement was based on the principle that all things belonged to the King (Pharaoh). Thus, every transaction or production whatever required a payment in tax or rent to the King, because in using one’s property for this production one was using the property of the King.\(^\text{659}\) Taxes were paid in kind or labor. At least from the time of the New Kingdom a harvest tax appropriated one half from large estates, and one third from small estates, of the total yield, providing for payment of the Egyptian bureaucracy; one might notice how inefficient the bureaucracy was, if its support cost between \(\frac{1}{2}\) and \(\frac{1}{3}\) of total GNP. Commercial exchange was conducted through the State’s storehouse, not through a private market.

But this “taxation” was still not taxation, since it amounted to the Pharaoh taxing himself; there was no distinction between the Pharaoh’s property and private property. From 2650 B.C.,\(^\text{660}\) the Third Dynasty, tax collection was farmed out to the nobility; this is quite significant regarding the struggle between collectivism and private property.\(^\text{661}\) Apparently the Egyptian bureaucracy, being clumsy, was inadequate for efficient nationwide tax collection; resident provincial nobility was alone able to collect taxes efficiently. The nobility had in consequence a means of power over the central government by which it could force concessions. The provincial nobility/priesthood could more reliably collect taxes, but were not reliable in passing the revenue to central government. The King or Pharaoh used the bureaucracy or military to enforce compliance from nobility, but this produced a new edition of the same problem; an army or bureaucracy, situated between the

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\(^{659}\) In Egypt and in the Middle East extensive and strict registers of the tithes likely to be demanded from agricultural, industrial, and commercial production were kept. They were a sign of a refined bureaucratic development and had to be supplemented by both personal and property declarations of the taxpayers as early as after 3000 B.C. or so if not even earlier. These taxes seem to have been based on a law concept that the King owned everything in the land. According to tradition the right of conquest or the idea of royal paramountcy pure and simple were predominant in this legal reasoning. From this point of view every transaction to acquire wealth or to use means of production had to be bought, by a tax, from the royal house. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p. 174.
Pharaoh and his tax revenue, was also beyond the control of the Pharaoh.\textsuperscript{662}

Real rights of private property were conceded to this nobility. Instead of categorizing the noble or priest’s accumulation as stolen property, it was conceded as private property. The nobility was the first group to be invested with property rights. This arose from two conditions: 1) the geographical distance of the nobles from the Pharaoh and 2) the noble’s virtual control over what was to become his private property. The conversion ensued on the compromise, that in return for the Pharaoh’s vesting his property into the private property of the noble, the noble would in turn be perennially obligated to pay tax on his private property. This ensured that the Pharaoh would have the usufruct, as it were, of the property he had vested in the noble; he would not have the capital in his private ownership, but he would continue to enjoy the benefits of its ownership.

Such a compromise is not a static solution; the noble, i.e. the provincial governor, may

\textsuperscript{660} The term pharaoh means “great house,” an indication of a redistributive state. The state made a biennial (later an annual) census of wealth in animals, and perhaps also in land and gold, and it assessed taxes (in kind or labor) accordingly. A harvest tax was assessed in the New Kingdom –and probably also in the Old Kingdom- at between half (on large estates) and one-third (on smallholdings) of total yield. This supported the royal bureaucracy and provided seed for next year’s crop, with a residue for long-term storage in case of dearth. We suspect also that the major exchanges of internal produce- barley, emmer (a kind of wheat), vegetables, poultry, game, fish—were conducted through the state’s storehouses. The system was not actually quite so centralized. Taxes were farmed out to provincial notables, and from the Third Dynasty (ca. 2650 B.C.) on, private-property rights seem to have been held by such notables. This indicates once again that a powerful state and a ruling class with private-property rights are generally found together in the ancient world. The state required the provincial assistance of the latter. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.111.


\textsuperscript{662} It was therefore difficult for the royal power to control the particularist priests and nobles with peaceful means to uphold the needed harmonious interplay of all social and economic forces. Against the particularist upper classes the Kings were usually completely dependent on the strength of their armies and a bureaucracy, which, again, was often difficult to control, especially as overland communications were one of the weakest points of ancient Oriental state organization. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.167.
obtain private property in exchange for a duty to pay the taxes of his province, but he would residually prefer not to pay taxes at all. One solution is to adjust between high and low taxation in order to gain sincere cooperation from the noble; another solution is to overtly pay the taxes, but to embezzle, and in the extreme case to rebel, or engage in treason. The Pharaoh, or King, likewise slides on a scale of satisfaction; if he thinks that he could receive better tax revenue for the same loyalty he may desire to depose the provincial governor. The relation of Pharaoh-governor will remain stable for as long as the governor transmits adequate tax revenue and maintains domestic stability. If the provincial governor can obtain more tax revenue from his subordinates, however, he will keep the excess for himself without reporting the increase to the Pharaoh. The Pharaoh will in turn establish more intermediary bureaucratic agents in the province to prevent the governor’s peculation, but the bureaucratic expansion is impeded by virtue of the extra cost to the Pharaoh. The governor’s purloined tax revenue amounts to the beginning of his unofficial private property. As the wealth of the State or the province increases, the amount of unofficial private wealth increases as well.

Fragmentation of tax returns in several places would aggravate the credibility gap. However, there were strong counter-interests. Centralization of tax receipts provides a synopsis of tax revenue and disbursement, but centralization in a non-monetary tax economy is improbable due to the combination of poor transportation and in-kind payment. Natural tax payment is subject to theft and the distribution of natural tax revenue involves the doubled cost of transportation. Ancient societies were not monetized; if an individual was called upon to pay a tax, it would be paid in as a goat or a bag of grain. On the other hand, in-kind payments were subject to spoilage, and may not be able to be re-distributed to where they were needed. The goods may spoil within such a time frame, the longer the travel the larger the margin of embezzlement, and the cost of complicated transportation itself could detract so much that management of the tax revenue might cost more that the

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revenue gained.

Taxation might be less productive than not taxing. From the census central government was able to estimate what revenue should enter the treasury by day, month, or year, and determine according to this prediction what expenses should be paid from the incoming tax revenue. The state budget did not originate from financial planning, but from a need to control embezzlement.\textsuperscript{665} Similarly to tax collection surveillance, centralized collection might cause the costs of tax collection to cancel fiscal gain. A compromise was needed. Instead of abandoning taxation, collections might be stored in the location of their collection, economizing on transportation. This solution would provide the possibility that tax revenue could also be disbursed from the location of its storage. The solution was

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\textsuperscript{664} Picture a middling prosperous province of an empire. It sits astride communications and trade routes from the capital to the periphery; its main town is garrisoned by two hundred professional soldiers aided by local levies; and its commander is charged with rendering tax or tribute to the center, supplying his own troops, and maintaining communications routes with the aid of slaves or serfs and corvée labor. If he is successful in maintaining order and a regular flow of tax or tribute, the ruler lets him alone, content to rule indirectly and unable to do anything else without a vast and unnecessary show of force. In turn, the commander rules locally with the aid of his own lieutenants and local elites. If they provide his supplies regularly, he is minimally content; if they provide more he is more than content to also rule indirectly and appropriate the surplus himself. The more successful the state is, the wider it spreads such intermediate layers of power through the province. So there is no contradiction between “the state” and “private property” or between the “state elite” and the “dominant class.” They are aspects of the same developmental process. An older tradition of Mesopotamian scholarship used to search for phases of “state domination” and of “private wealth” and “private trading activity.” As the evidence accumulates, it is becoming impossible to maintain such distinctions. In all known long-term periods, the level of state wealth and private wealth and the level of state interest in trade and private merchant trade appear positively correlated. The state’s problem is that none of its techniques can be confined within its own body politic – they diffuse into society. Even its own body has a tendency to split off into separate provincial organisms. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.165.

\textsuperscript{665} They were well able to know from their well arranged archives which regular and irregular income would reach the stores and treasure houses daily, monthly, and annually, and which regular and irregular state expenses would have to be paid from these funds at any time. Under these circumstances it is not surprising that now, for the first time in history, the beginnings of drawing up a definite state budget appeared as a forerunner of our own systems. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.179.
to accumulate tax collections in regional depots of the king, rather than to collect the tax revenue in the king’s capital city. Local collection would save the cost of transportation, but on the other hand increase liability of local embezzlement, and enable a provincial lord to appropriate the provincial tax capital and mount a rebellion.\textsuperscript{666}

Decentralized storage of royal revenue enables the provincial governor to lie all the more easily about the actual amount of collected revenue. Relative to the remoteness of the province, the tax collector can scheme to use the collected revenue to make a covert alliance with another King and establish himself as king of a renegade province. The liability that a province may use its delegated tax collection to rebel compels formation of more centralized hierarchical society. The King can prevent this sort of defection by embezzlement by spreading power more thinly through layers of intermediaries whose contingent privileges depend on holding each other in check. Unless the king improvises hierarchical supervision, the tax collector is likely to contest the king for jurisdiction over the province. Hierarchy minimizes embezzlement by appointing intermediary intervals to supervise the tax collectors. The agents who might otherwise embezzle will be properly regimented in the King’s hierarchy if the middle agents can benefit more from sharing the King’s benefits than from the possible advantages of defection. A frail hierarchy will otherwise split society under two kings of what had been one kingdom, who emerge openly in rivalry.\textsuperscript{667}

Tribute, grossly unequal exchange, or high taxation can keep a remote province too weak to mount a revolt. Theocracies tended to prefer this approach, which however is efficacious only for so long as the client or province is vastly less developed than the patron State. If a province or client developed to the same level as the State, there would be no motivation for

\textsuperscript{666} If everything actually reaches royal store houses, the King is better able to control his income and its disbursement. Primitive transportation, however, results in expensive spoilage and pilfering. When goods are needed back in the provinces, it may be difficult to move them in time or to avoid the double losses apparent in coming and going. The alternative to centralization was to establish provincial government store houses and appoint officials to guard them. Problems of transportation and spoilage might then be eased, but centralization itself makes for new woes. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 39.
the client to remain subordinate, and the client would be too strong for the patron to subdue; it seemed essential to keep the client or province very primitive. The patron State could maintain affability by providing the only opportunity of exchange and by providing labor employment. Authoritarian social control was operable for the core of the State, but the amount of menial employment or exchange opportunity was too limited, and the theocratic State did not extend its own social infrastructure to what had previously been alien, though now client, territory. Consequently if a peripheral province or client grew, it developed its own social infrastructure, which was separate from that of the patron. The province or client state would then bridle at the unequal commercial equation, and seek some means to complete separation.

The Pharaoh or King could keep the loyalty of his assistants by one method only; all henchmen had to be well satisfied with their emoluments. The King could not keep all wealth solely for himself; necessarily the total wealth had to be substantially distributed to the officers of government. This generates a new dilemma; the King needs to calculate

667 Provincial officials could easily slough off dependence on and fealty to the King. They might become advocates of the local inhabitants against the King, or feel they can steal with greater impunity. Having sent a servant to the outlying regions, the King then might find himself faced with a rival for power. Despotism contains the seeds of hierarchy if the government stays together, or of a competitive regime if it splits apart. The ancient King’s men either became part of his hierarchy, accepting his rule but imposing constraints upon it, or they refused his rule, bargaining for themselves, by themselves. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 39.


669 However, the core-periphery model can only be taken so far. The two were interdependent, and as the core developed, so too (though at different rates) did the various peripheral areas. Some became indistinguishable from the original core. The core’s power infrastructure was limited. Dependent labor could be absorbed, certain terms of unequal economic exchange could be imposed, a loose patron-client dominance could be claimed, but little more. The capacity for authoritative social organization was, at first, confined to the few square kilometers of the individual city-state; while no resources for the diffusion of power outward from the authoritative center through an extensive population can yet be discerned. Hence, when peripheral areas developed surpluses, states, and literacy, they could not be controlled from the old core. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.125.
the maximum that he can keep for himself, without putting his regime at risk, and the minimum largesse by which he could rely on his servants’ forbearance from palace revolt. A very ordinary pattern for the solution of this dilemma is to provincialize taxation; an outlying province is made to pay the taxes for the maintenance of its resident government and military. Additional tax revenue was of course sent to central government. The device economizes, but by therein enabling the province to appreciate its self-sufficiency, encourages the temptation of the province to repudiate central government.

The Persian Empire used a tax system called the *tage*: a tribute payable to the King, imposed on all provinces, resolving into a fixed annual head-tax on all adult inhabitants. It was paid part in money and part in kind, and derived from similar taxes of previous States of the same area between 3000 – 2000 B.C. The *tage* was pure tax revenue of the King; another head tax was imposed to absorb all the costs of army and administration, so that these necessary costs would not infringe on the revenue of the *tage*.670

The Persian satrapy was based upon provincial taxation. Such an arrangement is precarious. It apportions more wealth to the King, the satrap governor is generously paid off with a salary that exceeds what he could extract if his satrap were independent, and it should minimize the governor’s thoughts of rebellion. But this model entails that the empire will be a loose federation; the satrap is allowed to maintain its traditions etc. so as not to feel imperial oppression. It has a minimal duty: to pay some of its taxes to the King. There was a land tax, a livestock tax, and a commercial tax.671 There was a harbor tax, an overland

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670 The pupil of Aristotle who surveyed the taxes of the Persian Kingdom a short time after Alexander the Great had conquered the East considered the *tage* as the foremost source of income for this empire. This was a flexible tribute payable to the King, and was imposed on each of the provinces as a fixed annual head-tax for all adult inhabitants which was partly payable in kind and partly in money. Similar taxes are well known from Pharaonic Egypt and from all the cuneiform regions of Asia. They were developed from much more primitive gifts to the King which had begun during the townless periods in all probability. There existed in addition a special tax for the administrative upkeep of the government and the provinces and for the courts and the armies of the King and the provincial governors. This was a similar head-tax as the *tage*, but of a smaller amount. Earlier sources show us that this tax was not permanent originally, and developed from temporary levies between the 3000 and 2000 B.C. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.172.
customs tax, and a purchase tax in the local markets.\footnote{672} Government still utilized the corvée, seized what were nominally “gifts,” and confiscated property on legal prospects.\footnote{673} There was overabundant opportunity for peculation.\footnote{674} The closer the provincial form approaches independence, the less reason it has to revolt, but in direct proportion, the more opportunity and resource it will have to do so.\footnote{675}

**Tax Compliance**

How can it be explained that common people did not conceive their interests in separation from the interest of the Pharaoh? Resistance to taxation of every form or name was very strong.\footnote{676} The usual procedure of Egyptian tax collection was to sweep down on a village unannounced, chase down the taxpayers who tried to escape, and then beat or torture the taxpayer until the tax collector found out where the tax payer was hiding his produce.\footnote{677} The Pyramids comprised ever more maze-like architecture to protect the tomb of their God the Pharaoh from burglary, but the tomb of their God the Pharaoh was always burgled immediately after completion.\footnote{678}

The presentation of the Pharaoh as the living Sun-God, or the son of God, etc. etc. was

\footnote{671} Cf. Cambridge Ancient History, v.4, 198f.\footnote{672} Cf. Maspero, G.; The Passing of the Empires, London, 1900, p.690ff.\footnote{673} From private possessions, the individual owners or farmers had to pay land tax, a tax on their herds, and taxes connected with their trades. The Persian monarchy had a harbor charge also, overland customs taxes, and purchase taxes for the local markets some of which may be of a younger day. From other Hellenic sources we have records of villein services in the Persian Empire, of occasional gifts which were voluntary in theory only, and of income from legal confiscations. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.172.\footnote{674} Cf. Rawlinson, Geo; Five Great Monarchies of the Ancient Eastern World, v.3, New York, 1887, p.427.\footnote{675} The salaries of these provincial officials were paid not by the King but by the people whom they ruled. The remuneration was ample enough to provide the satraps with palaces, harems, and extensive hunting parks to which the Persians gave the historic name of Paradise. In addition, each satrapy was required to send the King, annually, a fixed amount of money and goods by way of taxation. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 363.\footnote{676} Cf. Vercoutter, J.; “Egypt,” Chapters 6-11, in The Near East: The Early Civilizations, ed. J. Bottero. London: Weidenfeld & Nicholson, 1967.
never sufficient to captivate the labor classes in the desired gullibility. Given that the ruling class bureaucracy had such a total array of repressions to control the labor classes, one might wonder why the ruling classes had left any of the surplus at all to the labor class. The bureaucracy was neither capable of making the labor class sincerely believe their propaganda, nor could brute force discover every device by which laborers might reserve some of the surplus for themselves.\textsuperscript{679}

The totalitarian economy was beneficial to the economic security of the demos. The theocracy fixed every individual into a productive slot; collective labor produced much greater yield per individual work unit, and regulated long distance transportation provided greater supply at lower prices. However, relative prosperity immediately resulted in excessive fertility rates, which more than offset the increase of food supply. The Nile basin supported the highest population density in the world. The adjustment was effected in widespread abortion, infanticide, plague, and war.\textsuperscript{680} Egypt did not expand to accommodate excessive population; the Pharaonic government, true to its theocratic belief in the

\textsuperscript{677} The Egyptian peasant is also depicted as paying little rent for his land, always ready to defraud the state of taxes, and proud of the beatings he received as punishment. Indeed the elaborate, omnipotent system based on forced labor and tax levies, which seemed so repressive to the Greeks, no doubt encouraged just this sort of attitude in every peasant, whether he was technically a tenant or owner. The nome and Egyptian tax levy was made: the officials arrived unexpectedly, the women began to cry, and soon a general flight and hunt began; those liable for taxes were hunted down, beaten, and tortured into paying what was demanded by the officials, who were themselves held responsible for quotas based on the official cadaster. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.131.

\textsuperscript{678} The tombs, whose entrances become more and more intricately concealed, were robbed almost invariably, almost immediately. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.115.

providence of rigidity, became more repressive as the social environment deteriorated.\textsuperscript{681}

Pharaonic generation of food surplus, for the first time in history, had not resolved human economy, because under safe conditions humans reproduce more.\textsuperscript{682} The Pharaonic state reacted with intensified centralization; the demos, from which no member escaped, was regimented into enormous corvée armies to spend their energy on unproductive tasks such as pyramids.\textsuperscript{683} Theories have been advanced that the pyramids had some function that has escaped us, but the main utility of the pyramid seems to have been suppression of independent capital accumulation. The Egyptian corvée absorbed all time that the paganus did not need for agriculture; it prevented the formation of a free labor market and thus funneled all surplus exclusively into central government, which remained the only


\textsuperscript{681} There was a causal connection between some aspects of a certain type of military empire and economic social development. The further development of this economy of compulsory cooperation was complex. Alongside high elite consumption, and historically inseparable from it, was probably an increase in both the economic security and the population density of the masses. But the two tended to cancel each other out, a fact that Malthus noted to great effect. Empires led to greater security of existence above subsistence for the masses, and to an extension of the division of labor and communications systems so that non bulky necessities requiring intensive production (like salt, metal, tools, pottery and textiles) could be transported considerable distances. But they also undermined improvements by generating population growth. Higher living standards meant higher fertility, and population growth strained food resources. In some circumstances, this strain could stimulate further technological advance in food supply; usually it led to population control through abortion and infanticide. The alternative was irregular killing of adults through disease, civil wars, and external wars, which was worse. Again, a premium was placed upon repressive order. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.153.


\textsuperscript{683} Civilization was the consequence of social caging, but here we find the process intensified. The same economic project as in other pristine civilizations – the creation of unprecedented surpluses- combined with an unusual degree of centralization and coordination of social life to provide both large, ordered, provisioned labor forces and the possibility of releasing personnel into centralized, nonproductive tasks. Communications difficulties with the outside world restricted mercantile or artisanal development or interference. Hence the surpluses and the labor cooperation were turned to monumental and religious-intellectual forms of expression and creativity. The pyramids and the priesthoods, together with their writing and their calendars, were the outcome of an irrigated, centralized, isolated social cage. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.114.
employer of labor.\textsuperscript{684} Workers were pagani, not preponderantly slaves; they were organized
into battalions with names glorifying the Egyptian theocracy. Its effect was to utterly
destroy private initiative by accomplishing total control over the private lives of the pagani.
Disposition of a corvée battalion would instantly swamp any private economic initiative,
thus expunging individualist spending to the favor of collective expenditure.\textsuperscript{685}

The alternative would have been some form of expansion. Agriculturists had less labor
than in other parts of the world; the alluvial rhythm left them long periods of time in which
they did not need to farm. Capitalistic license would have led at least to intensive expansion,
in which the demos would have expanded the economy by small enterprise. However,
emergence of a low capitalist economy would have scattered the carefully arranged class
order of Egypt. By conscripting the entire common population into what was virtually slave
labor (unpaid) for huge public projects, the pharaonic government successfully expropriated
all the energy and time which might otherwise have flowed into a free market and petty
capitalistic enterprise. Theocracy maintained itself by thoroughly suppressing possible

\textsuperscript{684} The preponderance of services before payments in money and kind to the state hampered
the forming of an intensive and free labor market except for small local sectors of the country. The
number of free laborers who could offer their services was much diminished by the compulsory
labor service. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s

\textsuperscript{685} The conscripted workers were formed into battalions with high sounding names which were
connected with Ancient Oriental state ideology, but served in effect as “working parties” of the
modern feminist and fascist type. They were often called up in masses to work on some of the great
state projects which have survived still, although in ruins, as monuments of the resourcefulness
and the daring of the builders of the Ancient Orient. There was a side to this labor service which
was not at all beneficial to society. It oppressed and destroyed the rhythm of private economic
enterprise. It enabled the state to make tremendous inroads in its control over the private lives of its
inhabitants. It meant that the state could control the profit and the development of whole branches
of the national economy, especially agriculture and the building industry, and that he could destroy,
by a mass call-up in a certain region, the profit chances of whole spheres of private production
and private business. One of the greatest services performed by the introduction of Greek coin
money into the Ancient World and by modern credit capitalism also, is that they have pushed the
principle of compulsory labor service and serfdom aside by introducing the alternative of improved
forms of capital. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s
Uitgeversmaatschappij N.V., Leiden 1958, p.177.
alternatives; it was boundlessly more effective than Stalinist five year plans.

It was paramount for the theocratic State to disguise taxation in order to countervail evasion.\footnote{The tax story of ancient Egypt shows what happens in a society burdened with a totalitarian revenue system. The informer, the corrupt revenue official, and the tyranny of all-pervading surveillance are inherent in such a system. Every taxable transaction must be recorded and subject to examination. Consequently, individuals have to submit every aspect of their life to tax Inquisition. Cf. Adams, Charles; \textit{For Good and Evil}, The Impact of Taxes on the Course of Civilization, Madison Books, London, 1993, p. 15.} Originally commoners made gifts of natural kind to propitiate the gods, but a sovereign such as a pharaoh would usually be unable to wait on donations, or make do with the amount donated. Compulsory taxation of a fixed amount originated from religious votive offerings because taxation invariably depends on some degree of acquiescence. This non-monetized contribution towards propitiation of the gods was used by the king to wage war etc. Votive offering is perhaps the first instance of tax-disguise; the taxation was paid to the king, but was said to be paid to the gods, who originated the demand. By personifying a god who presumably demanded the tax, potential anger against the king could be deflected. Whereas in modern society anger at taxation is mitigated by presenting it as something arrived at by negotiation and agreement, in a theocratic society anger was palliated by dressing it up as an offering to God.\footnote{Because not all kings were wealthy and not all wars were successful, very early in the history of civilization ancient kings came to rely on tax payments. Offerings of personal service or of food and supplies, as occasional voluntary gifts to propitiate the gods, in time became systematic contributions supporting the temples and the imperial household. These offerings were taxes of the ancient world. In districts where money was unknown or uncommon, taxes were assessed as a proportion of the produce of the land and paid in kind. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 43.}

Taxation was imposed on a government institution (temple), not directly on the people. Presumably it was easier to get tax payment out of the people on a religious rather than a secular pretext, so that taxation continued to work best as an exaction for temple and religious services, afterwards covertly converting the revenue to the king’s profane purposes.\footnote{The Pharaoh (King) represented Egyptian collective survival qua organized community; without the symbolic existence of the King, representing the totality comprising
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each individual member, there could have been no conception of communal unity. This unity of Egypt was conceived to depend on the existence of the Pharaoh, and was conceived to depend further on the rationalization that taxes were being paid to the gods. The later distinction of secular government with King from the priesthood entailed resolution of the relations of clergy vs. State and their respective revenues.\textsuperscript{689}

The priority of the State was to prevent any alteration in its social structure and order of classes; ad nauseam, commerce is the greatest threat to such a priority. Corvée labor such as on the pyramids made the State the one and only significant employer of labor. The State could thereby fix the scale of wages in complete disregard for supply and demand, thus guaranteeing that the distribution of wealth would never alter no matter what the change in economic conditions.\textsuperscript{690}

\textsuperscript{688} Kings often demanded contributions of food and supplies from Temple stores after Palace and Temple holdings were separated; in time these contributions became a regular tax. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 48.

\textsuperscript{689} King and the state were so interlinked that the King’s private welfare and the public good were synonymous. Nor was there any distinction between his private wealth and the public purse. The wealth of the realm and all taxes and tribute owed to it belonged to the gods, the Temple, and King. This is the pure version of the despotic regime. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 46.

\textsuperscript{690} The economic pattern of the Ancient Oriental industrial sector was woven from threads, held for the most part by the state. There was private property, but production for the markets and the scale of salaries and wages were very closely regulated and supervised by the states. Wages were consequently not paid simply according to result nor varied with the fluctuations of supply and demand. Instead there was an official tariff in accordance with which the wages both for skilled and unskilled workers alike had to be maintained, and this official ruling had widespread although not absolute force. The conditions of labor were legally controlled by conservative state laws also. Cf. Heichelheim, Fritz; \textit{An Ancient Economic History}, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.148.
Labor

Locke’s definition of property might seem self-evident; property results from mixing one’s labor with matter. The theocratic, more narrowly the Egyptian view could not adopt such a principle because it denied an earlier axiom that also seems to be self-evident: one’s labor is one’s ultimately personal property. One’s labor was instead the property of the Pharaoh, and what one created from one’s own labor was accordingly also the property of the Pharaoh. The Pharaoh organized all economic activity through the temples; revenue created by the subjects from agriculture, industry, and commerce were delivered to the Pharaoh. Tools and means of production were redistributed by the Pharaoh from the central storehouse, making it possible for the demos to produce more, but since this production ensued only from the Pharaoh’s redistribution, this production also belonged solely to the Pharaoh.691

Use of the corvée as a form of tax payment 1) enabled the state to accomplish most of its projects at no cost and 2) preclude the emergence of private capital and competition.692 In the New Kingdom labor was organized into groups directed by bureaucratic foremen; true to the pattern of internal corruption, foremen engrossed wealth by embezzling from the labor payrolls.693 To stem this sort of embezzlement, the Pharaoh assigned a detailed plan of agriculture or production for the upcoming year; agriculture was instructed to plant specific

691 A priest king who was in close connection with the central temples organized the economic activities, the religious and spiritual life of his subjects as strictly as was technically possible at that time. Most of the incomes which the citizens obtained from agriculture, industry, commerce, and other forms of production were to be delivered to the King and his main temple. From here tools and other means of production were put at the disposal of those members of the earning population who required such help to increase their production and their surplus. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.186.
692 It was an important factor in the economic pattern of the time that the stress still lay on such services (corvée etc. as tax payment). For by these means the states were used to fulfill most of the economic duties. Just as important was the fact that the states owned such an enormous amount of capital, workshops, and agricultural land, that the state domains did not mainly produce for the courts, but for a market in agriculture, trade, and craftsmanship and, as far as we are able to judge, in free competition with individual owners and Temple estates. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.179.
crops at specific quantities, and specific percentages of the harvest of these assignments were assigned to delivery to the Pharaoh’s storehouse. Taxes were then calculated on the basis of these assignments; there was not much margin for private ownership or malfeasance.694

**Slavery**

An important legacy of the Neolithic townless civilization was the subjugation of other tribes; a tribe that managed to conquer another used the vanquished tribal group as slaves, or as a labor class. This practice passed into the theocratic states without any sense of contradiction.695 This practice transformed the demos into a labor class rather than slaves, but in addition to taxation the theocracies devised a hidden tax. This hidden tax did not produce a money revenue, but eliminated the need for revenue inasmuch as it eliminated costs as well as money payment would. This was slavery, or corvée. If for instance a pyramid were built by corvée, the cost would be enormous, but the cost would not appear in state finances, because the labor was unpaid. It would not raise taxes, although every inhabitant would have paid with his/her labor. Every adult, excepting those of the elite, had

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693 At the time of the New Kingdom of Egypt, the Egyptian laborers were organized into groups under foremen, and came under the supervision of the state bureaucracy, usually rather corrupt officials who more than once attempted to betray the workers and to withhold their wages. Cf. Heichelheim, Fritz; _An Ancient Economic History_, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.182.

694 The new system is especially characterized by a “seed order” which was promulgated annually by the Pharaoh himself for the whole of Egypt. All owners of land and farmers received here a detailed plan year for year in which they were told which agricultural crops in which quantities they were to produce on their soil. The size of the agricultural lands which were to be planted with certain products was laid down in detail both for the whole Nile country and its districts, furthermore which percentage from the harvests had to be delivered up to which royal store houses throughout the whole country. Egypt was surveyed carefully by a land-register to assist the royal agricultural planning and the paying of taxes. Cf. Heichelheim, Fritz; _An Ancient Economic History_, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.188.

695 In the rest of the world from Spain to northern India there were now nations settled on the land who had brought with them, from the bronze age villages, simple political, economic, social, and legal forms of organization and who ruled as lords or as free warrior villagers over a lower class of conquered cities and native peasants. Cf. Heichelheim, Fritz; _An Ancient Economic History_, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.205.
to provide unpaid labor to the Pharaoh, unless the individual paid the Pharaoh the money equivalent of labor.\footnote{Important as the taxes were which were levied by the state on individual production and important as the income from the royal estates was for all Ancient Oriental monarchies there was yet another contribution to the public finances of the Ancient Oriental states which was scarcely inferior as a source of revenue. This was the well-known feudal service on the part of all adult male residents of a kingdom. Each inhabitant had to work for the King a certain number of days annually, unless he paid a certain amount in money instead into the royal treasury or belonged to a privileged group. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.176.}

The utility of hierarchy for social stability reduces to its organization of collective expenditure, counteracting the chaotic decomposition which results from unconditioned individual expenditure. Assume that market organization liberates the demotic individual to spend however he likes. A Pharaoh would be perplexed at how such an economic organization could serve the integrity of society, still more perplexed at the intention to enable the common people to be spending consumers. If there were universal freedom of expenditure, the more intelligent would shortly become the more powerful and dominate the others; this would scramble class distribution.

How can individual equality of power be maintained in abstraction from family and kinship relations? The equality of membership, i.e. absence of coercion, is a bare possibility in a context of personal relations, but the increase of the numbers of society makes sentimental relations an impossibility.\footnote{Hierarchical orders have existed in governments spanning the ages, with the society divided into higher and lower ranks, linked by traditions and formal rules specifying who can do what. Market elements have also permeated society in all ages and places. A third ever-present way of life, which represents forces dissenting from an established authority that allows some men to choose for others, we call egalitarian sectarianism. It is sectarian because it rejects authority, egalitarian because to live a voluntary life without one man dominating another it is necessary to diminish differences among people. By their nature, such purely voluntary associations tend to be small and short lived. And how will they keep the group together when there is no authority? Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 20.} Hierarchy however functions to produce collectivities of a small number once again, by which sentimental relations might persist in a mass society. A prescribed class order, though supposed to be synonymous with social
stability, would immediately decompose from the pressures of free market spending. If arbitrary individual expenditure undermines the durability of the State, slavery would appear to be maximally adaptive, inasmuch as it eliminates individual expenditure. Every profession was made to depend immediately on the central planning of the State; labor of every sort was organized militarily as battalions of serfs. Where there was contractual labor it was only free in appearance; every “voluntary” laborer was under the whip.698

If, however, no advantage emerges for the individual made subject to this scheme of collective expenditure, nothing would motivate the subject to labor. Labor was organized in military structures to better monitor the deployment of labor and apply military coercion. As a result, building and architecture therefore never developed much beyond the techniques of the Neolithic.699 All building, created from State capital, was tightly subjected to State control, and therefore showed no innovation. All other professions were similarly under strong influence from the State, and did not progress rapidly.700 In fact slavery was not a strong element in the economies of the Near Eastern theocracies, although slavery became foundational thousands of years later, in the late Roman Empire, at the very end of antiquity. Indeed the Graeco-Roman civilization had developed institutions of individual freedom

698 For each profession was to a changing degree, but strongly, affected by the extent of its dependence from, and the form of, its connection with the economic planning center of the royal oikos. An accumulation of labor force was built up for the Ancient Oriental states, or institutions controlled by these states, on the basis of feudal rights, of military, service contracts, and of serfdom. In addition, a contractual labor force for the state existed albeit was, as a rule, only nominally voluntary. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.115.

699 But labor was usually employed on a feudal basis, or was organized on a para-military footing. Consequently building construction methods rarely developed far beyond their earlier primitive pattern in the townless civilizations because unskilled labor was easy to obtain. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.146.

700 Altogether architecture and building in the Ancient Orient were subjected to more state control than was found in the spheres of the other crafts. They were dependent on state and Temple employment and capital to an overwhelming degree, and therefore were not so refined in their economic structure as we might expect. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.146.
superior to what animated the ancient theocracies, but the Roman Empire adjusted to its pressures by instituting slavery and serfdom perhaps even more oppressive than those of the ancient theocracies. If not slavery, what enabled the Egyptian scheme of collective expenditure? Theocracies controlled price levels more completely than wage levels, because the state controlled the production of goods more completely than the labor force; or, rather, the State could control the wages of the labor force only by controlling the prices of their productions.

The labor classes of Egypt were native Egyptians; they were not, as in Greece or India, for instance, a subjugated race that had occupied the land prior to alien conquerors. What, then, could motivate the Egyptian to tolerate the tax structure of a hierarchical society? Non-agricultural labor in Egypt was organized into “trade unions” which divided labor into groups equipped with familiarity. The groups were made jointly, not individually, responsible for liturgies, not taxes. The artisan’s liturgy was an offering to God, initially disguising the exaction. Since the exaction was collectivized, anyone who failed to pay his amount thereby increased the amount that his colleagues would pay; this device redirected resentment and suspicion towards the members of the group rather than toward government.

Although inadvertent, it was essential that the peasant not pay tax from his harvest. Rather, the peasant yielded the whole harvest, and was afterwards given a part of

701 It is significant, on the other hand, that the Graeco-Roman system did not endure after the highest point of this city-civilization had been reached, and that the Late Roman Empire had to change back to labor service and even serfdom under the pressure of necessity. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.177.

702 Nevertheless the Ancient Oriental states had not the same power over their wage as they had over their price levels. For a much greater percentage of the wares produced than of the potential labor force were under state control. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.114.

703 It may be that here as in early Egypt the original liturgies imposed on trades gave rise to a form of social organization, since the members of each occupational group were probably jointly responsible for performance of liturgies and therefore -perhaps- gained certain rights to each other’s property. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.91.
the harvest on which to sustain himself. This transaction suppressed the emergence of a concept of ownership, payment, or tax. There was no authentic taxation because there was no property.

The conditions of acquiescence were mainly psychological. Unlike Greece, the Early Kingdom of Egypt was the earliest transition from the Neolithic Age into civilization; it was not passage from a prior to a later civilization. The conditions of permanent settlement dictated some of the principles of Egyptian culture.\footnote{Cottrell, L.; \textit{The Warrior Pharaohs}, London, Evans Brothers, 1968.} As in any society afflicted with shortage, competition among the component groups for the greater part of total resources was ferocious. But, with a unique difference; not a single part of the Egyptian social organization provided the least opportunity for power struggles, either between clans or classes.\footnote{The struggle over power and resources was as pervasive in Egypt as anywhere else. All that Egypt lacked was the organizational structure for the legitimate expression of alternative power interests, either “horizontal” (struggles between clans, towns, lords etc.) or “vertical” (class struggle). Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.115.} Any imaginable alteration of the social mosaic was sacrilege, because of the conception that the whole of society would collapse unless it was maintained to be exactly as it had always been. The divinity of the Pharaoh, and his ownership of all land, were the cardinal elements of hierarchy.

Prior to civilization, the first unit was not the family, or even the extended family, but the group. Kinship itself was posterior to the family, because of its artificiality; originally the kinship group was not a unity of blood. Ethnography, i.e. the struggle between clans, does not explain the formation of civilization in Egypt or in Sumeria; there were no clans to begin with. There had not been genetic commonalties that distinguished one clan from another prior to the civilizing process. On the contrary, geographic confinement, which is a moment in the process of civilization, restricts people to an isolated location, from which they could not move, though they had previously been able; confinement in turn generates a distinct gene-pool from the circumstance that this cordoned-off group could not mate except amongst each other over a period of several generations.\footnote{Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.115.}
It is most probably the idea of “ethnic purity” that developed from this form of inbreeding which lent such positive religious value to the incestuous marriages of the Pharaoh.\textsuperscript{707} Consanguinity of the kinship group developed from a yet more primitive group, which gradually developed the kinship commonality of blood by random but confined marriage or mating. Families would afterwards crystallize as a self-sufficient unit, while the conception of the individual as a self-sufficient unit never fully developed in antiquity. There was no perceived impropriety in asserting that God, or the Pharaoh, owned the land, because there could have been no conflicting conception of individual ownership.

Taxation must be profoundly embedded in the social culture, as it invariably fails whenever there is no broad mutual consent between taxpayer and collector. To force taxation one-sidedly might be narrowly possible, but reluctance to pay tax either makes the cost of tax collection exceed the tax revenue, or reduces productivity so much that a reasonable tax, which is not raised exorbitantly, is unproductive. Receptivity to taxation had to be inculcated in the taxpayer starting from his infancy. The effect of infantile imprinting of authority is to make the adult obeisant to older authority figures long after the authority figure is no longer intellectually or coercively equipped to overpower the grown adult. If an adult should nevertheless revolt, he usually reacts intemperately, as an individual, and has no chance of asserting himself against the organized and traditional power of society.\textsuperscript{708} By teaching children that the sovereign is a god, or is the son of God, the taxpayer is sufficiently overawed not to challenge the tax requirement. Divine lineage of the sovereign was essential to achieve the malleability of the taxpayer.

Aggrandizement of the Egyptian priesthood in wealth and power over the previous nomic

\textsuperscript{706} Cf. Smith, Anthony; “Are Nations Modern?,” London School of Economics Patterns of History Seminar, Nov. 28, 1983.

\textsuperscript{707} It is emphatically not correct to adopt nineteenth-century ethnography and to claim that the Sumerians were united by ethnicity, by membership in a common gene pool. Peoples, races and tribes are socially created. They did not exist in the first place. They are the product of confined power interactions over a long period between persons who are caged within boundaries. In the case of the first civilizations, the principal boundary was given by the social exploitation of contrasting adjacent ecologies. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.92.
(provincial) aristocracy was integral. At the unification of Upper and Lower Egypt, the nomic aristocracy was relieved of its suzerainty over its nomes and were replaced by priests from the central government. All such wealth accumulated in the priesthood only because the people believed in the reality of the god-myths. As society develops, the God must gradually become more abstract in order to encompass and unify the minor gods to whom the localities had previously been devoted. The peasants who previously had a feudal


710 Even Pharaoh was a God, always the son of Amon-Ra, ruling not merely by divine right but by divine birth, as a deity transiently tolerating the earth as his home. On his head was the falcon, symbol of Horus, and totem of the tribe; from his forehead rose the uraeus or serpent, symbol of wisdom and life, and communicating magic virtues to the crown. The King was chief-priest of the faith, and led the great processions and ceremonies that celebrated the festivals of the gods. It was through this assumption of divine lineage and powers that he was able to rule so long with so little force. Hence the priests of Egypt were the necessary props of the throne, and the secret police of the social order. Given a faith of such complexity, a class had to arise adept in magic and ritual, whose skill would make it indispensable in approaching the gods. In effect, though not in law, the office of priests passed down from father to son, and a class grew up which, through the piety of the people and the politic generosity of the Kings, became in time richer and stronger than the feudal aristocracy or the royal family itself. The sacrifices offered to the gods supplied the priests with food and drink; the temple buildings gave them the spacious homes; the revenues of Temple lands and services furnished them with ample incomes; and their exemption from forced labor, or military service, and ordinary taxation, left them in an enviable position of prestige and power. They deserved not a little of this power, for they accumulated and preserved the learning of Egypt, educated the youth, and disciplined themselves with rigor and zeal. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 201.

711 Cf. Moret, A., and Davy, G.; From Tribe to Empire, New York, 1926, p. 5.
relation to the provincial aristocracy were now regimented in labor and made liable to taxation.\textsuperscript{712}

**Tax Partiality**

A strongly hierarchical society preemptively structures how individuals of any class can make expenditures. The Egyptian elite had gained their ascendancy by participation in the military organization, and subsequently strove for the institution of private property and decentralization of power. The tendency was absolutely limited by the unavoidable dependency of the Egyptian economy on the centralization of all society in the Pharaoh.\textsuperscript{713} The Egyptian State’s control of prices, money exchange, taxation, and foreign trade made the elite economically dependent on the State whose centralization they would have liked to fragment; their prosperity continued to depend on its non-fragmentation.\textsuperscript{714} The elite were kept under control through tax partiality.

A reactive social movement might retaliate by eliminating the advantage which the beneficiary derives from tax partiality. Usually such a reaction takes the form of eliminating taxation from the victimized group altogether. The episode of Akhenaton exemplifies this. A regime almost always collapsed because the religion of the State had over-refined itself, so that its ideals fell out of contact with the material premises of society; after Akhenaton, Egypt was for the first time conquered by a foreign group, the Hyksos. Egalitarian reaction

\textsuperscript{712} Under the new order, villages were grouped together into large manors, and were organized on bureaucratic lines with their own scribes and so forth. The peasants had to pay taxes and were put under military discipline. Workers were unfree and tied to their profession. Cf. Weber, Max; *The Agrarian Sociology of Ancient Civilizations*, Verso, London, 1988, p.116.
\textsuperscript{714} It also depended upon the state. The elite were not independent of the state infrastructure in a technical economic sense. The means of exchange were largely under state control. Merchants’ and artisans’ international dealings, prices, and (to a lesser extent) remuneration were regulated by the state. In other words, the ruling elite, created by military organization, but whose political tendency was to fragment into decentralized landowners, depended on a central state through the economy. Cf. Mann, Michael, *The Sources of Social Power*, Volume I, Cambridge University Press, 1997, p.154.
to tax partiality normally used the device of derogating class distinction; this destroys the hierarchical use of deference as a method to preserve its class order. This tactic almost always fails. Akhenaton had in effect attempted to erase the established class distinction when he reduced taxation by 50%;\textsuperscript{715} it was the priesthood that would suffer from this tax reduction. High taxation needless to say supported the wealth of the priests, and their power, but it should be carefully articulated that, separately and in addition, it supported the prestige attributed to authority. Social equality on the contrary vitiates the prestige that authority enjoys in a society; it removes popular support for authority.

An alternative correction is to distribute, in a context-compliant manner, tax revenue in equal shares to the taxpayers. Without equal distribution one group will rapidly subjugate another. Solomon’s inordinate wealth apparently fomented the internal class war within Judea, essentially inducing the dissolution of the State. In addition to high taxation and excessive corvée, it was attempted to create an industrial economy out of what was formerly an agricultural state. A confrontation developed between the townless civilization and its successor, the theocracy; the demos exhibited resistance to forces of the new civilization that would confine and subjugate them further under the demands of the State. The Jews were the only oriental group that showed in their religious literature what the King of the Jews, the Son of God, the Pharaoh, etc. etc. truly was: a horse’s ass. When Solomon tried to integrate the Jews into oriental theocracy, the lower class Jews, in the mouth of the prophetic tradition, rebelled.\textsuperscript{716}

The normal trajectory of a triumphant religion is either to generate a system of State from itself, or to attach itself to the State and defend it for the sake of maintaining the status quo. Judaism and its progeny, Christianity, were exceptions in that from their earliest stages they developed a tradition of undermining the State and attacking the status quo.\textsuperscript{717}

\textsuperscript{715} Foreigners would dominate Egypt, and in the next thousand years Assyrians, Babylonians, Persians, Greeks, and finally Romans would rule. What did Akhenaten do that brought about such a dramatic and final demise? Evidence suggests his tax base was cut in half. With this revenue loss, collapse was inevitable. Cf. Adams, Charles; \textit{For Good and Evil, The Impact of Taxes on the Course of Civilization}, Madison Books, London, 1993, p. 11.
The unpropertied middle class of an industrial economy would entail some demotion of the priesthood and landowners. Apparently Solomon could not trust the priesthood and nobility to protect his position, for otherwise he would not have tried to raise an antagonistic class. The individualistic proclivity of the Jews would lead to lower taxation; a free market flourishes better from low taxation, and individualism applied constant pressure to diminish the coercive power of government and transfer authority to other power centers.\textsuperscript{718} Solomon’s strategy instead created an urban proletariat, whose resentment he could not keep under control.\textsuperscript{719}

Taxation is often more important for its capacity to control class formation than for its opportunity to collect revenue. Tax revenue, similarly to profits derived from exchange, create opportunities, of which war is the prime example, for financial acts which upturn one class in favor of another.\textsuperscript{720} The state is the product of a proto-military organization;
rather, the necessity of financing military force and stabilizing economic transaction brings about the coercive centralization which amounts to the State. Persia for example had foregone the Babylonian tradition of promoting commerce, preferring to find its stability in agriculture, that is to say, in aristocracy.

Persia

The commercial class of the Persian Empire was composed of foreign elements (Babylonians, Phoenicians, Jews), who were not trusted to act for the good of Persia. The Persian rejection of commerce reflects an aristocratic-agrarian fear that the merchant might usurp ascendancy; by derogating commerce it was hoped that the wealth and power of the landowner might be kept ascendant. But this tactic entailed that Persia would not

719 Since poverty is created by wealth, and never knows itself poor until riches stare it in the face, so it required the fabulous fortune of Solomon to mark the beginning of the class war in Israel. Solomon, like Peter and Lenin, tried to move too quickly from an agricultural to an industrial state. Not only did the toil and taxes involved in his enterprises impose great burdens upon his people, but when those undertakings were complete, after 20 years of industry, a proletariat had been created in Jerusalem which, lacking sufficient employment, became a source of political faction and corruption in Palestine, precisely as it was to become in Rome. Slums developed step by step with the rise of private wealth and the increasing luxury of the court. Exploitation and usury became recognized practices among the owners of great estates in the merchants and money lenders who flocked about the Temple. The landlords of Ephraim, said Amos, „sold the righteous for silver and the poor for a pair of shoes.“ Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 314.


721 The growth of military power reinforced the caging of social life. Thus the evolutionary story tends to center on certain economic power relations and on military power in general. These culminate in the emergence of the state, the fourth source of social power. As I have defined it, as centralized, territorialized, permanent, and coercive, the state was not original. It is not found among gatherer-hunters. The state’s component elements are encouraged by social and territorial fixed investment, economic and military. This would complete the evolutionary story, linking together prehistory and history in one sequence of development. From gathering-hunting to the permanent civilized state a continuous series of stages embody greater social and territorial fixity as the “price” of an increase in human powers over nature. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.49.

722 The life of Persia was political and military rather than economic; its wealth was based not on industry and power; it existed precariously as a little governing isle in an immense and unnaturally subject sea. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 359.
be financed from the discountenanced commercial classes, and could not be financed adequately from the priesthood, because of the lack of religious universality.\textsuperscript{723} Trade and credit were minimized; the State promoted barter-exchange, autarchy and self-sufficiency.\textsuperscript{724}

Given such circumstances, recourse was taken to war. Ambivalence devolves upon whether taxes are raised in order to fight a war, or whether a war is waged in order to justify tax collection. In the case of Persia, war often functioned as a way to circumvent the pressure to raise taxes. Persia shared in the oriental theocratic pattern of looting all the wealth, possessing all the land, and enslaving the entire population of a defeated nation; hence it was often the case that a military society such as Persia could greatly profit from waging war. If money was needed to wage a war, war might instead necessitate rather than elude taxation, but the Persian pattern was more the case in ancient history, when it was feasible to enslave a total population.

\textbf{Clerical Inheritance}

A significant bifurcation of theocracy is found in this contrast: in Sumeria the King successfully resisted domination from his priesthood, whereas in Egypt the priestly bureaucracy overwhelmed the Pharaoh. In Sumeria the original unity of Temple and Court split into two, necessitating a clarification of the property rights of Temple and Court. Why did this happen? Or, why were Egypt and Mesopotamia not in reversed positions? If the King was the God, what had been the necessity of distinguishing King (profane) from God (sacred)? Mesopotamia of the 3\textsuperscript{rd} millennium BC separated the treasury of the King from that of God, i.e. distinguished land and treasury of the King from land and treasury of

\textsuperscript{724} Commerce was for the most part abandoned to foreigners-Babylonians, Phoenicians and Jews; the Persians despised trade, and looked upon the marketplace as a breeding ground of lies. The wealthy classes took pride in supplying most of their wants directly from their own fields and shops, not contaminating their fingers with either buying or selling. Payments, loans and interest were at first in the form of goods, especially cattle and grain; coinage came later from Lydia. Darius issued gold and silver stamped with his features, and valued at a gold-to-silver ratio of 13.5 to 1. This was the origin of the bimetallic ratio in modern currencies. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 358.
the Temple. Babylonia developed into a commercial society, whereas Egypt did not. The land sequestered for the King was intended to supply the palace; this suggests that land claimed for the clergy had some use separate from the King’s contemplated expenses. This is difficult to imagine, since whatever was conceivable to the King must have ipso facto heralded a holy purpose; the King should not have been capable of conceiving anything self-serving or profane.\textsuperscript{725}

Perhaps the first priority for the ascendancy of any priestly class is tax immunity. Taxation is the major means by which government can regulate the power of diverse classes and, once the priest is relieved of taxation, there is little a monarch can do to retard the growth of priestly power. Once the priest-king resolves into priest and king, strife develops between the King, who in fact collects the tax, and the priest, who legitimizes the divinity of the king, and legitimizes his right to tax collection, as to who actually predominates. The usual fact, that the priesthood is corporate and government is not, decides in favor of the priest. In most theocracies the priests were a closed class, which none but their children could join. A prohibition of personal inheritance had the effect of strengthening the priesthood vis-à-vis the government. If all priests were collectively wealthy, but were not personal property holders, all wealth extracted by religion remains perpetually the property of the priesthood, because it is not allowed to leak back into the general population by personal expenditure or inheritance. The policy of the priesthood can remain unchanged across generations because the policy is not contingent on the personal economic prospects of an individual. The king’s policy however is regularly interrupted, because government economic policy is contingent on the subjective economic prospects of a mortal king.\textsuperscript{726} Prohibition of priestly inheritance

\textsuperscript{725} Over the millennia, at different times and places, a gradual separation of Temple and Palace came about; and with this began a distinction between the Temple’s wealth and the King’s private court. The city-states of Mesopotamia, early in the 3rd millennium, gradually established separate treasuries. Since land was the primary source of wealth, this meant separating Palace lands from Temple holdings. The Mesopotamian priest-kings slowly secularized extensive portions of communal land that earlier had belonged to the gods and Temple. This land was cultivated to supply food only for the palace. Cf. Webber and Wildavsky; \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 47.

\textsuperscript{726} Cf. Ezra vii, 24.
served to protect priestly prestige from suspicion of personal interest, but the corporate structure of priesthood kept the priest’s interest more stable than that of the monarch.\textsuperscript{727} The priesthoods of Egypt, Babylon, and Judea all eventually acquired more power than their monarchs.\textsuperscript{728}

The question of property was essential to the Babylonian and Egyptian differences in development. Emergence of civilization commonly to both depended on extremely fertile alluvial agriculture. Regarding a second condition Mesopotamia was more typical; since inception Mesopotamian civilization had to manage the conflict between nomadic upland tribes and alluvial settlement, in addition to the hostilities of rival State entities.\textsuperscript{729} Egypt on the contrary was almost naturally a unitary State without external jeopardy; even if a community were rebellious either at the head of the Nile or somewhere in its midst, it had inevitably to submit and be placated because there was neither lateral escape nor appeal to alliance with other societies.\textsuperscript{730}

In consequence the priesthood had been able to absorb and retain all commercial

\textsuperscript{727} Cf. Numbers, xviii, 9.
\textsuperscript{728} The priests were a closed caste, to which none but the descendents of Levi could belong. They could not inherit property, but they were exempt from all taxation, toll, or tribute; they levied a tithe upon the harvests of the flocks, and turned to their own use such offerings to the Temple as were left unused by the God. After the exile, the wealth of the clergy grew with that of the renascent community; and since this sacerdotal wealth was well administered, augmented and preserved, it finally made the priests of the Second Temple, in Jerusalem as in Thebes and Babylon, more powerful than the King. Cf. Durant, Will; \textit{Our Oriental Heritage}, Mjf Books, New York, 1963, p. 313.
\textsuperscript{730} Hence the other cases, with the exception of Andean America, indicate the fruitfulness of the general model. Two aspects of social ecology were decisive in the emergence of civilization, stratification, and the state. First, the ecological niche of alluvial agriculture was its core. But, second, this core also implied regional contrasts, and it was the combination of the relatively bounded, caged core and its interactions with various but overlapping regional networks of social interaction that led to further development. Egypt, once established, was exceptional for it became a quasi-unitary, bounded social system. But the rest became overlapping networks of power relations, generally with a two-level, federal core of small segmental city-state/tribal unities located within a broader civilizational culture. That configuration was present in the various cases, and generally absent in the rest of the globe. Cf. Mann, Michael, \textit{The Sources of Social Power}, Volume I, Cambridge University Press, 1997, p.123.
functions into itself, and, by preempting the development of a commercial class, developed its capacity to engulf the Pharaoh. The pharaoh owned all land. The ancient Egyptian did not pay a tax, because he did not own property. Land prices were not recorded in sales documents, because secondary “ownership” of land primarily ensued in consequence of paying its liturgy. The ancient Hindus of India also dispensed with the concept of land ownership; the individual would, rather, own the rights to the yield of a specific piece of land, and it was this right, rather than ownership of the land itself, that had been conceived as being sold in a land conveyance. Somewhat similarly in Egypt, rather than to define land by ownership, the land was defined a posteriori as a payable liturgy. The occupant occupied land not because he was the owner, but because he paid its liturgy. The individual was obligated to continue the same labor as his father, and paid a liturgy in gratitude for whatever role he was therein compelled to perform.

**Liturgy**

Taxation conceptually depends on property. Egypt, surrounded on all sides by desert, kept the demos absolutely trapped in the area of irrigation. No escape was possible; the fixity of the irrigation system was the absolute condition of life. As the Egyptian society

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731 In slack times prices are not mentioned in documents recording land sales. This sprang from the principle that ownership of land was sanctioned by fulfillment of duties, and therefore could not be considered an object of trade. Land, then, was supposed to change hands only through intra-familial transactions among those working it. But another factor was at work here: the special status of money as a medium of exchange in so far as religious institutions were concerned. The Old Kingdom had no money, and therefore the religiously sanctioned deed forms probably acknowledged the transfer of land only as an exchange for other land or as a bequest. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.125.

732 Ownership of land was inextricably bound up with duties, because each parcel of land had certain charges imposed upon it. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.124

733 This phenomenon reflects the essential characteristic of a liturgy-state: every individual is bound to the function assigned him within the social system, and therefore every individual is in principle unfree. Egypt emerges as a fully developed liturgy-state in the New Empire, but the beginnings of this development were already present in the Old Kingdom. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.109.
developed, there was no possibility of prolonged tax evasion.\textsuperscript{738} The fiscal revenue of Egypt was collected as a liturgy, not a tax; the liturgy was associated with religion rather than with property. A liturgy was a donation to God, not the State. One’s prima facie ownership of land was defined as a duty to make payment (liturgy) on the land; one was not classified as owning land, but as being the one who paid a liturgy on it. This formulation eliminated distinctions of taxes on realty and personalty. The non-agricultural artisan was conceived as paying a liturgy for performance of his role exactly as a peasant paid a liturgy for the use of land. In this regard the liturgy did not make class distinctions; regardless of social level, an individual was obliged to pay a liturgy attached to the role, and in default the subject and all the members of his family were converted into pharaonic slavery. All labor, be it agriculture, commerce, government etc. was conceived as a liturgy, the individual donation to God. The peasant did not own land; rather, he was assigned to land, the harvest of which he owed to God.\textsuperscript{736} The Pharaoh’s army enforced the liturgies. The priests, on the other hand, divided the revenue from land, tributes, and fees amongst themselves and made receipt of this revenue a hereditary right.\textsuperscript{737}

Given the conception that not the farmer, but God, owned the land cultivated, the paganus could not pay a tax from his harvest; it was not his. The whole harvest was yielded, and a fraction on which to support himself was given to the paganus. This convoluted interpretation served to preclude ideas of tax or ownership; the paganus lacked the premise


\textsuperscript{735} Irrigation agriculture was decisive in generating civilization, stratification, and the state in Egypt. No one has ever doubted it. Throughout ancient history the Nile trench supported the highest population density known to the world. Because of the ecological barrier presented by the surrounding deserts, it was also the most trapped. Once irrigation filled up the trench, no evasion was possible: as productivity grew, so too did civilization, stratification, and the state. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.108.

\textsuperscript{736} Two institutional systems were basic to Egyptian society and reached a stage of full development never afterwards equaled: (1) the system of labor services (liturgies), under which each property was assigned a public charge and its owner was bound to his function in fulfilling this charge and to the property itself; (2) bureaucratic administration. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.132.
that one is the original owner of whatever one creates. There could be no authentic taxation because there was no property. This conception of divine ownership was owing to the inability to farm land without dependence on the State. The Nile flooded seasonally and scrambled boundary marks. In view of flooding, agriculture was possible only by means of the collective, i.e. governmental, supervision. The Nile basin was divided into “nomes,” i.e. provinces of the Pharaoh, who administered the irrigation without which there could be no agriculture. Instead of inference from the harvest to the ownership of land, the paganus could infer that he was in debt for the use of land from which he could not have harvested, had there been no government to manage the flooding. Payment to the Pharaoh, or to the gods, followed from the premise that without external help there could have been no cultivation. The Egyptian concept of personal property was extremely weak, but the concept of debt to some entity for the harvest was very strong. Each individual was obligated to take the profession of his father; autonomy being suppressed by the sense of obligation, the sense of personal property in what one did was correspondingly expunged. Artisans were responsible for certain payments, the peasant for land taxes, the craftsmen for licensees and the part of this product. If a man could not fulfill his responsibilities, then he and his family became slaves of the pharaoh and henceforth worked under the direction of the authorities. Yet, despite this distinction between those who could and those who could not meet their responsibilities, all who owed payments to the state were just as dependent as simple workers, all were as controlled and subject to kings as they were, and all were despised. Above them were the King’s retainers, professional soldiers, who now became prominent; retainers of vassals probably had a similar position. As for the temples, we have sure evidence that their lands and also -more important- their income from tributes and fees, were divided among the priests as hereditary benefices. Then the priests -willingly or unwillingly- transferred their lands to manor owners, who subsequently assumed lordship of the Temple coloni as well. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.117.

The national economy was therefore completely directed towards regulation of the great River, and so it was from the first-that is, from the time the regulation began-necessarily shaped by the economic needs of the society. The ancient division of the land into „nomes“ was certainly connected with the organization of irrigation and production, and the same is true of the public grants erected later in the nome capitals, just as the Assyrian institutions of a similar character or instruments of fiscal and price control policy. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.107.

organized in groups under a supervisor, who managed and sold their collective labor. The leader in every agricultural community was liable to punishment if the harvest fell short. From the fourth millennium the peasants of the Lower Nile were formally categorized as the laborers of the Pharaoh, and these bonded laborers were managed by pharaonic agents, i.e. the priests. The quasi-taxes of the peasant were in natural kind. The Egyptian Temple controlled agriculture; the tenant of an estate in the property of the Temple paid 1/3 of his harvest as rent, paid taxes, and had to return more seed than he had been lent for sowing. Israel followed in these customs; all artisans of a specific type were collected in one street; most Israelite artisans also depended for their livings on business with the King or Temple. Artisans still occupied a social position lower than that of the paganus; they existed in vassalage or bondage to the King, and could not have survived otherwise.

In consonance with the lack of a concept of personal property, not the actual farmers, but

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740 The workers were mostly freemen, partly slaves. In every trade as in every caste, as in modern India, sons were expected to follow and take over the occupations of their fathers. The great wars brought in thousands of captives, making possible the large estates and the triumphs of engineering. Ramses III presented 113,000 slaves to the temples during the course of his reign. The free artisans were usually organized for the specific undertaking by a chief workman or overseer, who sold their labor as a group and paid them individually. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 159.

741 Royal peasants were less reduced in status, and their degradation began with a period of monumental building. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.111.

742 The taxes which subjects paid were in kind: grain, cattle, and cloth and other things produced in the household. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.112.

743 The tenant paid all taxes and returned the seed he received for sowing. Temple tenants seem in many cases to have paid one third their harvest as rent. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.130.

744 These craftsmen lived occasionally in a separate district or quarter of a town or in villages according to their profession. In Jerusalem for instance there existed, during the period of the Kings, a Baker Lane, a Fuller’s Field, a Valley of Carpenters, and possibly even an individual quarter for the Goldsmiths. As far as we can see the majority of these professional workers found still their main employment with the help of orders from, in the service of, or even in vassalage and slavery to the King or the Temple of Jerusalem. Cf. Heichelheim, Fritz; An Ancient Economic History, Volume 1, A.W. Sijthoff’s Uitgeversmaatschappij N.V., Leiden 1958, p.262.
royal agents administered the disposition of the harvest. Each individual of any group had an “idia”: a place of birth where he was supposed to be domiciled his whole life. The idia functioned to enroll the individual in the corvée labor assigned to his group; this arrangement entrenched the individual’s preconception that he was unconditionally obligated to an authority. Not only the peasant’s “property,” but the peasant’s own labor, from which property might emerge, did not belong to the individual, but to God. In a non-money economy the necessary soldiery could be composed by presenting military service as a means of paying one’s taxes. This sort of duty was not bartered, as in medieval feudalism; the underling accepted virtually any exertion demanded of him. The individual’s not having an idia was tantamount to evasion of the corvée; in this case the State confiscated his property, and conscripted him and the other members of his family into a more overt form of slavery. Although there was perhaps little difference, the labor class

745 All the peasants of the Lower Nile seem to have had the status of royal laborers. They worked land assigned to them under the direction of royal officials, and their crops were then disposed of according to the pharaoh’s instructions. As early as the fourth millennium there existed an administrative title for an overseer of the peasants. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.111.
747 Despite this aid, the life of the peasant was not one of degenerative ease. His farm was a tiny tract, for even in feudal days 1 mi.² had to support 2000 men. He had to contribute annually to the state 30 days of forced labor, during which death by a spear-thrust might be the penalty of a moment’s idleness. The government took from him, in taxes and levies of many kinds, 6% of his product in the 7th century, 72% in the 12th century, and 40% in the 19th. His tools were of the simplest sort; his clothing was poor and slight in the winter, and usually nothing at all in the summer; his furniture was a rice pot, a few bowls, and some chopsticks; his home was a hut so flimsy that half a week sufficed to build it. Every now and then earthquakes leveled his cottage, or famine emptied his frame. If he worked for another man his wages, like all wages in Tokugawa Japan, were fixed by the government; but this did not prevent them from being cruelly low. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 851.
749 The ancient manpower statistics illustrate both the scale of ancient enterprise and the extent of the ancient kings’ (non-tax) income from corvée. The temples, palaces, Capital Cities, and Pyramids of the ancient world were built at far lower money cost that would have been possible in later eras, because manpower was virtually free. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 69.
was not in the greater part enslaved, but a mixture of slave and free.

Marxists do not tire of pointing out the nonsensicality of terming someone as “free” when, having no alternative means of survival, he “freely” negotiates with a property-holder for employment. Because it is difficult to separate the laborer from the “means of production” when “means of production” signifies the land on which farming is done, slavery and serfdom are far better devices to keep the distinction slave/free unambiguous. Letting oneself be employed for a wage, quite untypical of the ancient world, was accordingly conceived as selling oneself into temporary slavery. The Nile fertility absolved the peasant from full-time labor in cultivation, but in the times of agricultural recess he was conscripted into the corvée labor that constructed the pyramids.

Corvée labor is prevalent in any economy that as yet lacks monetary circulation; it was a universal means by which an individual could discharge a debt or tax obligation. Corvée was not merely supplementary, but also a form of compulsory tax, by which the peasants were obligated to serve in armies, build pyramids, irrigation canals, etc., all in the pretext of

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750 Members of a community were jointly responsible for meeting royal demands, and community leaders were liable to punishment for default. That this was the original order of things is proven by the fact that the law of the Old Kingdom already included the concept of idia [place of origin, in which a commoner was usually obliged to remain], as is indicated by a hieratic papyrus from the 11th dynasty. Idia, which later became of central importance, was based on the principle that every individual must have an official domicile; that is, he must be officially entered on the roles of the community and hence be responsible for helping that community meet its assigned labor duties. He who did not have a domicile therefore had his property confiscated, and he and his family became directly subject to pharaonic authorities. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.112.


752 There may have been a further stage of institutionalized labor compulsion- although it goes against the grain of modern sensibilities to suggest it. This is what we call “free” labor, although “hired labor” is a more appropriate label. Where stratification and private property are most secure and where some group de facto “owns” the means of production and others must work for it in order to subsist, laborers will “voluntarily” approach and work for owners. Hired labor did not predominate in the ancient world. In an agrarian economy it is difficult to exclude the peasant altogether from direct access to the means of production: land. Once in possession, he or she was more often coerced directly through slavery to serfdom to “free” labor. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.152.
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giving what one owed to God. Corvée bondage is most likely to be broken up by artisanal and commercial activity. A fully self-employed artisan would acquire his own raw materials and sell directly to the consumer; this would be advantageous to the artisan, but loosen the totalitarian power of the State; it would invest the artisan class with political participation. The alternative configuration was to be supplied with raw materials by a merchant, to be paid for the product by the merchant, and not to sell directly to the consumer. If raw materials were imported, the artisan would need the services of a merchant, still more so if his product were exported for sale. Inevitably an artisan would be rapidly subordinated if conjunction with a merchant were implemented; the agent at the terminus of a transaction would manipulate the price and profit to the favor of the merchant rather than the producer.

Class Dominance

Nevertheless, the commercial alternative would be more amenable to preservation of Egyptian theocratic hierarchy, by freezing placement in artisanal work. The artisan thus expedited, the problem remained that a free merchant would destabilize hierarchy; the commercial threat was expunged by restricting virtually all commerce and international trade to the priests; there was no merchant class. The merchant class is always likely to induce major change in social structure, and therefore to appear especially perilous.

753 In an economy without money a man could also discharge his tax obligation by providing a ruler with personal service. Ancient kings who accepted such payment in human labor were solving several problems at once. Corvée, the compulsory labor tax of the ancient world, was first of all a visible demonstration of personal loyalty to the King. Corvée provided a dependable method of recruitment: the king always was assured of men to serve as soldiers, to labor in the King’s mines, and to build and maintain dikes and canals for irrigation, temples and monuments to the King and the gods. By providing a steady flow of personnel to the palace, corvée reduced uncertainty for the King and helped to ensure his control. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 44.

754 Later the status of craftsmen differed. There were some who worked for wages, yet had to do labor service when needed, and were given their raw materials. Others, however, were artisans who provided their own raw materials and paid for it with part of their products, a great variety of which are imported. In so far as their raw materials were imported or their products were exported, we can presume that production was directed by a pharaoh or Temple or an aristocrat. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.128.
to a theocratic hierarchy. But commerce is indispensable, and cannot be abolished. The resolution was to assimilate commercial activity into a primitive form of state capitalism; only priests were merchants.

As independent merchants would disrupt Egyptian hierarchy, all international trade was conducted exclusively by the priesthood. Most of the land was in the possession of the priests of the pharaoh, and the priesthood owned and operated the ships in which external trade was conducted.\textsuperscript{755} Priestly ownership of all means in which trade was conducted suppressed the development of an independent commercial interest. Royal possession of foreign trade helped to maintain prescribed class distributions.\textsuperscript{756} The Pharaoh’s commercial control remained absolute from the beginning of Egyptian civilization because without such control the totalitarian power of the Pharaoh could not have persisted.

The progress of commercial interest under severe theocratic control quickly unifies commercial activity into a huge state-run or state-sponsored organization, outside of which there is no commerce whatever. The peasants will hoard, attempt to frustrate tax collection, and pose a springboard for free market activity, which the State will perennially illegalize and suppress. The State will decide on all major commercial transactions, whereas small actors will become indolent.\textsuperscript{757} Domestic commerce in Egypt was severely restrained due to the absence of currency, although starting from the fourth millennium domestic trade was conducted by barter exchange. Property in land was also instituted, although elements of commerce and private property inevitably jeopardized the theocratic class structure.\textsuperscript{758}

Centralized redistribution functioned to make small market activity unnecessary. Egyptian domestic trade was not conducted in money, which had not yet been invented; trade was

\textsuperscript{755} Temple land, no doubt like royal land and all other land, was divided into march land, dry land, plow-land, guard inland, and whole land. The temples had many craftsmen bound to their soil, though less than the King, and engaged in foreign commerce with their own ships. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.120.

\textsuperscript{756} Foreign trade with Arabia, Somalia, and Syria was legally a monopoly of the royal oikos, and it actually had at least the major share. Later this rule passed to the temples, which had their own fleets. For a long time foreign trade was conducted in the guise of an exchange of gifts between rulers. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.127.
conducted by barter. Domestic wholesale trade was disadvantaged, while personal retail trade was encumbered with the need to find and barter equivalent values between items like sandals and barley. Domestic trade was thus minimized. Most laborers were employed by the State or the Temple, and were paid in kind out of storehouses. Tax collection in kind was precarious because the goods collected were perishable; this alone might encourage royal generosity or social welfare, so that the accumulation might be spent before it became worthless. Taxation in kind would promote a credit system, since credit extended and repaid in kind would keep the stores of goods fresh. The frailty of a tax system based upon natural kind rather than money reinforced the Egyptian reliance on high tariffs and customs duties for a large part of the royal revenue. In fine, a separate merchant class was given no opportunity to develop.

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757 When big competitors force out rivals in market regimes, leaving only a few players in the game, everyone else becomes fatalistic, accepting whatever life offers without exerting independent initiative. This combination of individualism and fatalism is state capitalism. Though it allows independent power centers, the state directs all major activities. State capitalism’s appetite for spending and taxing is moderated by the need to convince capitalists to stay in the coalition, and by the inclination to limit coercion of its own citizens; unlike despotism, state capitalism does not seek to control everything. The government budget is large but not so large as in a totalitarian regime, because there is no effort to mobilize the entire society. Thus, as in Nazi Germany in the early 1930s, taxes are moderate, but state spending is large. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 27.

758 Foreign trade was entirely in the Pharaoh’s hands as far back as our sources reach, and indeed the Pharaoh’s position depended in part on this. As for domestic trade, money evidently did not exist in early times. Nevertheless as early as the fourth millennium there was trade, including trade inland, and it is fairly sure that property ownership was inheritable and, under certain conditions, transferable even before the unification of Upper and Lower Egypt. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.105.

759 Private domestic trade was mainly in food and consumer goods such as fish, fruit, vegetables, sandals, and simple jewelry—all depicted in our documents as typical market wares. Barter was the basis of trade until, under the New Empire, round copper wires of definite weights were introduced. They were generally used as measures of value for goods which were actually being bartered, but occasionally one of the parties in a deal would settle a balance in them. Workers were paid with what were essentially tokens, entitling the bearer to provisions from a royal or aristocratic storehouse. In foreign trade precious metal rings were used, as in Babylonia. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.128.

There were no rogue social classes such as not to be directly dependent on the priesthood.\textsuperscript{764} Tax regimes vary with political structure because any political structure constitutes favoritism for one social group instead of others, and will therefore devise a tax scheme beneficial to the social group that government represents. Egalitarianism inevitably reintroduces hierarchical elements. The forward policy of egalitarianism must be to accept at least some of the dissenting groups into its regime, for tolerance is essential to the egalitarian idea.

However, the pure egalitarian scheme allows one group, acting in the freedom vouchsafed by its equality, to dominate other groups; social equality is built upon natural inequalities. Therefore there is pressure in a sectarian regime to introduce some hierarchical structures to preempt an unlimited domination of society by one group. The incessant and interminable struggle to prevent likely groups from seizure of social dominance necessitates some hierarchical devices to prevent the actions of a group, though acting in the parameters of equality, from preparing manifest substantial inequality.

Conversely, hierarchical societies regularly adopt devices of egalitarianism to forefend

\textsuperscript{761} Coinage had not yet developed; payments, even of the highest salaries, were made in goods—corn, bread, yeast, beer, etc. Taxes were collected in kind, and the Pharaoh’s treasures were not a mint of money, but store houses of a thousand products from the fields and shops. After the influx of precious metals that followed the conquests of Thutmose III, merchants began to pay for goods with rings or ingots of gold, measured by weight at every transaction; but no coins of definite value guaranteed by the state arose to facilitate exchange. Credit, however, was highly developed; written transfers frequently took the place of barter or payment. Scribes were busy everywhere accelerating business with legal documents of exchange, accounting and finance. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 160.

\textsuperscript{762} Trade was comparatively primitive; most of it was by barter in village bazaars. Foreign commerce grew slowly, restricted severely by the most up-to-date tariff walls; the various kingdoms of the Near East believed strongly in the protective principle, for customs dues were a mainstay of their royal treasuries. Nevertheless Egypt grew rich by importing raw materials and exporting finished products. [Herodotus, volume 2, 124] Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 160.


the emergence of egalitarianism; the noblesse de la robe and similar phenomena of English history exemplify how hierarchical societies might compromise their principles to co-opt the most dangerous disputants. Hierarchies, excluding the differentials of natural talent, generate resentment, and must loosen the rules of admittance. Capitalistic markets are the supreme threat to hierarchy; social revolutions (Imperial Rome, ancien régime France, etc. are social revolutions in which a middle class has been able to acquire wealth from capital markets greater than the wealth of the landed aristocracy) result from the infiltration and overwhelming of landed wealth by commercial wealth. It is in the interest of a social hierarchy to repress market development.

The aristocrat adheres to the idea that the part should be subordinated to the whole, the individual should exist in service to the state, the private should be discounted in favor of the public, usually on the premise that personal sacrifice to the State is the only salvation of the State. On the contrary, an egalitarian scheme takes over the apparatus of hierarchy—the State—in order to use it for the opposite purpose: to create substantial equality through redistribution and to minimize the state so as to attenuate its oppressive influence on the individual.  

Tax collection and expenditure perpetuate the dominant class by depriving the disfavored class from accumulating the collective capital ingredient in any large mutation of class structure. This is perhaps obscure in the case in which all wealth is ownerless, being

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765 Hierarchies and sects in combination make for modern social democracy. The sects give up some hostility to authority in order to gain greater equality. Hierarchies give up some inequality in order to strengthen consensus. Though markets may still exist in a subordinate position, the desire of sectarian regimes to redistribute income through the state, and the belief of a hierarchical regime that the parts should be sacrificed for the whole, combine to increase the collective role of government. Hence the public sector grows faster than the private sector; high rates of taxation are accompanied by even higher levels of social spending. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 26.

766 The patterns of taxing, spending and borrowing in each time and place will be explained by analyzing political regimes. Whatever else may and does change, the societal cultures in the political regimes that express them are limited in number and powerful in the consequences for budgeting. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 20.
entirely incorporated in gradations of government bureaucracy. The primitive collectivity of the labor class formed mainly from the imperative for government to regulate the Nile agriculture; irrigation, and the seasonal destruction of the irrigation system by flooding, ruled out private management. Since the seasonal struggle against the destruction of nature was paramount, Egyptian wealth materialized as a corporate bureaucracy rather than as the dispersed fortunes of aristocratic families independent of bureaucracy; there was no organization separate from the Pharaoh where wealth could accumulate.\textsuperscript{767} Private property and heritability in land, and any form of freedom of contract, inevitably engender market competition. The absorption of commerce into the priesthood however deterred the class dislocations that would result from a free market; commerce was permissible, but only to the class responsible for maintaining hieratic stability.

When a king (pharaoh) gained control he first of all appointed family and kinsmen to the highest offices. This should have assured obedience. It was essential that such an appointee actually benefit from the appointment, or the agent, relative or not, would not have any reason to keep faith. The King could best assure himself of fidelity if he appointed people whose interests were naturally as closely as possible aligned to his own, so that the individual would benefit himself whenever he benefited the king. Obviously the humans most likely to be trusted were the closest (family) members; this was rationalized as the consanguinity of divine blood.\textsuperscript{768} The same principle applied to the nobility; a king could not hold his power unless the wealth ensuing from the Pharaoh’s structure also spread, from the same structure, to the agents who were supposed to stand in for his interests.

A partial explanation for tax exemption for priests and nobles is that in a primitive society

\textsuperscript{767} In the Old Kingdom social institutions were shaped by three factors: (1) the absence of any serious military threat and also the absence of possibilities for expansion; (2) the necessity, arising from geography and climate, to develop a somewhat sophisticated bureaucratic administration and to mobilize the population for large-scale work on the irrigation system; (3) the consequent dominance of society’s economic interests and of court officialdom, and also, evidently connected with this, the absence of important families with their own names and internal pride, such as would have constituted a force for individualism. The individual was above all a servant of the state. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.106.
all things are paid for in kind, not money; where there is no money and no commerce, the only group that has material goods that can be used as pay are the farmers. Money is ultimately food; priests did not cultivate food. Without doubt tax exemption was a component of class prestige. Practically seen, so long as priests did not do farming they would not have the medium for making payments. The fact that the priests were plainly an unproductive class posed a political problem; if they did not produce wealth, how could they keep entitlement and authority? This was also solved by centralized redistribution. All agricultural yield was requisitioned immediately, and placed at the priests’ disposal; the pagani were then presented as merely the receivers, from the priests, of what the pagani had cultivated. It should have been a positive harm to the State, not merely that a tax-exempt class should thereby grow to overpower the government, but also that the removal of so much of the tax base should increase the burden of the remainder of the tax base. On the other hand, the king (pharaoh) could not rule without assistance; assistants would not

768 After priests, the earliest government officials were the King’s close relatives. Religious doctrine dictated the ruler’s choice of assistants in the theocratic government of predynastic Egypt. Because the Pharaoh was believed to embody the divine spirit, only his sons were allowed direct contact with him. Egyptian princes, therefore, acted as intermediaries between the King and the Palace attendants, who communicated royal commands to the people. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 53.

769 With priests and nobles exempt, the burden of supporting the King fell upon the rest of the population. Cf. Webber and Wildavsky; A History of Taxation and Expenditure in the Western World, Simon and Schuster, New York, 1986, p. 75.

770 Only one human power in Egypt had excelled that of Ramses II, and that was the clergy: here, as everywhere in history, the endless struggle between church and state. Throughout his reign and those of his immediate successors, the spoils of every war, and the lion’s share of taxes from the conquered provinces, went to the temples and the priests. These reached the zenith of their wealth under Ramses III. They possessed at that time 107,000 slaves- 1/30th of the population of Egypt; they held 750,000 acres- 1/7th of all the arable land; they owned 500,000 head of cattle; they received the revenues from 169 towns in Egypt and Syria; and all this property was exempt from taxation. The generous or timorous Ramses III showered unparalleled gifts upon the priests of Amon, including 32,000 kg of gold and 1,000,000 kg of silver. Every year he gave them 185,000 sacks of corn. When the time came to pay the workmen employed by the state he found his treasury empty. More and more people starved in order that the gods might eat. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 214.
cooperate if they did not benefit. If the bureaucratic class was not generously rewarded, embezzlement would rise so high that the leader would lose his ascendancy.\textsuperscript{771} 80\% of the spoils of war were dedicated to the gods, i.e. were given to the priesthood. The tithe on the harvest was delivered to the priests, who kept it in royal storehouses, which tightened the dependency of the peasantry on the king; the dependency was emphasized in that 1) in times of dearth the pagani had to receive food from the priests for subsistence and 2) in time of sowing the pagani needed seed from the pharaoh’s storehouse.\textsuperscript{772}

**Literacy**

The Pharaoh contributed more of his wealth to the priesthood than he did to the taxpayers. Prima facie this ought to signify the exigency of propitiating the priests first because there was better reason to fear the priest-class; conversely, there must be some reason why the Pharaoh did not need to fear the pagani, although they were far more numerous. Possibly the symbolic relation explains why fear of a tiny group would be much larger than that of a much larger, deprived group.\textsuperscript{773} Obviously the pagani had much more physical power to overturn a State, but the preponderance of physical power was negligible because without symbolic unity the potential of the peasants was real, but unusable.\textsuperscript{774} The priestly control of symbolic power, which enabled the cohesion of the society, was critical. If the Pharaoh

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\textsuperscript{771} Trustworthiness was the main criterion for choosing financial officials. In the Mesopotamian kingdom of Ur, for example the King first wrested control from the Temple priests by appointing his own kinsmen to the priesthood. After priests and relatives, whom else could the King trust but the men from his own class? So officials of early civil bureaucracies were noblemen in the Palace’s inner circle. Cf. Webber and Wildavsky; *A History of Taxation and Expenditure in the Western World*, Simon and Schuster, New York, 1986, p. 53.

\textsuperscript{772} Three quarters to 4/5 of war booty was given to the gods. Grain due the pharaoh as a tithe or as the harvest from land worked on labor service was delivered to royal storehouses, threshed and stored in royal barns, made into bread, and issued to royal workers. In short the oikos was self-sufficient. In times of bad harvest the royal storehouses issued grain and seed to workers and peasants, as was done in Mesopotamia and is done today in Russia. Cf. Weber, Max; *The Agrarian Sociology of Ancient Civilizations*, Verso, London, 1988, p.121.


lost the trust of the commoners, the dispersal of the pagani would not allow concerted social
structure to emerge. If the priests had the power to invert the symbolic structures which
accounted for the commoner’s trust in his society, it would be the priests who were to be
feared, because the priest could, but the paganus could not, nullify the social confidence.

This sort of pattern partially explains why upper classes of a society are privileged; only
they pose a real threat of social revolution. It is not the amount of manpower per se, but the
degree of symbolic unity which makes a group effective. Even if each member of a number
of people distributively harbors the same opinion, that aggregate of people is not effective
until they aggregately share what is in effect the same opinion. Compelling opinions
however must build upon a shared cultural background, or, if an opinion were coherently
built upon an alien cultural background, it would nevertheless have no force. Only the
priests would be sufficiently articulate to embed an idea in a cultural background which the
pagani embody; the pagani could not have done this themselves.

The circumstance that Egypt constituted a first transition into civilization explains why
the priesthood came to supremacy. The priesthods preceded theocracies; priests were
the only receptacles of knowledge, and it was presumed that magical power was invested
in such knowledge. A priestly class deliberately formed a secret knowledge in which it
was lethally forbidden for individuals of any other class to participate; awe was essential to
maintain religious authority. The ability to write constituted what was distinct about the

776 The Code of Manu warns the King never to tax a Brahman, even when all other sources of
revenue have failed; for a Brahman provoked to anger could instantly destroy the King and all his
army by reciting curses and mystical texts. Cf. Durant, Will; Our Oriental Heritage, MJF Books,
777 The power of the Brahmans was placed upon a monopoly of knowledge. They were the
custodians and remakers of tradition, the educators of children, composers or editors of literature,
the experts first in the inspired and infallible Vedas. If a Sábra listened to the reading of the
Scriptures his ears (according to the Brahanical law books) were to be filled with molten lead; if
he recited it his tongue was to be split; if he committed it to memory he was to be cut in two; such
were the threats, seldom enforced, with which priests guarded their wisdom. Brahmanism thus
became an exclusive cult, carefully hedged around against all vulgar participation. Cf. Durant, Will;
The priests could predict and remember while the illiterate remainder could not, so that this ability lent the priests authority in the eyes of the pagani. Distrust stimulates recourse to evidence and proof; only the priests could assert accurate memory. In predynastic Egypt the priests were not a coherent power. As Upper and Lower Egypt unified, the previous hereditary aristocracy of the nomes (provinces) was replaced by the priestly class, which could uniquely keep written records of everything. The aristocracy was replaced by a State bureaucracy, i.e. the priesthood, during the Middle Kingdom, as written records kept by priests became everywhere essential.

Literacy is usually taken to be a sign or a symptom of civilization, without implication that it was a cardinal force. Literacy on the contrary was the origin of a State centrally regulating ownership, rights, and duties of a demos. Literacy made the centralized organization possible, by which the dominant social groups were able to extract power and benefit as they had not been able in prehistory. The “scribes” were priests; they managed all of the commercial records of assets, sales, and purchases; they presided over

779 The entire bureaucratic system, royal as well as Temple, was run by scribes, most of them serfs. It was not, as before, in the hands of the old hereditary nomarch aristocracy. The priestly class increased in number, importance, and exclusiveness. In the Old Kingdom the priesthood had only begun to be a separate profession, and in the Middle Kingdom it had become mainly hereditary. In the New Empire the priests were divided into tribes, and membership in the priestly estate (rather than office) was inherited by sons if they were fit. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.119.
782 Thus, when civilization appeared, its most obvious sign, literacy, was primarily used to regularize the intersection of private property and state, that is, of a defined territorial area with a center. Literacy denoted ownership rights and collective rights and duties under a small territorial, centralized, and coercive political authority. The state, its organization centered and territorial, became permanently useful to social life and to dominant groups, in a way that departed from the patterns of prehistory. Possession of the state became an exploitable power resource, as it had not been hitherto. Cf. Mann, Michael, The Sources of Social Power, Volume I, Cambridge University Press, 1997, p.125.
contracts and wills.\textsuperscript{783} Taxation and commerce may have been the first occasions of written language.\textsuperscript{784} There was no alternative means of memory, and since only priests (scribes) were literate, it was natural that they, handling all financial transactions, should virtually become the “aristocracy”.\textsuperscript{785} The Egyptian scribes seem to have anticipated the conception of the tax-farmers, in that they measured yields, controlled revenues, and made financial advances to the State based upon prediction of the tax revenue.\textsuperscript{786}

\textbf{Aristocracy and Priesthood}

Whenever a social class greatly expands, the implicit trust within the group deteriorates. Originally the pharaoh was the head-priest, or rather, god, and the entire priesthood was his supportive bureaucracy; nevertheless the sovereign had to worry whether “his” priesthood might submerge the personal power for which he depended on them. The Pharaoh faced a dilemma. The proliferation of bureaucratic posts made impossible the in-palace training of bureaucrats. Bureaucrats in office trained their children at home, and changed the bureaucratic employment into a hereditary institution. Bureaucratic employment then might be kept stable, but at the cost of a bureaucracy that became independent of the interests of the pharaoh. With the alteration into a hereditary institution the pharaoh lost the affinity and loyalty of his agents.\textsuperscript{787}

The Mesopotamian theocracies, which established a distinction between palace and

\textsuperscript{783} The Egyptian scribe keeps records of work done and goods paid, of prices and costs, of profit and loss; he counts the cattle as they move to the slaughter, or corn as it is measured out in bales; he draws up contracts and wills, and makes it his master’s income tax. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 161.


\textsuperscript{785} Cf. Schneider, Hermann: \textit{History of World Civilization}, New York, 1931, p.86.

\textsuperscript{786} With these scribes as a clerical bureaucracy, the Pharaoh and the provincial nobles maintained law and order in the state. Ancient slabs show such clerks taking the census, examining income tax returns. Through measurement of the rise of the river, the scribe-officials forecast the size of the harvests, and estimated the government’s future revenue; they allotted appropriations in advance to government departments, supervised industry and trade, and in some measure achieved a planned economy regulated by the State. Cf. Durant, Will; \textit{Our Oriental Heritage}, MJF Books, New York, 1963, p. 161.
temple, king and priest, did not undergo a palace revolution by the priesthood. The Egyptian Pharaoh, conceived as the god, was eventually subverted by the God’s priesthood, not the aristocracy.\textsuperscript{788} The Mesopotamian regimes inevitably contained minorities, neighboring nations, and potential conflict between nobility and priesthood; the pluralist composition forced Mesopotamia to liberate market forces somewhat from governmental control, and consequently diminished the role of taxation and redistribution by comparison with Egypt. If a society is composed of different ethnic groups, it will tend to evolve towards equal distribution, even though their economy would produce greater wealth in a competitive arrangement. The degree of actual equal distribution varies according to the internal strife that it should placate. The partially sectarian nature of Mesopotamia gave the market prevalent strength over the hierarchical structure. Egypt, given the absence of neighbors, could maintain taxation and hierarchy to a maximum, to the almost total suppression of commerce. One might hypothesize that taxation is unavoidably prejudiced to one class or another, and the class in behalf of which it is prejudiced cannot be defined as the “wealthy” without circularity. In the present context one might inquire why in Egyptian theocracy taxation went entirely to the favor of the priesthood, whereas in the Mesopotamian theocracies the benefit of taxation split between two groups, the aristocracy and the priesthood.

Akhenaton as an instance of egalitarianism seems oxymoronic. A reactive formation in

\textsuperscript{787} With passage of time, recruitment and training methods changed. More and more officials and scribes were needed as the bureaucracy became established in Egypt. Soon trainees exceeded the Palace school’s capacity. Noblemen administrating outlying provinces took on themselves the acculturation and training functions. Instead of sending their sons to court, provincial officials kept them at home to learn how to manage the local administration. Claims on the jobs became hereditary as offices passed repeatedly from father to son, eventually attenuating loyalty to the central government. Within each district, as the various hierarchies had to adjudicate their differences, relationships among the masters of the despotic regime became more complex. Cf. Webber and Wildavsky: \textit{A History of Taxation and Expenditure in the Western World}, Simon and Schuster, New York, 1986, p. 54.

\textsuperscript{788} Every attempt of the pharaohs to free themselves from the power of the priests was thwarted, because the counterweight of independent secular feudal families had now nearly entirely vanished. Cf. Weber, Max; \textit{The Agrarian Sociology of Ancient Civilizations}, Verso, London, 1988, p.120.
which class order is sacrificed for the sake of greater acquisition normally associates with lower-level egalitarian insurgence; how could Akhenaton, the highest ranking member of society, the god, be conceived as rebelling against a social order that caters to him? There is a restricted form of egalitarianism even in hierarchical society, namely the consent of all members well-placed in the social order to confine themselves to their given status rather than to advance themselves at the expense of the others in the same pecking-order. A group may advocate “equality” amidst all members of its group, antagonistically denying the privileges of equality to all individuals not members of the group. For as long as this is sustained the collective power of the wealthier classes will be able to maintain status quo. In the instance of egalitarian insurgence, it is this equality which the insurgents discountenance; they break rank within their class order and seek self-advancement in despite of the conventional order, and propound their right under the aegis of egalitarianism, in place of the previous hierarchical aegis: benefit of the community as a whole.

The hieratic order had evolved to benefit the priesthood through the pretext of the highest priest, the Pharaoh. An egalitarian insurgence intends to advance people who are hectored and oppressed by authoritarian structures, in this case, paradoxically, the oppressed people being the enserfed, enslaved masses and the frontispiece of the religious order, the pharaoh himself. The cohesion of egalitarian insurgence depends on the followers’ distrust of the leaders. Akhenaton could lead because of his charisma as the incarnate god, representing the priesthood, but used this charisma against the priesthood. This was highly precarious; the acolyte seeking shelter from the conventional oppression must not fear authoritarian oppression from within the shelter he is entering. Since Akhenaton had charisma from the religious order he was trying to upturn, the charisma was not sufficiently trustworthy to achieve change. Hierarchical societies distribute tax burdens expressly to eternalize the class divisions, which are equated with the only possible foundation of social order; high taxation of lower classes is necessary for the collective good of the state. A stability founded upon “the greater good” presupposes that there is no internal breakage of equality within the dominant class, as here instanced between the pharaoh and the priesthood. A group remains coherent for as long as there is a daunting external enemy; the group disaggregates into opposing
groups when there is no common threat.

Fiscal administration invariably intends the preservation of the regime in which it is ensconced; the final focus taken by tax expenditure is almost always utterly remote from anything in the imagination of the ordinary taxpayers because the ordinary taxpayer is never, as such, the imminent threat to the régime. Taxation first and foremost must support the interests of the cardinal groups that support government. The High Priest of Amon usurped the last Ramessid pharaoh and ruled in his place. The priests generated superstitions and omens of every sort to justify and disguise their embezzlement; the debilitation ensuing from the spoliation by the priestly class exposed Egypt to invasion and conquest by the Assyrians. The abortive attempt of the Egyptian Pharaoh Akhenaton to introduce monotheism might be interpreted as an effort to eliminate the supremacy of his priestly bureaucracy. Although aristocratic landlord families that might plausibly have supported Akhenaton existed, they had been absorbed into a service nobility, and had received too much interest in the pharaonic fiscal system to be substantial opponents of the priesthood.  

789 Under such a policy it was only a matter of time before the Kings would become the servants of the priests. In the reign of the last Ramessid King the High Priest of Amon usurped the throne and ruled as openly supreme; the Empire became a stagnant theocracy in which architecture and superstition flourished, and every other element in the national life decayed. Omens were manipulated to give a divine sanction to every decision of the clergy. The most vital forces of Egypt were sucked dry by the thirst of the gods at the very time when foreign invaders were preparing to sweep down upon all this concentrated wealth. Cf. Durant, Will; Our Oriental Heritage, MJF Books, New York, 1963, p. 214.


791 There were of course rich families which possessed landed estates, but they owed their position to their role as part of a service nobility. This group was recruited more and more by promotion from lower classes as the position of the pharaohs grew stronger. Cf. Weber, Max; The Agrarian Sociology of Ancient Civilizations, Verso, London, 1988, p.106.
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